SUNDANCE RESOURCES

Developing a global iron ore business

QUARTERLY ACTIVITIES REPORT
For the period ended 31 March 2008

HIGHLIGHTS

Mbalam Iron Ore Project, Cameroon

- Preliminary resource modelling identifies potential 1.0 – 1.2 billion tonnes of itabirite mineralisation on the Mbarga deposit at an average grade of ~39% Fe (non JORC-Code compliant).
- Potential DSO quality tonnage on Mbarga deposit refined to 100 - 140 million tonnes at an average grade of ~60% Fe, 0.09% P and 3.4% Al_2O_3.
- 72 drill holes completed to end March 2008 with 32 holes completed in the March quarter 2008.
- Drilling capacity significantly increased with 4 RC rigs and 2 diamond rigs operating on site.
- Drilling continued on the Mbarga South prospect in the March quarter with drilling to commence on the Metzimevin prospect in the June quarter 2008.
- Scoping study on beneficiation options for itabirite mineralisation completed in March 2008.
- Terms of Reference for ESIA completed. Knight Piesold appointed to complete the project ESIA.
- Mbalam East Exploration Permit No. 143 granted to CamIron on 11th April 2008 covering an area of 877km^2 immediately east of EP92.
- Cash balance at end March 2008 of A$61.7 million.

FIGURE 1 – RC DRILLING AT THE MBALAM ITON ORE PROJECT, CAMEROON (MARCH 2008)

Mbalam Iron Ore Project, Cameroon

Sundance Resources Ltd ("Sundance") continued resource definition and feasibility studies on the Mbalam Iron Ore Project during the March 2008 quarter. Work focused on drilling of the Mbarga deposit, including commissioning of 4 additional drill rigs on site; initial resource modelling of the Mbarga deposit; completion of a scoping study on beneficiation options for itabirite mineralisation; continuation of studies on Project infrastructure, including rail and port site surveys; and negotiations with the Cameroon Government on proposed development terms for the Project.

The Mbalam Iron Ore Project is based on Exploration Permit No. 92 ("EP92") located ~300 km southeast of the capital city of Yaounde in the Republic of Cameroon. The permit area forms part of a larger iron ore province extending from Cameroon into neighbouring Gabon and Congo (refer Figure 2).

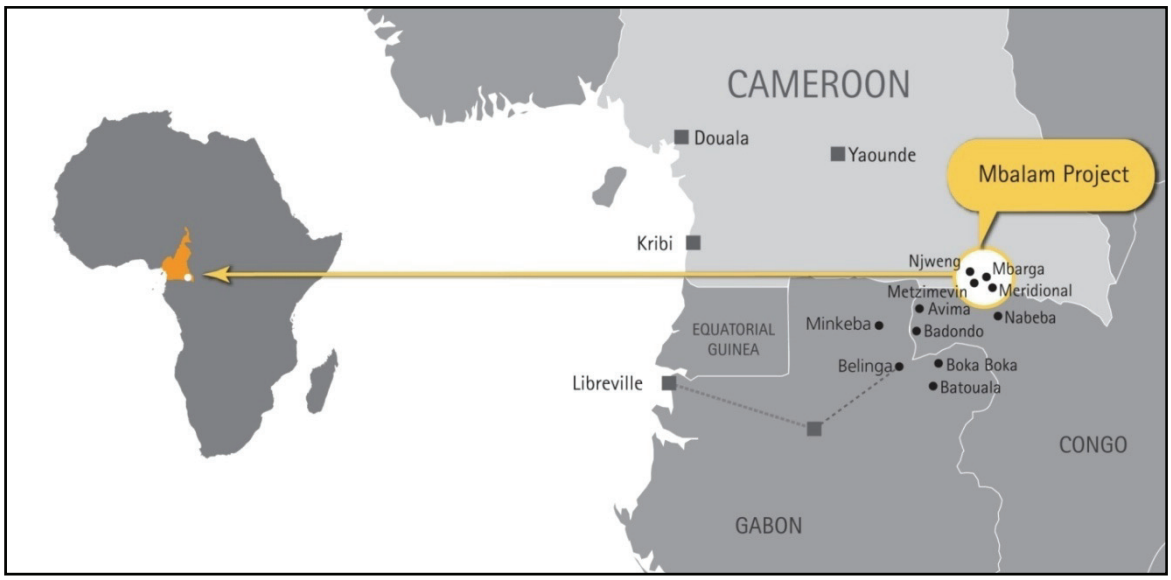

FIGURE 2 - LOCATION OF THE MBALAM IRON ORE PROJECT

EP92 covers an area of 937 km^2 and encompasses significant iron mineralisation. The principal prospects identified on the permit are shown in Figure 3 overlying aeromagnetic imagery of the permit area.

