SUNDANCE RESOURCES

Developing a global iron ore business

QUARTERLY ACTIVITIES REPORT

For the period ended 30 June 2010

HIGHLIGHTS

- **Sundance Resources board reconstituted** after tragic plane crash on 19 June 2010.
- **Environmental Certification for Project** received from Cameroon Ministry of Environment and Nature Protection.
- **Overall Exploration Target* of 315-465Mt now achieved** through Maiden JORC Code Resource of 200 Million Tonnes at 63.1.% Fe at the Nabeba Deposit as released to the market on 2nd June 2010 and added to the JORC Code Resource of 215 Million Tonnes in Cameroon as previously announced.ASX on 2nd June 2010.
- **Submission of Project's Development Convention to the Government of Cameroon** following review of the convention by international legal firm with substantial convention experience in francophone Africa.
- **Definitive Feasibility Study ("DFS") on schedule for completion by end of 2010** in accordance with plan presented in the Company's capital raising in late 2009.
- **4 drill rigs currently on site** and re-commenced drilling on 19th July 2010 to complete definition of DFS Reserves by end 2010.
- **Significant enhancement in product quality (+62% Fe sinter fines product)** targeted on the basis of recent drilling results, metallurgical testwork and process design.
- **Rail route optimisation substantially progressed** with completion of Rail Geotechnical programme and draft project plan submitted by Calibre.
- **Discussions held with potential constructors** for rail and port construction and progress made on EPC pricing offers on rail construction.
- **Declaration of Public Utility submitted for acquisition of land for Rail Corridor** submitted in April 2010.
- **Start of construction on target for mid 2011** on the basis of successful completion of the DFS and associated Project financing.
- **Meeting held with the Senior Ministry Officials of the Republic of Cameroon and Republic of Congo** to endorse the Company's strategy for development of the projects including rail and port infrastructure suitable for transport of ore from deposits across the Cameroon-Congo-Gabon iron ore province.
- **Cash reserves of ~A$77 million** at end of June 2010.

PROJECT DEVELOPMENT ACTIVITIES

The Sundance Iron Ore Project is based on Exploration Permit 92 (EP92) and Exploration Permit 143 (EP143), located in the East Province of the Republic of Cameroon, and Mining Research Permits MRP362 and MRP363, located in the Sangha Province of the Republic of Congo (refer Figures 1 and 2).

EP92 and EP143 are owned by Cam Iron SA, a company incorporated in the Republic of Cameroon. Cam Iron SA is a 90% owned subsidiary of Sundance Resources Ltd ("Sundance" or "the Company"). MRP362 and MRP363 are owned by Congo Iron SA, a company incorporated in the Republic of Congo. Congo Iron SA is an 85% owned subsidiary of Sundance.

Sundance commenced a Definitive Feasibility Study ("DFS") of the Mbalam Iron Ore Project in January 2010, based on a capital raising completed by the Company in late 2009. The DFS is on schedule for completion by end of 2010 with progress to date summarised in this report.

