



Sundance Resources Ltd
“and it’s controlled entities”

ABN 19 055719394

**Financial Report for the Half-Year to
31 December 2006**

This document should be read in conjunction with the annual report of
Sundance Resources Ltd for the year ended 30 June 2006



**SUNDANCE RESOURCES LTD
CORPORATE DIRECTORY**

DIRECTORS:	George Jones (Non Executive Chairman) Donald Lewis (Managing Director) John Corr John Saunders Alec Pismiris
COMPANY SECRETARY:	Alec Pismiris
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HEAD OFFICE:	Level 34 Exchange Plaza 2 The Esplanade Perth WA 6000 Tel: +61 (8) 9220 2300 Fax: +61 (8) 9220 2311 Email: info@sundanceresources.com.au Internet: http://www.sundanceresources.com.au/
AUDITORS:	Bentleys MRI Perth Partnership Level 1 10 Kings Park Rd West Perth WA 6005 GPO Box 570 West Perth WA 6872 Tel: +61 (8) 9480 2000 Fax: +61 (8) 9322 7787
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace Perth, Western Australia 6000 GPO Box D182 Perth, Western Australia 6840 Tel: +61 1300 557 010 Fax: +61 (8) 9323 2033



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Your directors present their report, together with the consolidated financial report for the half-year ended 31 December 2006 ("Balance Date") and the auditors review report thereon.

DIRECTORS

The names of the directors of the company in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name of Director	Period of Directorship
George Francis Jones (Non Executive Chairman)	Appointed 13 November 2006
Donald Patrick Lewis (Managing Director)	Appointed 13 November 2006
John Francis Corr	Director since February 2005
John Richard Saunders	Appointed 13 November 2006
Alec Christopher Pismiris	Appointed 5 July 2006
Stephen Dobson	Resigned 13 November 2006

REVIEW AND RESULTS OF OPERATIONS

The principal activities of the Company during the half-year comprised:

- Commencement of a pre-feasibility study on the development of the Mbalam Iron Ore Project ("Project") located in the Republic of Cameroon in central west Africa;
- Completion of a detailed airborne magnetic and radiometric survey over Exploration Permit No. 92;
- Completion of a Scoping Study on the Mbalam Project including preliminary engineering studies on proposed infrastructure requirements including (i) mine crushing and screening plant; (ii) mine stockyard and train loading facilities; (iii) railway from the mine to the port; (iv) port facilities including train unloading, stockpiles and ship loading facilities; and (v) infrastructure facilities;
- Definition of the 2007 exploration program including an expanded 20,000 metre drilling program;
- Engagement of Wallis Drilling Pty Ltd to supply and operate one diamond and one RC drilling rig for the 2007 exploration program;
- Commencement of construction of an 84km section of road to gain site access to the initial target Mbarga prospect;
- Procurement and shipment of the first phase of equipment and exploration camp facilities in support of the 2007 exploration program;



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

- Review of the Company's South American projects to assess options for sale or relinquishment of these exploration assets;
- A share placement of \$30 million to international and Australian institutional investors;
- Investment of cash assets in interest bearing bank accounts; and
- General administration of the Company.

The group's net consolidated loss for the half-year was \$6,528,975 (2005: \$937,267) representing a significant increase compared to the previous period. The consolidated loss for the half-year includes the write-down of the Company's South American projects (Chacarilla Copper in Bolivia and Mantos Grandes in Chile) totalling \$4,904,410. Operating costs over the half-year increased to \$1,728,024 (2005: \$982,515); the increase for the half-year being associated with the commencement of the pre-feasibility study on the Mbalam Iron Ore Project, costs associated with the administration of the company and additional compliance costs incurred during the period.

CAMEROON - MBALAM IRON ORE PROJECT

Sundance subsidiary Cam Iron SA ("Cam"), a company incorporated in the Republic of Cameroon, owns Exploration Permit No. 92. The permit covers an area of 875 square kilometres over the Mbalam Iron Ore Province ("Mbalam") in Cameroon. Mbalam is located about 300 km's southeast of the capital city of Yaounde.

During the period, the Company agreed to convert an existing 5 percent interest held by local investors in the Exploration Permit to a 10 percent interest in Cam, part of which will be held in trust for the local Mbalam community and the balance held by local management and investors. This structure will benefit future project financing.