CamIron SA ("CamIron), Sundance's 90%-owned subsidiary in Cameroon, was granted a significant new exploration permit on 11th April 2008. This Exploration Permit No. 143 ("EP143") covers an area of 877km^2 and lies immediately east and adjacent to the mineralised zone on EP92. Reconnaissance investigations on EP143 will commence in the June 2008 quarter.

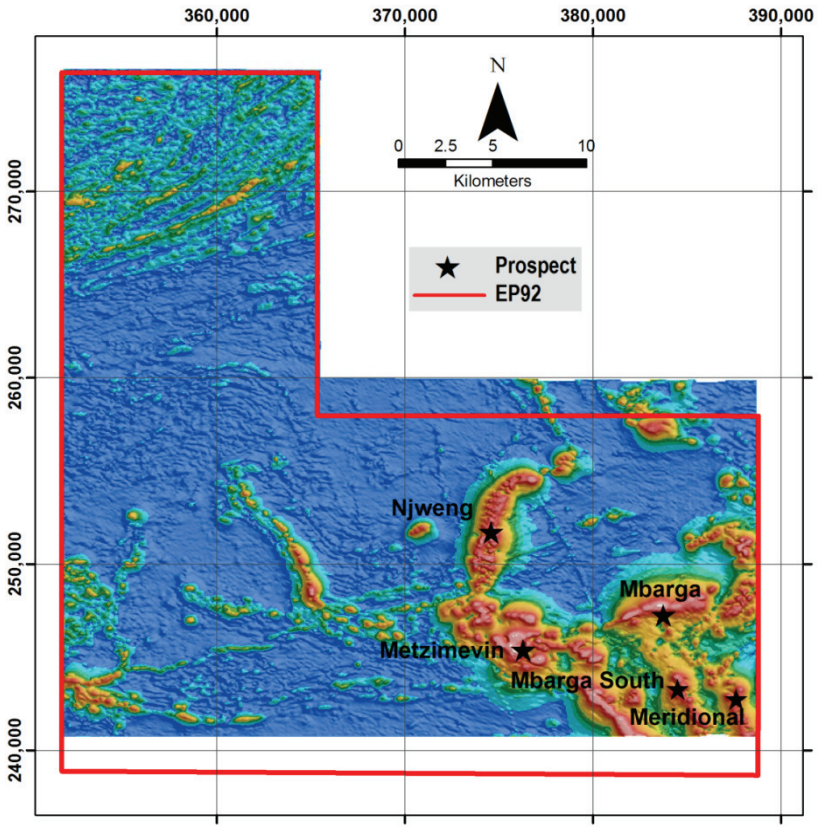

FIGURE 3 - TARGET PROSPECTS ON EP92

Resource Definition Exploration Program

Resource definition drilling on EP92 continued in the March 2008 quarter. A total of 72 drill holes have been completed on the permit area to the end of March 2008.

32 holes were completed in the March quarter. Drilling capacity was significantly increased during the quarter with a total of 4 RC rigs and 2 diamond rigs operating on site by end March 2008. Drilling focused on the Mbarga deposit during the quarter but with one of the RC rigs assigned to drilling of the Mbarga South prospect located ~4km south of Mbarga. Drilling will commence on the Metzimevin prospect in the June quarter 2008.

Figure 4 shows the location of drill holes completed on the Mbarga deposit to end March 2008. Figure 5 shows the location of holes drilled on the Mbarga South prospect.

Diamond drilling is being used for both metallurgical bulk sample collection and for gaining structural orientations to assist geological interpretation and resource domaining. The RC rigs are being used to infill geological confidence as well as stepping out to define the broader limits of mineralisation.

Laboratory assay results have been received from a total of 27 holes to end March 2008. Iron content from all holes drilled to date has also been logged using hand-held site XRF instrumentation.