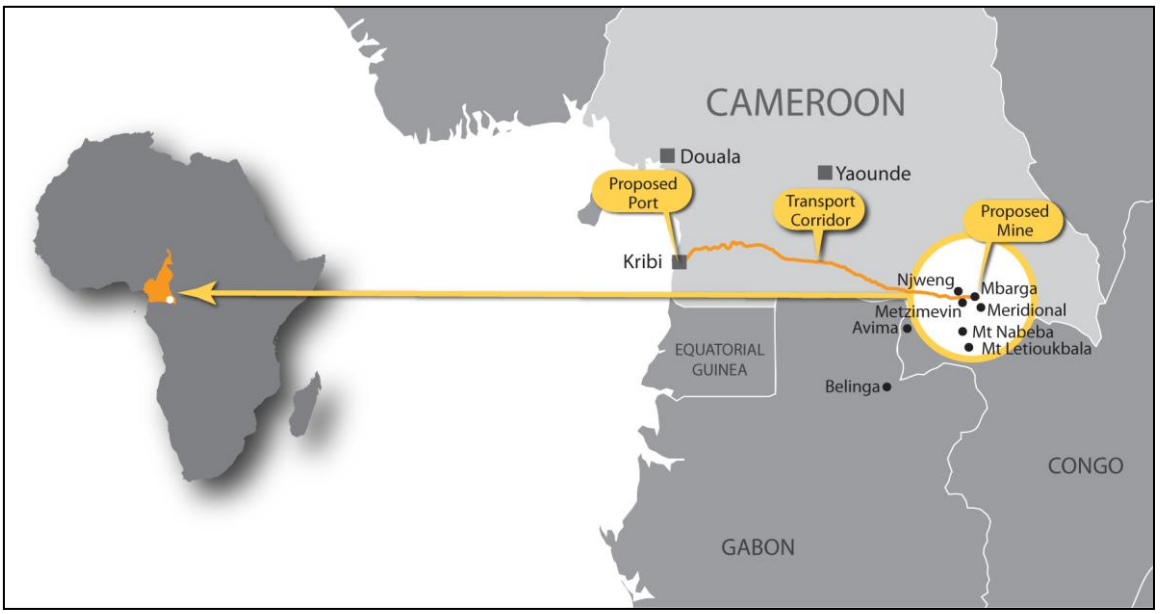

Figure 1: Location of the Mbalam Iron Ore Project

EXPLORATION AND RESOURCE DEFINITION

Exploration during the June 2010 quarter concentrated on resource definition and metallurgical testwork drilling in Cameroon and Congo. Key activities included:

- Commissioning of Sundance's fourth drilling rig, SDL RC2, (second RC rig) at the Mbarga South Deposit;
- Continuation of Diamond drilling on the Mbarga Deposit to collect core samples for metallurgical testwork and process design;
- Resource Definition drilling at the Nabeba Deposit; and announcement of the Maiden JORC-Code compliant Inferred high-grade resource at Nabeba; and
- Application for extension of EP92 exploration permit for a further 2 year period from 29 September 2010 to 28 September 2012.

Figure 2 shows the location of the key deposits on the Company's landholdings in the Republic of Cameroon and the Republic of Congo.

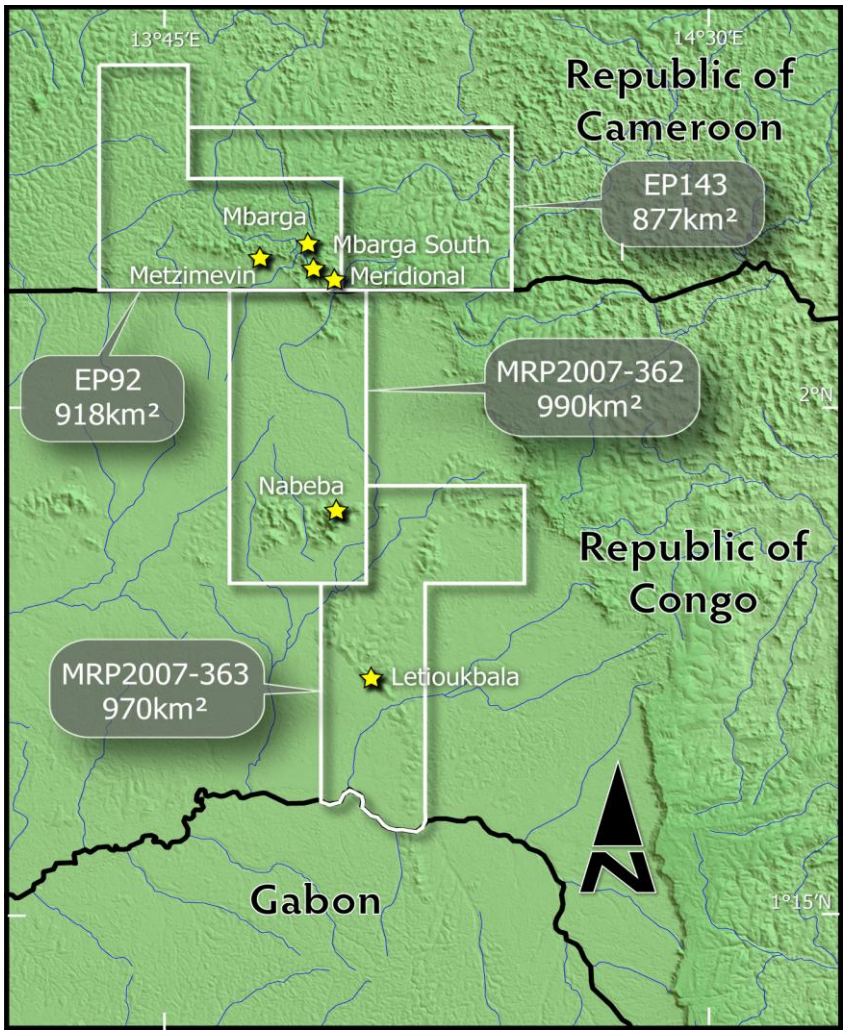

Figure 2: Exploration Permits controlled by Sundance and Location of Key Deposits

The principal objective of the 2010 exploration program was to deliver the overall Project Exploration Target for High Grade Hematite of 315 to 465 million tonnes at 55% to 65% Fe (including the existing 215 million tonne JORC-Code compliant Mineral Resource defined on EP92) (refer Table 1).