Geological Background

Significant iron ore mineralisation is known to exist within Exploration Permit No. 92 with previous work by the United Nations Development Fund ("UNDF") identifying iron ore occurrences, which although poorly explored, hold considerable potential to host significant iron ore mineralisation.

The iron ore prospects identified by the UNDF are typical supergene hematite enrichments from an Archaean banded iron formation protore which has been recrystallised to ferruginous quartzite or itabirite. In this manner, they occur in a similar geological setting to large iron ore deposits mined in the past in Liberia and currently being evaluated in Guinea and in Gabon, immediately south of Cameroon.

Exploration conducted by the UNDF and the Canadian International Development Agency between 1976 to 1984, and evaluated by the Bureau de Recherche Geologique et Minieres BRGM (France) and Paterson Grant Watson Ltd, Consulting Geophysicists (Canada), estimated the project area to contain over 800 million tonnes of iron mineralisation including 218 million tonnes +60% Fe.

The main deposit identified from the exploration work undertaken by the UNDF was the Mbarga prospect. This contains hematite mineralisation extending over 2,000 metres along strike at widths of up to 600 metres.

A second hematite deposit, known as the Metzimevin prospect, was explored by the UNDF with six diamond drill holes. Intersections of 63.9 metres at 65.7% Fe and 36.9 metres at 64.6% Fe were recorded in two of these drill holes.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

The Mbalam permit area has been under-explored and requires a modern, well-funded exploration program to define a sufficient resource base to support the scale of operation assumed in the scoping study completed by Promet. Preparations for the commencement of this exploration program were initiated during the period as part of the Company's Pre-Feasibility Study of the Mbalam Iron Ore Project. Key activities are summarised below:

Aeromagnetic Survey

A detailed airborne magnetic and radiometric survey of Exploration Permit No. 92 was flown in July 2006 by New Resolution Geophysics ("NRG"). The aim of the survey was to improve the definition of the known prospects defined from the UNDF exploration work and to assist in delineating additional exploration targets both at surface and at depth.

Analysis of the detailed Total Magnetic Intensity (TMI) data was completed and reported by Diamond Geophysics Consulting in October 2006. This indicated the presence of a series of high amplitude magnetic anomalies (6,000 - 15,000nT) consistent with those previously interpreted from the UNDF work as highly prospective iron formation units.

The analysis identified 36.5 km of prospective iron formation within the Permit area of which only 2.7km had been investigated in the exploration work undertaken by the UNDF.

A number of priority exploration targets were proposed by Diamond Geophysics Consulting on the basis of these strong magnetic anomalies, the relation to the existing (interpreted) iron formations, the presence of possible localized iron depletion leading to iron enrichment (hematite) and zones of elevated topography. In total, 26 target anomalies were identified.

A preliminary analysis of radiometric data has also been undertaken. Uranium anomalies of greater than 1.5 ppm are known in the northeast of EP 92 in an area of flat lying Proterozoic metasedimentary rocks unconformably overlying Archean basement and in the southwest near granitic rocks. At this stage their significance is not known.

Drilling Program

On the basis of the very promising results of the aeromagnetic survey completed during the period the Company took the decision to expand the 2007 drilling program by adding a second rig to the program as previously envisaged.

Sundance subsequently entered an alliance agreement with Perth-based drilling contractor, Wallis Drilling Pty Ltd ("Wallis"), for the provision of drilling services at Mbalam.

The scope of the agreement provides for up to 20,000 metres of Reverse Circulation (RC) and diamond drilling. Wallis will initially mobilise two drill rigs, however it is envisaged that additional rigs will be mobilised to site in late 2007 to support proposed drilling requirements for the 2008 Bankable Feasibility Study.

Drilling is currently scheduled to commence in May 2007 with first assay results anticipated in June 2007. Orders for long lead procurement items were placed in the period with drilling support equipment and consumables shipped in February 2007. A site laboratory was ordered during the period with delivery to Cameroon scheduled for March 2007.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

Site Accommodation, Drilling Support Facilities and Logistics

A 15 person camp was purchased and shipped ex South Africa during the period ending December 2006. This camp was designed to accommodate the drilling crew required for commencement of drilling. The camp arrived in Cameroon in February 2007 and cleared customs in March 2007.

