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**QUARTERLY REPORT
FOR THE 3 MONTHS TO
31 DECEMBER 2005**

ACTIVITIES

Bolivia & Chile

- Completed the acquisition of 100% of the Mantos Grandes copper project in Chile for US\$1.2m in cash.
- Negotiations for the purchase of the royalty over the Chacarilla Copper Project in Bolivia for one million shares and two million options (agreement was concluded in January 2006).

Australia

- Completed a capital raising of \$2.2 million by placement to sophisticated investors. Included in the securities issued is a block of 100 million ordinary shares which was issued to a single London institution; and
- Rehabilitation of the Coolgardie site is proceeding. Finalisation was delayed as additional work was required to meet the required standard for handover to Focus Minerals Ltd. Completion is expected during the coming quarter.

SPECIFIC OBJECTIVES FOR NEXT QUARTER ARE:

Exploration

Bolivia & Chile

- Complete commercial negotiations for the ownership and consolidation of Sundance's other Latin American assets.
- Commission a new independent report on how best, in as short a time frame as possible, to maximise the Mantos Grandes potential.
- Receive Competent Persons Report ("CPR") from United Kingdom consultants.
- Present CPR to offshore parties who have expressed an interest in participating with Sundance in the Latin American projects.
- Appraise proposed exploration activities at Mantos Grandes in Chile.
- Decided not to increase interest in the Anaconda copper project in Bolivia and has granted an option to the other partners in the project to acquire Sundance's 37.5% interest for US\$60,000.

Australia

- Continue work on the removal of the gold plant situated at Coolgardie and the associated rehabilitation of the site.
- Monitor the investment in Focus Minerals Ltd.

Mantos Grandes Project- Chile

On 7 October 2005, Sundance successfully concluded negotiations to acquire 100% of the Mantos Grandes copper/ gold project in Chile for US\$1.2m in cash. This has been paid to the vendors. Previously, Sundance had the right to move to 100% ownership through a series of payments totaling US\$4m over three years, of which US\$250,000 had already been paid. Under the new arrangement Sundance has acquired the whole project for a single payment of US\$1.2m. Sundance regards the move to complete ownership as critical in its plans to most economically explore and develop the project.

Sundance sees the Mantos Grandes project as an exceptional opportunity in the highly rated Chilean mining industry. Copper prices continue to remain at historically high levels with global stockpiles dwindling.

Sundance will continue to evaluate options with regard to determining the most appropriate way to move this project forward.

Full Background information on the Mantos Grandes project is contained in the quarterly reports lodged with The Australian Stock Exchange("ASX") over the

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previous 12 months and also in the announcement lodged with the ASX on the 7 October 2005.

Bolivia

Chacarilla Project – Bolivia

Negotiations on the Chacarilla project continued during the period. In early October 2005, Sundance directors held face to face discussions with the Chacarilla Joint Venture Partner in both La Paz Bolivia and also on site at Chacarilla.

The directors remain hopeful that the Joint Venture Partners will resolve progress on this project.

Sundance Resources Ltd is pleased to announce that it has purchased the royalty over the Chacarilla Copper Project in Bolivia. Sundance currently owns 50% of Chacarilla and is pursuing 100% ownership. The royalty is a 3% gross royalty over the project and has been purchased for a total consideration of one million fully paid ordinary shares in Sundance Resources Ltd and two million options to acquire shares in Sundance Resources Ltd, exercisable at 2 cents and expiring on 29 November 2006. The Sundance Board acquired the royalty in order to consolidate its holding on the project.

Anaconda Project - Bolivia

Sundance has decided not to exercise an option to increase its ownership in the Anaconda copper project in Bolivia. After a recent appraisal of the project, the board felt that it did not fit Sundance's regional aspirations. Sundance currently owns 37.5% of the Anaconda project and had the right to increase that ownership by 12.5% by five six-monthly payments of US\$50,000 each. It acquired this right in June 2004. Sundance has granted an option to its partners in the project for them to purchase Sundance's 37.5% interest for a consideration of \$US\$60,000. This option expires on 31 January 2006.

Australia

Focus Minerals Investment

Sundance continues to hold 20.1 million fully paid shares in Focus Minerals Ltd (ASX: FML).

EXPENDITURE

The Proforma Statement of Consolidated Cash Flows is in a separate report.

John Corr
Director