Deposit	Category	Tonnage (Million Tonnes)	Grade (Fe %)
Mbarga/South Mbarga/ Metzimevin	Indicated and Inferred Resource	215.2 Mt	60.2%
Nabeba Deposit	Inferred Resource	200.2 Mt	63.1%
TOTAL PROJECT	**Indicated and Inferred Resources**	**415 Mt**	**61.6%**

Table 1: Reported JORC-Code Compliant Resources for High Grade Hematite

Following the announcement (June 2nd) to the ASX of the Maiden high-grade JORC-Code compliant resource at Nabeba of 200.2Mt @ 63.1% Fe, the high-grade resource Inventory is now within the original target range.

The Company has now commissioned 4 drill rigs on site. Two rigs (1 Diamond and 1 RC) are working on Resource Definition drilling at the Nabeba Deposit with the 3rd rig (a Diamond rig) undertaking metallurgical sample drilling on EP92.

A 4th rig was purchased in March 2010 to ensure definition of DFS Reserves by end 2010. This is a Schramm RC rig (named SDL RC2) identical to that currently in operation and illustrated below in Figure 3. Drilling was suspended on 19 June 2010 as a result of the tragic plane crash. Drilling operations recommenced in July 2010.

Figure 3: Drilling at the Nabeba Deposit in June 2010

Results from Drilling on MRP362, Republic of Congo

Drilling results and geological modelling have upgraded the Nabeba Deposit from an exploration target to a Maiden JORC-Code compliant Inferred Resource. Modelling has estimated an Inferred Resource of 200.2 million tonnes at 63.1% Fe over the Nabeba North Ridge. The Resource model is based on Ultratrace assay results received from the first 23 drill holes and site Niton XRF assay from the balance of the drill holes.

Fifty-one holes have been completed at Nabeba since start of drilling in January 2010 for a total of 5,396 metres drilled, comprising of 15 diamond core holes and 36 RC holes. The drill hole locations are shown below in Figure4.