The decision to add a second rig to the 2007 drilling program has required purchase of additional camp facilities. An order has recently been placed for expansion of the exploration camp to a 32 person facility. This camp will be manufactured in March 2007 and shipped to Cameroon in May 2007.

Other facilities and logistics support services required for the drilling program have been scoped with orders to be placed subsequent to year end. These include medical support; communications, mapping; survey; fuel and camp management services.

Access to Site

A contract was executed with Damico SARL in November 2006 for construction of access to allow transport of drilling equipment, accommodation facilities and support services to site.

The contract comprises construction of a 74km section of access from the Lele River to Mbalam, inclusive of clearing, culverts and bridges. This work forms part of a larger 3 year program of road construction works being undertaken by the Roads Ministry of the Government of Cameroon. The Company has funded advance works under this program to allow for access to site adequate for mobilisation. An additional 10km of access is required to be constructed from Mbalam through to the Company's initial drilling target site at Mbarga. This will be funded separately to the works being undertaken by the Roads Ministry.

Approximately 21 kilometres of the access road had been cleared as at end December 2006. Works are currently on target to allow for commencement of mobilisation to site in April 2007.

The Company has also purchased and shipped a second-hand D7 dozer to Cameroon during the period. This dozer will be used to prepare pads at nominated drill locations and to establish access to regional exploration targets.

BOLIVIA – CHACARILLA COPPER PROJECT

The Chacarilla Copper Project covers a large area which hosted profitable mining operations more than 30 years ago. The project has been on care and maintenance since 1999. During the half year, Sundance engaged a consultant with project evaluation and management capabilities to evaluate the Chacarilla Copper Project and provide local representation.

CHILE – MANTOS GRANDES PROJECT

During the half year, Sundance engaged a consultant with project evaluation and management capabilities to evaluate the Mantos Grandes Project and provide local representation in Chile. The Company is assessing possible divestment of the project assets in order to focus on the Mbalam Iron Ore Project.

CORPORATE

In November 2006 the Company announced a number of key Board and executive appointments. The Board was restructured with the appointment of prominent Australian mining executive Mr George Jones as Non-Executive Chairman, highly-regarded engineer and resources project developer, Mr Don Lewis, as Managing Director/Chief Executive Officer and leading international infrastructure development expert, Dr John Saunders, as a non-executive Director.



SUNDANCE RESOURCES LTD DIRECTORS' REPORT

In November 2006 the Company announced its intention to raise \$20 million by a placement of ordinary shares to sophisticated investors. Due to high levels of demand from leading international and Australian institutional investors, the Board decided to increase the share placement to \$30 million. The share placement comprised the issue of 375 million shares at a price of 8 cents per share made in two tranches. The first tranche, comprising 152.25 million shares, was placed within the limits set out in the ASX Listing Rules under the Company's 15% placement capacity. Placement of the second tranche of 222.75 million shares required shareholder approval at a general meeting held on 8 January 2007.

SIGNIFICANT CHANGES AND REVIEW OF OPERATIONS

The following significant changes in the state of affairs of the Company occurred during the financial half-year:

On 3 July 2006, the Company issued 40,000,000 free options expiring on 30 June 2008 exercisable at 3 cents each. The issue of these options was approved at the General Meeting of shareholders of the Company held on 19 May 2006.

On 1 August 2006, the Company allotted and issued 1,500,000 fully paid ordinary shares in the Company for 2 cents per share, pursuant to the exercise of 1,500,000 options expiring on 29 November 2006.

On 30 November 2006, the Company allotted and issued 5,833,333 fully paid ordinary shares in the Company for 2 cents per share, pursuant to the exercise of 5,833,333 options expiring on 29 November 2006.

On 30 November 2006, the Company allotted and issued 155,187,500 fully paid ordinary shares in the Company for 8 cents per share pursuant to a share placement to sophisticated investors.

EVENTS SUBSEQUENT TO BALANCE DATE

On 11 January 2007, the Company allotted and issued 53,057,500 fully paid ordinary shares in the Company for 8 cents per share.

On 19 January 2007, the Company allotted and issued 166,755,000 fully paid ordinary shares in the Company for 8 cents per share.

On 15 January 2007, the Company issued 30,000,000 free options expiring on 4 January 2012 exercisable at 10 cents each.

On 15 January 2007, the Company issued 50,000,000 free options expiring on 3 January 2012 exercisable at 20 cents each.