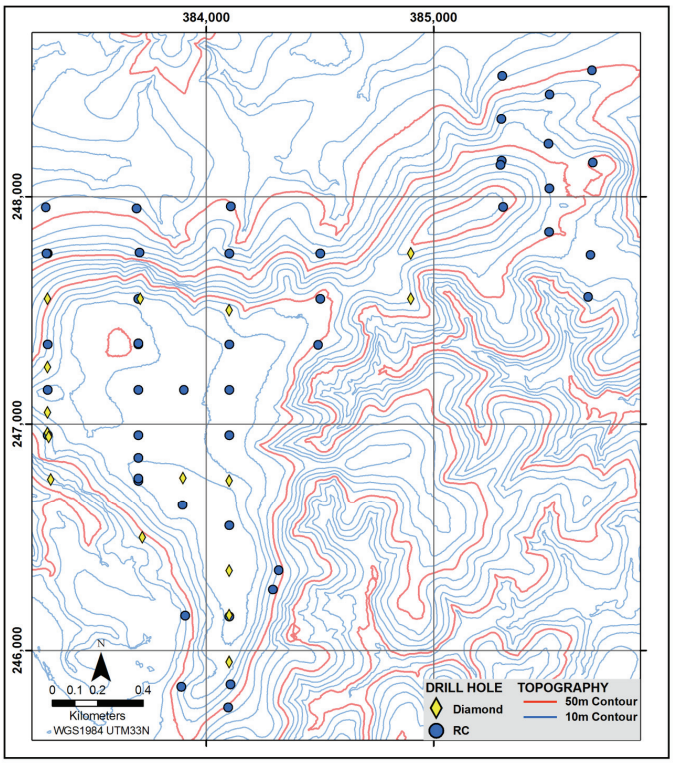

FIGURE 4 - DRILLHOLE LOCATIONS OVER THE MBARGA PROSPECT

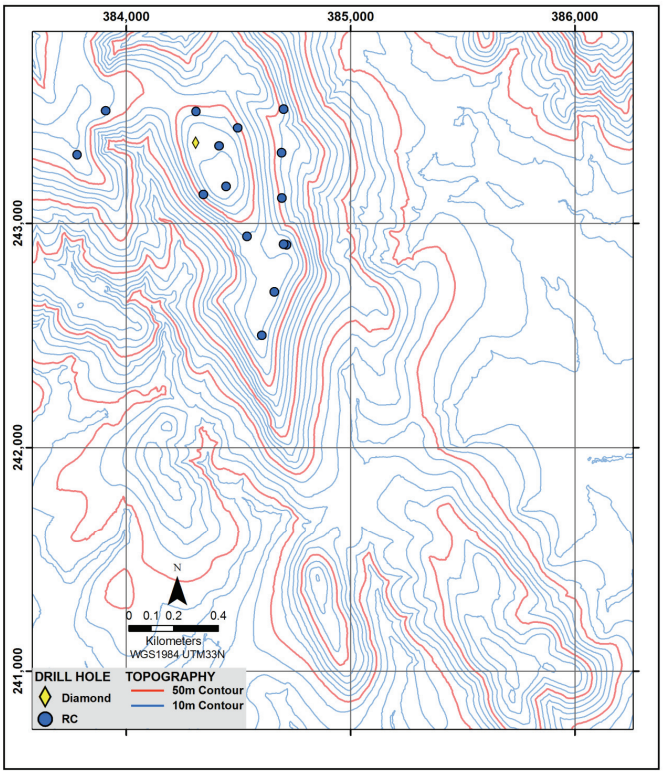

FIGURE 5 - DRILLHOLE LOCATIONS OVER THE MBARGA SOUTH PROSPECT

Mbarga Deposit - Supergene DSO

Latest assay data has confirmed significant supergene hematite mineralisation within the near surface profile of the Mbarga deposit.

Resource modelling of the supergene hematite at Mbarga is continuing and has confirmed potential DSO quality mineralisation of 100 to 140 million tonnes (non JORC-Code compliant) with an average grade of ~60% Fe, 0.09% P and 3.4% Al_20_3. Additional infill drilling and geological interpretation in the June 2008 quarter is aimed to allow a compliant JORC Code Mineral Resource to be announced.

Mbarga Deposit – Itabirite Mineralisation

Drilling completed to date on the Mbarga deposit has intersected itabirite style hematite mineralisation to vertical depths of up to 400 metres. This itabirite mineralisation generally underlies the high-grade supergene hematite and extends to both the east and west of the main supergene outcrop on the deposit.