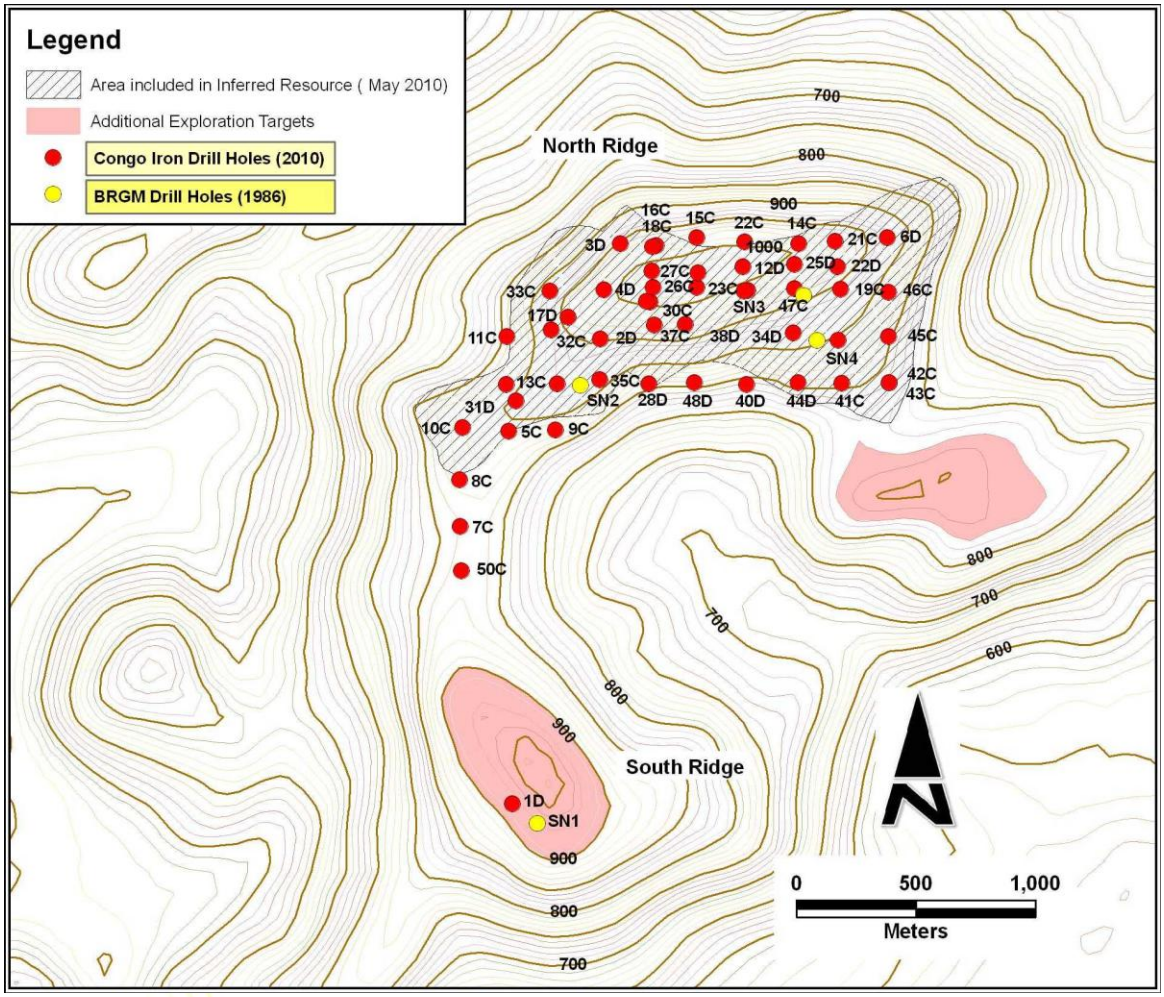

Figure 4: Drillhole Location Plan, Nabeba Deposit (including 4 drill holes reported by BRGM, 1986)

Drilling results to date show a significant depth of High Grade Hematite over a 1 – 2 km strike length on the northern ridge of the Deposit as seen in Figure 5. The Fe grades are in excess of 60% in most of the significant intersections.

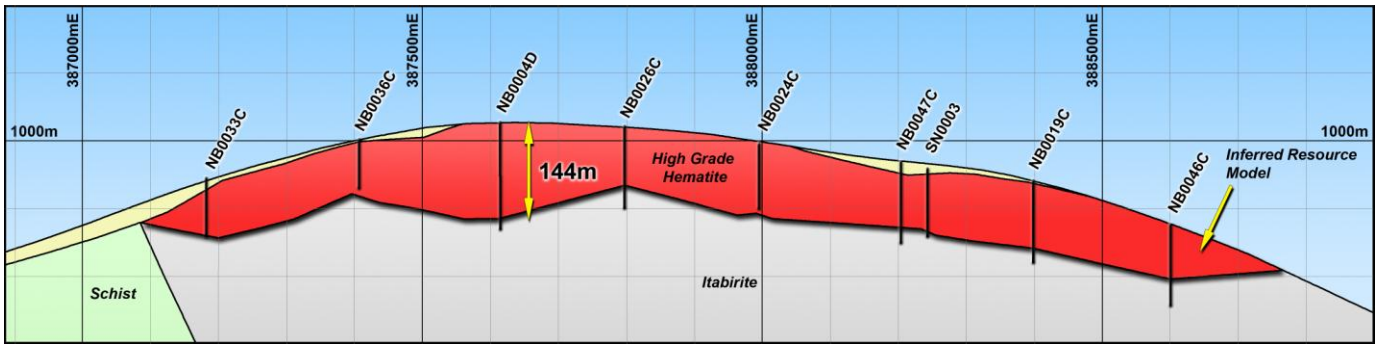

Figure 5: Oblique Section through Nabeba looking north-west showing thickness of up to 144 m of high grade hematite

Results from Drilling on EP92, Republic of Cameroon

Twenty one diamond drill holes (predominantly PQ diameter) have been drilled at the Mbarga Deposit in the 2010 exploration program to:

a) collect High Grade Hematite core samples for metallurgical testing; and

b) advance Resource Definition at the eastern extent of the Mbarga Deposit.

A total of 1,415 metres has been drilled at Mbarga with selected core samples from these holes transported to Australia for metallurgical testing.

Figure 6 shows the location of holes drilled on EP92 in the 2010 exploration program, together with the location of holes previously drilled up to the end of 2009.