Following a review undertaken on the Chacarilla Copper Project during the half year, the directors of the Company elected not to commit any further expenditure on the Chacarilla Copper Project. As a consequence of the Board's decision to cease all expenditure on the project the mining concessions were allowed to lapse in March 2007.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.



**SUNDANCE RESOURCES LTD
DIRECTORS' REPORT**

AUDITORS INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, Bentleys MRI Perth Partnership have provided a signed auditors independence declaration to the directors in relation to the half-year ended 31 December 2006. This declaration has been attached to the independent review report to the members of the Company.

Signed in accordance with a resolution of the directors.

G Jones
Director

D Lewis
Director

16 March 2007
Perth, Western Australia



SUNDANCE RESOURCES LTD DIRECTORS' DECLARATION

The directors of Sundance Resources Ltd A.C.N. 055 719 394 ("Company") declare that:

- a) in their opinion the accompanying financial statements and notes of the Company;
 - i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the Company's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and
- b) In their opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

G Jones
Director

D Lewis
Director

16 March 2007
Perth, Western Australia



**SUNDANCE RESOURCES LTD
CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	31 December 2006 \$	31 December 2005 \$
CONTINUING OPERATIONS			
Other income	2	103,459	45,248
Other expenses	2	(1,679,796)	(977,915)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(1,576,337)	(932,667)
DISCONTINUED OPERATIONS			
Other expenses		(4,952,638)	(4,600)
LOSS FROM DISCONTINUED OPERATIONS BEFORE INCOME TAX	3	(4,952,638)	(4,600)
Income tax expense		—	—
LOSS FROM OPERATIONS AFTER INCOME TAX		(6,528,975)	(937,267)
NET LOSS ATTRIBUTABLE TO MEMBERS		(6,528,975)	(937,267)
BASIC LOSS PER SHARE – CONTINUING OPERATIONS (CENTS PER SHARE)		(0.13)	(0.17)
BASIC LOSS PER SHARE – DISCONTINUED OPERATIONS (CENTS PER SHARE)		(0.42)	—
BASIC LOSS PER SHARE – CONSOLIDATED (CENTS PER SHARE)		(0.55)	(0.17)
DILUTED LOSS PER SHARE – CONTINUING OPERATIONS (CENTS PER SHARE)		(0.13)	(0.17)
DILUTED LOSS PER SHARE – DISCONTINUED OPERATIONS (CENTS PER SHARE)		(0.42)	—
DILUTED LOSS PER SHARE – CONSOLIDATED (CENTS PER SHARE)		(0.55)	(0.17)

The accompanying notes form part of this financial report



**SUNDANCE RESOURCES LTD
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	31 December 2006 \$	30 June 2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		15,824,234	4,165,380
Trade and other receivables		662,150	49,670
Other financial assets		-	-
TOTAL CURRENT ASSETS		16,486,384	4,215,050
NON-CURRENT ASSETS			
Property, plant and equipment		190,421	24,654
Intangible assets		7,942	-
Other financial assets		30,881,008	34,856,758
TOTAL NON-CURRENT ASSETS		31,079,371	34,881,412
TOTAL ASSETS		47,565,755	39,096,462
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		695,895	3,627,936
Other financial liabilities		3,620,000	-
TOTAL CURRENT LIABILITIES		4,315,895	3,627,936
NON-CURRENT LIABILITIES			
Trade and other payables		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		4,315,895	3,627,936
NET ASSETS		43,249,860	35,468,526
EQUITY			
Issued capital	4	105,456,066	93,515,150
Reserves		6,214,013	3,844,620
Accumulated losses		(68,420,219)	(61,891,244)
TOTAL EQUITY		43,249,860	35,468,526

The accompanying notes form part of this financial report



**SUNDANCE RESOURCES LTD
CONDENSED CASHFLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	31 December 2006	31 December 2005
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers & employees	(1,115,147)	(614,145)
Interest received	103,459	34,009
Interest & finance costs paid	—	—
Other	—	11,239
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(568,897)
	(1,011,688)	(568,897)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(174,324)	—
Proceeds from disposal of property, plant & equipment	1,000	—
Exploration expenditure – discontinued operations	3 (176,573)	—
Exploration expenditure – continuing operations	(1,289,868)	(1,680,340)
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(1,680,340)
	(1,639,765)	(1,680,340)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from equity issues	14,934,744	2,863,333
Borrowings	—	—
Repayment of borrowings	—	—
Capital raising costs	(620,750)	—
	NET CASH FROM/(USED IN) FINANCING ACTIVITIES	2,863,333
	14,313,994	2,863,333
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	11,662,541	614,096
Cash and cash equivalents at beginning of period	4,165,380	1,966,366
Effect of foreign currency movements	(3,686)	—
	CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,580,462
	5 15,824,235	2,580,462