Resource modeling of the itabirite mineralisation has outlined the potential for the Mbarga deposit to contain 1,000 – 1,200 million tonnes of itabirite (non JORC-Code compliant) at an average grade of approximately 39% Fe. Current drilling on the flanks of the deposit indicates good potential for increasing the estimated tonnages of this itabirite material. On the basis of this potential, the Company has released a revised Exploration Target of 2.0 to 2.5 billion tonnes itabirite mineralisation on EP92.

Figure 6 plots two north-south cross sections over the Mbarga deposit. These sections illustrate the high grade supergene hematite cap on the deposit (shown in red) overlying deeper itabirite hematite mineralisation (shown in yellow). Figure 7 shows photographs of sample itabirite drill core.

Of note is the deepest hole shown (MB0037D) drilled to a depth of 494m. This hole has encountered a number of high grade intersections of massive hematite of up to 20m width at significant depth. This indicates the potential of deeper enrichment on the deposit but the nature and extent of this massive hematite mineralisation is yet to be confirmed by additional drilling.

Preliminary estimation of the resource potential for the Mbarga deposit has been carried out by inverse-distance squared grade interpolation. Separate search ellipses have been set up for supergene and itabirite and are designed to take the drill hole spacing and variography into account.

Density values of 4.0 (supergene) and 3.33 (Itabirite) t/m^3 respectively have been applied in the modeling. Density values are measured at the laboratory (Ultratrace) on one sample in 25. Physical density measurements are also made on core on site. Additional infill drilling and geological interpretation is required to improve the confidence in the model and allow classification of a JORC Code compliant Mineral Resource.