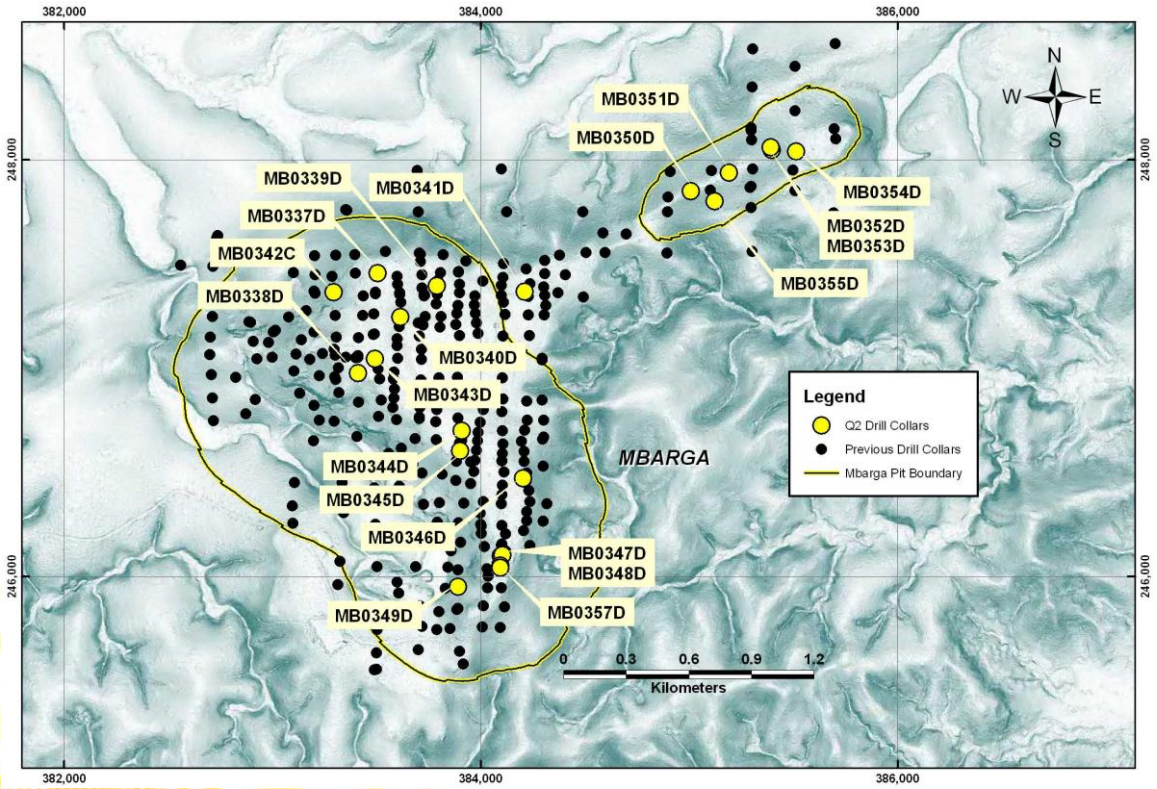

Figure 6: Location of Drill Holes Completed on EP92

Where drill core has been available, Field Niton XRF analysis from drilling on EP92 in the 2010 exploration program has indicated the presence of significant intersections of high grade hematite which are comparable to previous results from the Mbarga Deposit.

The Niton instrument provides reasonable accuracy in respect of Fe grades and has been calibrated from previous drill results collected on site but all samples must be sent off site for full quantitative analysis ahead of interpretation and resource modelling.

Application for EP92 Extension

The application for a further 2 year extension of exploration permit EP92 was submitted on 28 June 2010. The extension period is from 29 September 2010 to 28 September 2012.

This application included the relinquishment of a small non-prospective area of the current EP92 shape so that the reduced shape matches the Mining Permit Application. Corrections were sought to the approval documentation issued by the Cameroonian Minister of Mines in regards to the exact coordinates of the boundary points of EP92 as the granted approval does not correspond to the original boundary coordinates submitted in the original renewal document. Rectification letters have been written and were submitted to the Minister of Mine in Cameroon on 20 July 2010. The Company is currently awaiting a formal review and response from the Mines Department of Cameroon.

Current Resource Inventory

The JORC-Code compliant Indicated and Inferred Mineral Resources for the Project has increased significantly during the reporting period due to the addition of the Inferred Resource of the Nabeba Deposit. These Mineral Resources are summarised below in Tables 2 and 3.

High Grade Hematite Resource

The JORC-Code compliant near-surface High Grade Hematite resource is estimated to contain a total of 415.4 million tonnes hematite at 61.6% Fe (refer Table 2).

The addition of the Nabeba Deposit Inferred Resource has delivered an additional 200.2 million tonnes of High Grade Hematite at 63.1% Fe.

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Nabeba	Inferred	200.2	63.1	2.5	3.4	0.09	3.2
Mbarga	Indicated	168.7	60.5	9.5	2.1	0.08	1.4
	Inferred	10.4	57.5	13.0	2.7	0.06	1.6
Mbarga South	Inferred	21.8	58.8	9.4	3.0	0.06	2.9
Metzimevin	Inferred	14.3	61.8	10.3	3.6	0.09	1.8
Total Indicated & Inferred Resource		**415.4**	**61.6**	**6.3**	**2.8**	**0.08**	**2.4**

Table 2 – Summary of Indicated and Inferred Resources of High-Grade Hematite

All resources at the Mbarga South and Metzimevin Deposits are classified as Inferred because of the density of drilling to date. Drilling in 2010 will aim to progressively convert to Indicated and Measured Resources.

Regional mapping and geophysical interpretation is continuing to generate potential High Grade Hematite targets for future drilling.

Itabirite Hematite Resource

The JORC-Code compliant Itabirite Hematite Resource at the Mbarga Deposit remains unchanged and is estimated to contain a total of 2,325 million tonnes of Itabirite at an average grade of 38.0% Fe (refer Table 3).