The accompanying notes form part of this financial report



SUNDANCE RESOURCES LTD
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

<u><i>Attributable to Members of the Company</i></u>	Issued Capital \$	Option Premium Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<i>At 1 July 2005</i>	64,245,887	168,304	—	(60,186,580)	4,227,611
Loss for period	—	—	—	(937,267)	(937,267)
TOTAL LOSS FOR THE PERIOD	—	—	—	(937,267)	(937,267)
Securities issued	2,370,263	—	—	—	2,370,263
Cost of share based payment	—	361,070	—	—	361,070
AT 31 DECEMBER 2005	66,616,150	529,374	—	(61,123,847)	6,021,677

<u><i>Attributable to Members of the Company</i></u>	Issued Capital \$	Option Premium Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<i>At 1 July 2006</i>	93,515,150	3,844,620	—	(61,891,244)	35,468,526
Profit/(Loss) for period	—	—	—	(6,528,975)	(6,528,975)
TOTAL LOSS FOR THE PERIOD	—	—	—	(6,528,975)	(6,528,975)
Securities issued	11,940,916	—	—	—	11,940,916
Cost of share based payment	—	2,373,078	—	—	2,373,078
Foreign Exchange Loss	—	—	(3,685)	—	(3,685)
AT 31 DECEMBER 2006	105,456,066	6,217,698	(3,685)	(68,420,219)	43,249,860



**SUNDANCE RESOURCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Reporting entity

Sundance Resources Limited is a company domiciled in Australia. The consolidated interim financial report of the company as at and for the six months ended 31 December 2006 comprises the company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006 is available upon request from the company's registered office. A copy can also be downloaded from the company's website www.sundanceresources.com.au

Statement of compliance

The consolidated annual financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006.

Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in the consolidated financial report as at and for the year ended 30 June 2006.

NOTE 2. REVENUE AND EXPENSES

The profit before income tax expense includes the following revenues and expenses where disclosure is relevant in explaining the performance of the Company:

	2006 \$	2005 \$
REVENUE		
Interest received from other persons	103,459	34,009
Profit on sale of investments	—	—
Other	—	11,239
TOTAL REVENUE	103,459	45,248



SUNDANCE RESOURCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	2006	2005
	\$	\$
CHARGING AS EXPENSES		
Staff and consultants	1,016,055	241,158
Travel expenses	280,264	58,029
Rent and occupancy	92,291	10,286
Interest payable to other persons	20,160	20,160
Audit fees	22,425	—
Legal expenses	77,969	—
Depreciation of plant and equipment	10,294	1,284
Exploration expenses written off	—	283,226
Write down of investments	4,904,410	100,817
Loss on disposal of assets	1,279	—
Other	207,287	267,555
	<hr/> 6,632,434	<hr/> 982,515

NOTE 3. DISCONTINUED OPERATIONS

At the beginning of the period	4,727,837	—
Expenditure capitalised during the period	176,573	—
Write down of exploration asset – Chacarilla Copper	(2,648,252)	—
Write down of exploration asset – Mantos Grandes	(2,256,158)	—
AT THE END OF THE PERIOD	<hr/> —	<hr/> —

It was resolved at a meeting of directors on 8 January 2007, to cease any further funding toward the Chacarilla and Mantos Grandes projects and to write-off the carrying value of the projects as at 31 December 2006.