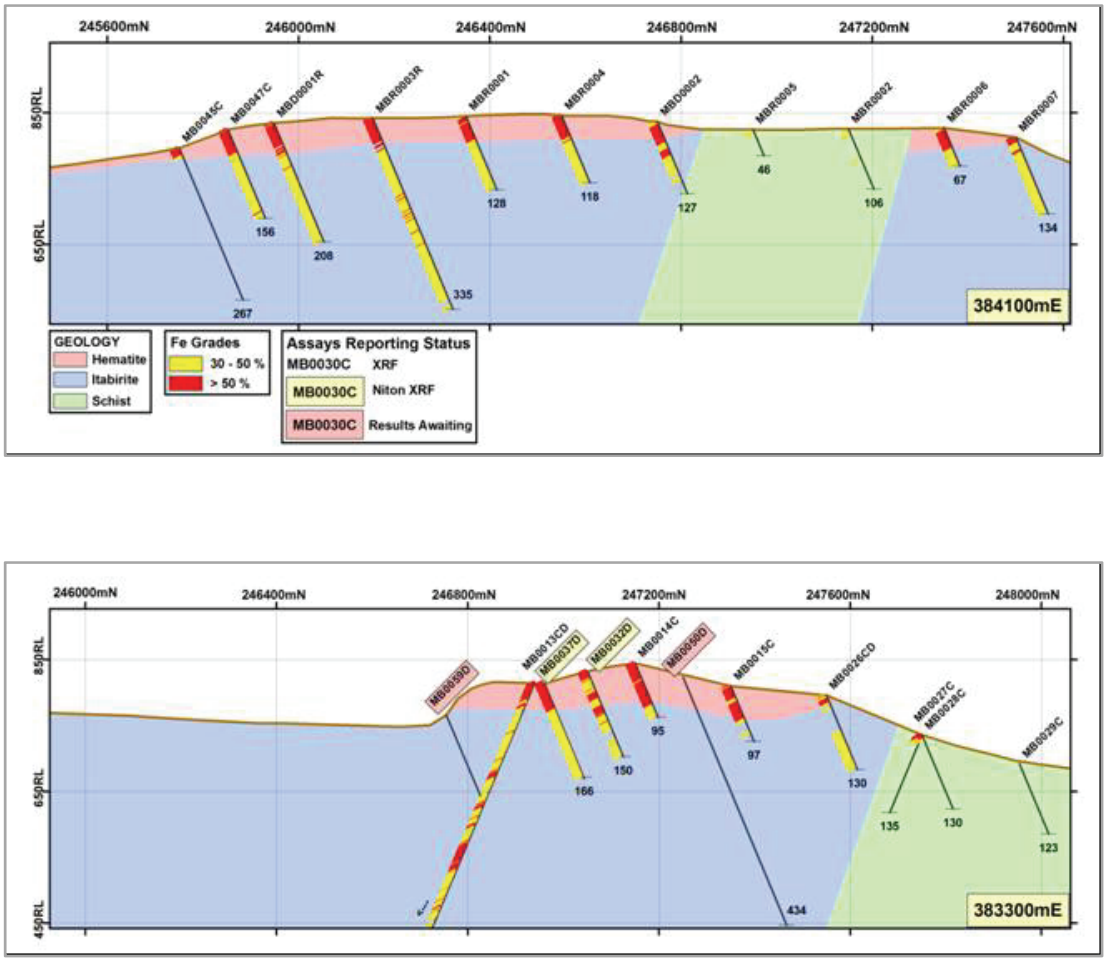

FIGURE 6 – CROSS SECTIONS OVER MBARGA DEPOSIT

FIGURE 7 - SUPERGENE AND ITABIRITE DRILL CORE

Surface Mapping

Company, post-graduate and specialist consultant geologists are continuing to map and collect surface samples over prospective zones of the EP92 permit area to assist prioritisation of drill targets. Their work is adding to the geological understanding of the immediate area surrounding the Mbarga deposit which assists interpretation of drilling results from depth. Figure 8 shows the current state of geological mapping at the Mbarga, Mbarga South, Metzimevin and Njweng prospects.

The Mbarga area has been interpreted as a steep-southerly-dipping fold limb which is plunging moderately to the west. The western area of the BIF range is significantly thickened by intense isoclinal folding. Mbarga South is likely an extension of the larger structure which is discontinuous due to some form of boudinage. Mbarga South also displays a westerly plunge but with limited diamond drillhole information and limited outcrop the true structure of the prospect is still not well defined.

Efforts are now underway to establish access to the Mbalam East EP143 permit area lying immediately east of EP92. The initial objective is to gain access to the topographic high areas to assess the potential for additional supergene hematite mineralisation. Negotiations are underway with contractors to commission an aeromagnetic and radiometric survey of the permit area.