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga	Indicated	1,431	38.0	44.5	0.44	0.04	0.32
	Inferred	894	38.0	44.1	0.54	0.05	0.43
Total Indicated & Inferred Resource		**2,325**	**38.0**	**44.4**	**0.48**	**0.04**	**0.36**

Table 3 – Summary of Indicated and Inferred Resources of Itabirite Hematite

The Indicated Resource of Itabirite Hematite at Mbarga is already sufficient to provide the beneficiation feed required for proposed production of high quality Direct Reduction grade and Blast Furnace grade iron concentrate during the first 25 years of Project operations (including initial production of High Grade DSO-quality product). There is no further exploration planned in the short term to increase the Itabirite Resource tonnage.

DEFINITIVE FEASIBILITY STUDY

Work commenced on the Definitive Feasibility Study across all areas of the Project including mine, process plant, rail and port in the June 2010 Quarter. Highlights for the quarter included:

- Continuation of metallurgical testwork program including transport and preparation of core samples from Cameroon.
- Optimisation of the rail route using high resolution LIDAR aerial survey data.
- Preliminary engineering design for the rail and material take offs for cost estimating.
- Sogreah Marine Consultants were awarded the port marine study and commenced work on analysis of data for determination of port design criteria.
- Mine consultants commenced preliminary mine planning work to evaluate blending and product quality strategies.
- Geotechnical investigations along the rail corridor were completed and laboratory analysis of samples commenced. Planning for geotechnical investigations at the port and mine sites commenced.
- Optimisation studies were completed on process plant siting options for the Stage 1 DSO project.
- Completion of consultant work scopes for mine design, port design, shipping analysis and operations modelling.
- Preparation of test plan for sinter fines quality testwork.

The Project development strategy provides for production of a DSO-quality sinter fines product for at least the first 10 years of Project operations based on blending of material sourced from the Mbarga, Mbarga South, Metzimevin and Nabeba deposits.

This strategy is aimed at export of highest margin product during the term of financing of Project infrastructure. Longer term production will then be based on beneficiation of the Itabirite Hematite from the Mbarga Deposit to produce both Blast Furnace and Direct Reduction grade pellet feed concentrates.

The DFS is targeted for completion by the end of 2010 ready for start-up of construction in mid 2011.

Process Strategy for High Grade Hematite

New drill hole assay data from the Nabeba Deposit indicates that the hematite is likely to have low silica content, however, alumina content has increased with the additional data. The blending strategy remains the same: direct shipping ore from Nabeba with direct shipping ore and upgraded Transitional material from EP92. Target product quality is premium DSO-quality sinter fines (refer Table 4).

Production	Fe (%)	Si02 (%)	Al203 (%)	P (%)	LOI (%)
35 Mtpa	>62.0	<5.5	<2.5	<0.08	2.0

Table 4 – Target High Grade Sinter Fines Product Specification

Testwork on the Transitional Hematite from the Mbarga Deposit, both Lump and Fines, indicates that this material is amenable to low cost upgrading such that the silica content of the blended product from EP92 is significantly reduced.

Testwork is continuing refine the process flowsheet and to enable metallurgical domain characterisation. Additional core samples are currently in transit with the metallurgical testwork program to be expanded to fully define the performance of Supergene, Transitional and Hypogene Hematite from Mbarga and Nabeba. Testwork will also be undertaken to determine if high grade Surficial material currently excluded from the Resource model may be upgraded.

Process Strategy for Itabirite Hematite

Beneficiation of the Itabirite Resource through conventional grinding and reverse flotation will produce a combination of DR grade concentrate grading 68% Fe and BF grade concentrate grading 65% Fe depending on target grind size. This will commence as near surface High Grade Hematite is depleted post Year 10 of operations.

Infrastructure

Infrastructure planning continued in the June 2010 Quarter with completion of the optimisation of the Mid-Northern Rail Route (the preferred, least cost alignment) by Calibre Rail. This work is progressing on schedule with completion targeted for August 2010.

On ground geotechnical investigations were completed in the June 2010 Quarter along the entire rail route from mine to port with auger drilling of deeper cut areas (refer Figure 7) and hand digging of test pits for geotechnical logging of shallower cut areas. International geotechnical specialist, Knight Piesold, is managing these geotechnical investigations.

Figure 7: Auger drilling along the Rail Route

Core samples from the marine geotechnical investigation were tested in laboratories in France. Results will be available in Q3 for preliminary design of the ore loading pocket and exit channel.

Sundance representatives continued their participation in meetings with the Cameroon Government's Kribi Port development group.

Environmental and Social Assessment (ESA) and Land Tenure

Cameroon

The Mbalam Project received environmental approval from the Ministry of Environment and Nature Protection (MINEP) on the 25th June 2010. MINEP have requested easily achievable upgrades to the ESA documentation which will be completed in the next few months but the issued Certificate of Environmental Conformity is unconditional approval.