SUNDANCE RESOURCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	31 December	30 June
	2006	2006
	\$	\$
NOTE 4. ISSUED CAPITAL		
ORDINARY SHARES		
1,318,269,408 fully paid ordinary shares	105,456,066	—
1,155,748,575 fully paid ordinary shares	—	93,515,150
	105,456,066	93,515,150
MOVEMENTS IN ORDINARY SHARES		
At the beginning of the period	93,515,150	64,245,887
1,500,000 shares issued on 1 August 2006	30,000	—
5,833,333 shares issued on 30 November 2006	116,666	—
155,187,500 shares issued on 30 November 2006	12,415,000	—
5,000,000 shares issued on 26 August 2005	—	70,000
15,916,667 shares issued on 30 September 2005	—	318,333
9,750,000 shares issued on 3 November 2005	—	195,000
110,000,000 shares issued on 1 December 2005	—	2,200,000
4,000,000 shares issued on 13 December 2005	—	80,000
1,000,000 shares issued on 13 January 2006	—	27,000
1,000,000 shares issued on 27 January 2006	—	20,000
500,000 shares issued on 3 March 2006	—	10,000
3,000,000 shares issued on 24 March 2006	—	60,000
7,000,000 shares issued on 7 April 2006	—	140,000
295,000,000 shares issued 1 June 2006	—	17,110,000
120,000,000 shares issued on 2 June 2006	—	3,600,000
80,000,000 shares issued on 30 June 2006	—	6,160,000
Share issue expenses	(620,750)	(721,070)
	105,456,066	93,515,150
AT THE END OF THE PERIOD	105,456,066	93,515,150

On 3 July 2006, the Company issued 40,000,000 free options expiring on 30 June 2008 exercisable at 3 cents each. The issue of these options was approved at the General Meeting of shareholders of the Company held on 19 May 2006.

On 1 August 2006, the Company allotted and issued 1,500,000 fully paid ordinary shares in the Company for 2 cents per share, pursuant to the exercise of 1,500,000 options expiring on 29 November 2006.

On 30 November 2006, the Company allotted and issued 5,833,333 fully paid ordinary shares in the Company for 2 cents per share, pursuant to the exercise of 5,833,333 options expiring on 29 November 2006.

On 30 November 2006, the Company allotted and issued 155,187,500 fully paid ordinary shares in the Company for 8 cents per share pursuant to a share placement to sophisticated investors.

NOTE 5. RECONCILIATION OF CASH

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise cash at bank at 31 December 2006 and 31 December 2005.



**SUNDANCE RESOURCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 6. SEGMENT INFORMATION

During the half-year ended 31 December 2006 and 31 December 2005, the Company was engaged entirely in the mining and exploration industry in South America and Central Africa.

NOTE 7. RELATED PARTY TRANSACTIONS

The company is a single entity and is not controlled by another entity.

Capital Investment Partners Pty Ltd received benefits from the Company of \$30,000 for services performed by Mr John Corr, a director of the Company and \$30,000 for services performed by Mr Alec Pismiris, a director of the company. In addition, Capital Investment Partners Pty Ltd received \$620,750 for equity raising costs and \$60,000 for corporate advisory services.

NOTE 8. CONTINGENT LIABILITIES

There has been no significant change in contingent liabilities since the last annual reporting date.

NOTE 9. EVENTS SUBSEQUENT TO BALANCE DATE

On 11 January 2007, the Company allotted and issued 53,057,500 fully paid ordinary shares in the Company for 8 cents per share.

On 19 January 2007, the Company allotted and issued 166,755,000 fully paid ordinary shares in the Company for 8 cents per share.

On 15 January 2007, the Company issued 30,000,000 free options expiring on 4 January 2012 exercisable at 10 cents each.

On 15 January 2007, the Company issued 50,000,000 free options expiring on 3 January 2012 exercisable at 20 cents each.

Following a review of a detailed evaluation undertaken on the Chacarilla Copper Project during the half year, the directors of Sundance elected not to commit any further expenditure on the project. As a consequence of the Board's decision to cease all expenditure on the Chacarilla Copper Project the mining concessions lapsed in March 2007.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SUNDANCE RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sundance Resources Limited, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration for Sundance Resources Limited (the consolidated entity). The consolidated entity comprises both Sundance Resources Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting an applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sundance Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Sundance Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance and its cashflows for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS MRI PERTH PARTNERSHIP



Michael J Hillgrove
Partner

Dated this 16th day of March 2007.

AUDITORS' INDEPENDENCE DECLARATION
Under Section 307C of the Corporations Act 2001

To the Directors of Sundance Resources Limited

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2006, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

BENTLEYS MRI PERTH PARTNERSHIP



Michael J Hillgrove
Partner

Dated this 16th day of March 2007.