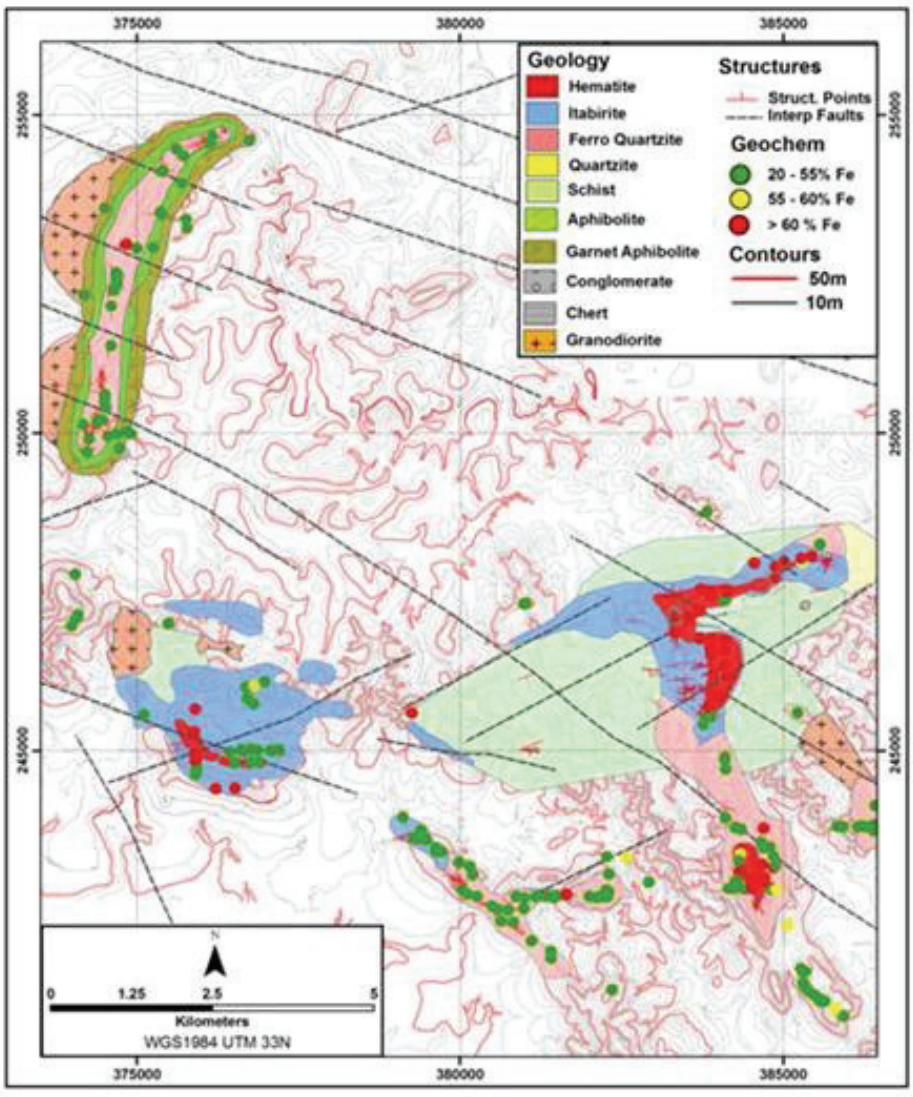

FIGURE 8 - GEOLOGICAL MAPPING OF EP92.

Feasibility Study Program

Feasibility assessment of the Mbalam Iron Ore Project continued during the March 2008 quarter. This work included:

- Completion of an initial scoping study on beneficiation options for itabirite mineralisation identified on the Mbarga deposit;
- Continuation of studies on Project infrastructure, including rail and port site surveys; and
- Commencement of the Environmental and Social Impact Assessment ("ESIA") process.

Project Development Strategy

Project planning and design progressed on two development strategies, both comprising staged DSO / itabirite hematite production with total annual throughput of 35 Mtpa.

The first case provides for start-up DSO production with conventional processing of feed ore to produce lump and fine DSO products. Itabirite beneficiation is then developed after DSO resources are exhausted. Rail transport of both DSO and concentrate product to port is assumed.

The second case provides for start-up DSO production but with beneficiation of the DSO feed to a high grade concentrate. The beneficiation plant is subsequently expanded to receive itabirite feed. This approach allows for staged development of the beneficiation plant and, in this case, slurry pipeline transport of all concentrate product to port.

The strategy in both cases is to maintain low cost DSO production for the maximum term possible. The slurry pipeline option offers both capital and operating cost savings as compared to rail operations but requires additional start-up capital for beneficiation.

Mine Planning

Mine planning is being managed in-house by Sundance. Preliminary pit optimisation work has commenced for the Mbarga deposit on the basis of start-up mining of near-surface DSO material followed by deeper pit development as mining of the underlying itabirite material progresses. The nature of the mineralisation identified to date indicates very low stripping ratios for both the DSO and itabirite material. More detailed pit optimisation work will proceed upon further resource definition drilling and receipt of testwork results.

DSO Process Plant

The DSO process plant scope is based on processing and handling of 35 Mtpa supergene DSO quality hematite. This work was completed by WorleyParsons with capital and operating cost estimates as previously reported.

Itabirite Beneficiation Plant

Testwork reported in the December 2007 Activities Report indicated that the itabirite mineralisation identified on the Mbarga deposit is potentially similar to the itabirite hematite mineralisation found in a number of major iron ore projects in the Minas Gerais area of Brazil. A relevant example is the Minas-Rio iron ore project being developed by Brazilian listed MMX Mineraceo e Metalicos (MMX). That project is based on concentrating ore that appears to be similar grade to the itabirite material identified in deep drilling of the Mbarga deposit. Other major itabirite iron ore mines in Brazil include Samarco's (CVRD/BHP Billiton) operations and CVRD's Brucutu project.

The preliminary test work on the Mbarga itabirite indicated that the material consists predominantly of hematite and quartz, is of weak to medium strength with high abrasion due to the quartz content.

This test work was completed on a composite of a very small number of drill core samples of the Mbarga itabirite. This produced a 65% Fe concentrate with very low phosphorus and alumina content. The test work indicated potential weight recovery of +40% and Fe recovery of +65% based on sampling and testing of core sourced from three drill holes at drill depths ranging from 67.9m to 205.0m. The ore grades from these samples averaged around 40% Fe.