REPUBLIQUE DU CAMEROUN
Paix – Travail - Patrie

MINISTERE DE L'ENVIRONNEMENT
ET DE LA PROTECTION DE LA NATURE

REPUBLIC OF CAMEROON
Peace- Work-Fatherland

MINISTRY OF ENVIRONMENT
AND PROTECTION OF NATURE

CCE / EIE N° 00000046 du 25 JUIN 2010

CERTIFICAT DE CONFORMITE ENVIRONNEMENTALE

Le Ministre de l'Environnement et de la Protection de la Nature

Vu la loi N° 96/12 du 5 août 1996 portant loi cadre relative à la gestion de l'environnement ;

Vu le décret N° 2005/0577/PM du 23 février 2005 fixant les modalités de réalisation des Etudes d'Impact Environnemental ;

Vu l'arrêté N° 0070/MINEP du 22 Août 2005 fixant les différentes catégories d'opérations dont la réalisation est soumise à une Etude d'Impact Environnemental ;

Vu le rapport de Comité Interministériel de l'Environnement ;

Considérant les nécessités de service,

Certifie que :

LA SOCIETE CAM IRON , B.P 33 059 YAOUNDE - CAMEROUN

a effectué toutes les procédures techniques nécessaires et respecté la réglementation en matière d'Etude d'Impact Environnemental

pour **son projet d'exploitation du minerai de fer de Mbalam.**

Au vu du plan de gestion environnementale de ladite étude et sous réserve de la production d'un rapport plus détaillé assorti d'un plan de gestion environnementale opérationnel le moment venu, il est délivré le présent Certificat de Conformité Environnementale pour servir et valoir ce que de droit.-

Le Ministre Délégué

Dr. Nana Aboubakar Djallo

The upgrade of the ESA will require the collection of additional data, inclusion of final engineering design and detailed Project implementation plans. Implementation plans for proposed offset programmes will also need to be finalised but the ESA is no longer on Project critical path.

A Declaration of Public Utility by the Lands Ministry for Project Land along the rail corridor was submitted in April 2010. Once awarded, this declaration will authorise the compulsory acquisition of Project land. The land acquisition process is expected to be largely complete by the end of the year and CamIron will be appointing an expatriate Lands and Environment Manager to assist with this process. CamIron is also in negotiation with Steering Committee for the government multi-user port for allocation of required Project land at the port site.

Congo

The Terms of Reference for the Congo Environmental and Social Assessment are planned to be completed and submitted to the Congo Environment Ministry in August and the baseline study programme completed in September. This will enable completion and submission of the Congo ESA by the end of the year with approval expected in the first quarter of 2011.

STRATEGIC ACTIVITIES

Partners and EPC Contractors

Discussions with strategic partners and engineering, procurement and construction (EPC) contractors continued during the reporting period. Discussions with partners and contractors are focused on securing equity, construction and finance packages along with offtake agreements.

Confirmation of the technical solution and associated pricing of the EPC contract for rail and port construction and associated financing has commenced.

The Company is pleased with progress and is confident of successfully concluding arrangements for the introduction of strategic partner(s) to the Project.

Cameroon Government

A draft Mbalam Convention was submitted to the Republic of Cameroon in May 2010 and following review by an international legal firm with substantial experience in development conventions in Francophone Africa, was submitted formally to the Minister of Mines on June 18 2010.

On 18 June the previous board met with the Minister of Mines and a Senior Delegation from the Presidency to discuss the regional development activities of the company and to commence the arrangements for the final negotiations on the Mbalam Convention with the Republic of Cameroon.

Congo Government

On 26 April 2010, Sundance Resources through its subsidiary Congo Iron submitted an application for Renewal of its tenements Nabeba-Bamegod and Ibanga, MRP362 and MRP 363. Subsequent meetings with His Excellency, the Minister for Mines, Mineral Industry and Geology, Mr Pierre Oba were held to discuss the progress made and future work, in particular drilling and the planned start of construction.

The submitted applications for renewal of its two Mining Research Permits, MRP362 and MRP363 will request a Renewal for a period of two years. The renewal applications provide for a 50% reduction in the surface area of each permit in accordance with the Mining Code of the Republic of Congo.

The renewals will allow Congo Iron SA to:

a) Increase the confidence of the JORC-Code compliant Inferred Mineral Resources for the Nabeba Deposit to Indicated Resource and a subsequent conversion into Reserves;

b) Complete feasibility study for development of the Nabeba Deposit in conjunction with the Mbalam Deposit in preparation for a final Decision to Mine; and

c) Evaluate further prospects identified near the northern boundary of MRP362 and at Mt Letioukbala on MRP363 with the aim to extend the life of the proposed mining operation on the permits.

CORPORATE

Appointment of Directors and Business Continuity

Following the tragic air crash that killed the Board of Sundance – Mr Geoff Wedlock, Mr Don Lewis, Mr Ken Talbot, Mr Craig Oliver, Mr John Jones and Mr John Carr-Gregg - Mr Peter Canterbury, previously the Chief Financial Officer of the Company, assumed the role of Acting Chief Executive Officer on the 20th June, 2010. The Company requested the ASX put the Company's securities into a trading halt prior to the opening of trade on Monday 21 June 2010 and subsequently into voluntary suspension on Wednesday 23 June 2010.

Former Sundance Chairman Mr George Jones, commercial lawyer Mr Michael Blakiston and investment banker Mr Adam Rankine-Wilson were subsequently appointed as Directors to form the Board of the Company along with highly experienced mining industry leader Mr Barry Eldridge and former KPMG partner and highly experienced professional Director, Ms Fiona Harris.

The declaration of Directors, followed consultation with major shareholders and Australian Securities and Investment Commission (ASIC), and fulfils a key requirement of the ASX Listing Rules and Sundance Constitution and enabled the Company to apply to lift the voluntary suspension of its shares ahead of an Extraordinary General Meeting (EGM) of shareholders to elect the Directors.

The Company's largest shareholder – the Talbot Group – subsequently called an EGM which is scheduled to be held on 16 August 2010.

Following consultation with major shareholders and updating the market on the Company's business continuity plans, updated strategic direction, the Company applied for and was granted by the ASX, the lifting of shares from voluntary suspension on the 19th July 2010.

Shareholder Information

As at 30 June 2010, the Company had 18,802 shareholders and 2,709,995,932 ordinary fully paid shares on issue with the top 20 shareholders holding 54% of the total issued capital.

Cash Assets

The Company's cash balance at 30 June 2010 was $76.7 million. These funds will be used to complete the Definitive Feasibility Study of the Mbalam Iron Ore Project and associated Resource and Reserve Definition drilling and testwork.

Expenditure

The Pro-forma Statement of Consolidated Cash Flows is provided in a separate report.

Peter Canterbury
Acting Chief Executive Officer

About Sundance Resources Limited

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo in central west Africa. Sundance has commenced Definitive Feasibility Study on its Mbalam Iron Ore Project as the basis for developing a global iron ore business.

Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Project and nearby projects in Congo and Gabon.

WA-based Sundance has been listed on the Australian Stock Exchange since 1993 and is also traded on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.

Competent Persons Statement

The information in this release that relates to Exploration Results is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy.

Mr Longley is a consultant to 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.

Mr Widenbar is a consultant to 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 Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Resources reported on Exploration Permit 92, Cameroon (Mbarga, South Mbarga and Metzimevin Deposits)

The estimated quantity and grade of DSO quality Supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at the Mbarga Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarga, Mbarga South and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <10% Al203; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarga South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value is used for the Mbarga Itabirite hematite.

A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used 20m x 10m x 10m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.

Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation.

The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying with a range of densities adopted from 3 to 4t/m3 depending on the iron grade. A density of 3.6t/m3 has been used for the majority of the near-surface High Grade Hematite and a value of 2.6 t/m3 applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.

Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and internal standards with comprehensive reporting on laboratory precision and accuracy. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.

Resources reported on Research Permit 362, Congo (Nabeba North Ridge Deposit)

The estimated quantity and grade of near surface, high grade mineralisation for the Inferred Resource has been restricted to an area currently covered by drilling on predominately a 200m x 200m pattern on the northern ridge of the horseshoe-shaped Nabeba Deposit. Sundance has completed 38 holes at Nabeba for a total of 3,400m of which 40% has been PQ/HQ core and 60% RC (Reverse circulation) drilling with face-sampling hammers.

The geological model is represented by an area approximately 2.5km (east-west) x 1km (north-south). Grade has been estimated by IDS method (inverse-distance squared) on composited sample results. The mineralisation and grade interpolation of drill results has been constrained by a 3-D wireframe which encompasses all of the near-surface contiguous high grade material and as such, no cut-off grades for high grade have been required or applied. At the time of modelling, analytical results for 32 of the 38 holes had been received of which 62% were full XRF analyses from Ultratrace Laboratories (Perth, Western Australia) and the remaining 38% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.

A digital terrain surface (based on a recent aeromagnetic survey) has been used to limit extrapolation of the mineralisation to the topography of the Nabeba hill. The resource modelling has used 25m x 25m x 5m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used handheld GPS surveying. A global density of 2.65t/m3 has been used for all of the near-surface High Grade Hematite based on results from an assessment of physical density measurements of current drill core.

At this stage of assessment core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy.

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of exploration targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these exploration targets and it is uncertain if further exploration will result in determination of a Mineral Resource

Forward-Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL 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, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report and half year report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.