These tests were of a very preliminary nature and bulk samples of itabirite core have recently been delivered to Ammtec for more detailed testwork. This work will test the potential to increase weight and Fe recoveries from the Mbarga itabirite by use of alternate flotation collectors, increased pH and regrinding and refloating the high silica concentrate.

A scoping level study was completed during the March 2008 quarter by Intermet for a 35Mtpa itabirite beneficiation plant and associated utilities and infrastructure. The scope was based on the preliminary itabirite testwork summarised above but with key design assumptions as follows:

- 50% weight recovery
- 40% Fe feed grade itabirite.

The provisional plant design assumes conventional crushing, milling and separation processes to produce a high grade concentrate, however, alternate processing options, particularly High Pressure Grinding Roll (HPGR) units, will be investigated during the next phase of study. This will commence upon receipt of results from the current testwork programme.

Product Transport Infrastructure

Rail route planning continued in the March quarter with identification of a preferred rail alignment from the mine at Mbalam to the proposed port site. Figure 9 shows the preferred Mid-Northern route. This route was selected after optimisation of capital and operating costs, schedule and socio-environmental issues. Importantly, the route avoids all population centres and conservation reserves.

The route optimisation work was undertaken using satellite topographic mapping data. This has now been supplemented by detailed mapping from airborne laser radar (LIDAR) survey data, which provides high resolution aerial imagery over the preferred rail alignment. This data is to be used to progress detailed rail planning work and to refine costings for the preferred route.

It has been assumed that the alternate of slurry pipeline transport of product to the port will follow the same route as the preferred rail alignment. It is worth noting, however, that the pipeline alternative offers considerably more flexibility in route selection.

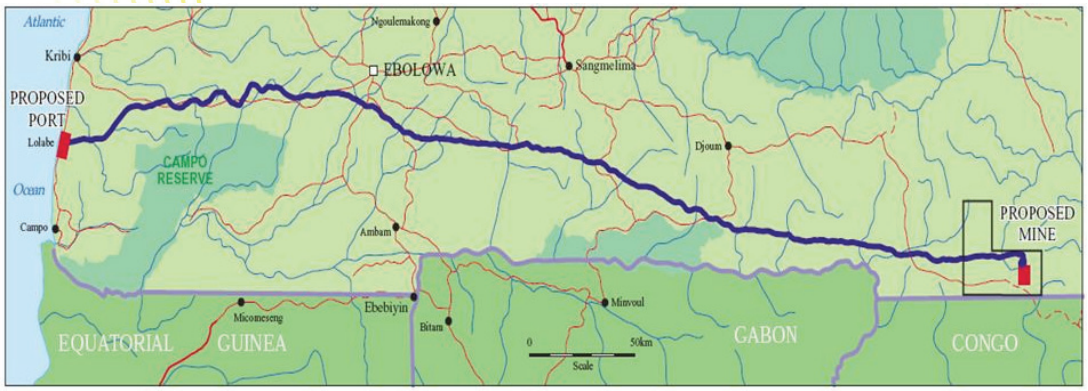

FIGURE 9 - OVERVIEW OF MID NORTHERN RAIL CORRIDOR

Port Infrastructure

General arrangements have been developed for the proposed export jetty site south of Kribi. Current design is based on an open water jetty with a dredged berth depth of 22m (Chart Datum).

Bathymetric and seismic reflection/refraction studies were completed in the March quarter to confirm water depths and sub-surface ground conditions at the preferred port site. Detailed planning and design work will be finalised on the basis of this new survey data.

Financial Modeling

A comprehensive financial model of the Project has been developed on the basis of resource definition work completed to date and the updated Exploration Target.

Modeling has focused on the two development strategies referenced above, with the model being used primarily to assess the relative returns from these alternatives.

The modeling is based on capital and operating cost estimates provided by:

a) WorleyParsons: for 35 Mtpa start-up DSO production and rail transport to port (as previously reported in January 2008); and

b) Intemet: for 35 Mtpa DSO and itabirite beneficiation.

Product pricing has been developed in-house on the basis of industry price forecasts and 2007 and 2008 contract prices. An analysis of international freight rates has been completed to ensure Mbalam product pricing reflects the expected customer mix and associated shipping cost differentials.

Modeling completed to date indicates that the relative returns for the two cases are comparable, with the higher costs of start-up DSO beneficiation offset by the lower costs of slurry pipeline transport.

These results are very preliminary and contingent on the accuracy of assumptions and data sourced to date. The technical and economic assessment of the alternative development strategies is sensitive to project risks that will be further evaluated as part of definitive project studies. Key survey, engineering and commercial work programs will continue as part of these studies during 2008.

Environmental and Social Impact Assessment

The Terms of Reference (ToR) for the Social and Environmental Impact Assessment ("SEIA") of the project have been finalised with meetings scheduled in April 2008 with officers of the Cameroon Department of Environment who will be assessing the ToR.

A workshop with the Company's international (Knight Piesold) and Cameroonian (Rainbow Environmental) SEIA consultants has completed scoping and scheduling of the SEIA work programme.

The community consultation process will commence in the June 2008 quarter together with baseline environmental and social studies. Some degree of partnership is anticipated with major NGO groups based in Cameroon (CED and WWF) who have significant data relevant to the SEIA program.

Framework Agreement / Mbalam Convention

The Cameroon Government has established the Mbalam Iron Ore Project Working Group under the terms of Order No. 216 dated 19th December 2007, issued by the Prime Minister of Cameroon.

The Working Group has been delegated the task of negotiating the terms of a Framework Agreement ("MOU") between Cam Iron and the Government. The Agreement is intended to provide a framework for the key legal, fiscal and governmental terms which will underpin the Project and form the basis of the Mbalam Convention. Once finalised, the Mbalam Convention will be passed by an act of the Cameroon Parliament and will then have the force of law. The Mbalam Convention will provide a stable legal and financial regime for development of integrated mining and infrastructure operations.

Pursuant to Order No. 216, CamIron has and will continue to contribute towards the operating expenses of the Working Group established by Prime Minister. Negotiations with the Working Group are continuing.

Reporting to Government

The Bi-annual Report detailing the activities undertaken on EP92 by CamIron over the period 28 September 2007 to 27 March 2008 has been submitted to the Ministry of Mines in April 2008. This report also details expenditure on EP92 for the reporting period. CamIron's expenditure to date significantly exceeds the minimum expenditure obligations defined under the terms of EP92.

Corporate

Key Management and Operational Appointments

A number of significant management and operational appointments were made during the period.

Three highly qualified National geologists have been employed on site and are making a significant contribution to the operation of field activities and effective communication between the expatriate and National workforce. Two additional expatriate exploration geologists have been recruited to the Geology team on site together with two expatriate field technicians. These appointments will assist with training of the National workforce and ensuring high QA/QC standards are maintained with all sampling and drilling activities.

Two National appointments have also been made to assist the Manager Environment & Community Manager in the areas of health & safety and environment & community relations. These appointments will be based on site.

A fulltime Human Resources manager has been appointed by CamIron in Cameroon. This is a highly qualified and experienced National appointment.

Issue of Shares on Exercise of Options

No shares issued during the period

Shareholder Information

As at 31 March 2008 the company had 15,817 shareholders and 1,871,415,241 ordinary fully paid shares on issue with the top 20 shareholders holding 54.40% of the total issued capital.

Cash Assets

The company's cash balance at 31 March 2008 was $61.7 million.

Expenditure

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

Don Lewis
Managing Director

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Robin Longley who is a Member of the Australian Institute of Geoscientists. Mr Longley is a full time consultant of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The potential quantity and grade of near-surface supergene and itabirite mineralisation has been restricted to only the area currently covered by drilling on a 400m x 200m pattern at Mbarga. This is represented by an area approximately 2.5km (east-west) x 2km (north-south). Grade interpolation has been extrapolated using inverse distance squared method on composited sample results. Tonnages are reported at a nominal 50% Fe cut-off for supergene Direct Shipping Ore (DSO) quality material and a nominal 30% Fe cut-off for itabirite material. A digital terrain surface (based on recently flown highly accurate topographic data) has been used to limit extrapolation of the mineralisation to the topographic hill at Mbarga. An internal waste zone (schist) cross-cutting the mineralised zone and surficial cover has been modelled and removed from the quantities estimated as potential DSO and itabirite mineralisation. Densities o f 4.0 (supergene) and 3.33 (itabirite) t/m3 have been applied for preliminary evaluation.

It must be noted that at this stage, the potential quantity and grade of DSO and itabirite material mentioned in this report are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.