SUNDANCE RESOURCES LTD

Sundance Resources Ltd
ASX Code: SDL
Level 35, Exchange Plaza, 2
The Esplanade, Perth, WA, 6000
Telephone +61 8 9220 2300
Facsimile +61 8 9220 2309
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

ASX Announcement and Media Release
24 December 2012

HIGH-GRADE HEMATITE RESERVES INCREASE BY 24% TO 436.3MT AT 62.6% FE

HIGHLIGHTS

- High-grade Hematite Ore Reserves for Stage One increased by 24% to 436.3 Mt at 62.6% Fe.
- Stage Two underpinned by additional Resources of 2.3Bt of Itabirite Hematite at 38% Fe at Mbalam and 1.7Bt of Itabirite Hematite at 33.9% at Nabeba.
- Significant potential to grow the Project further with numerous drilling targets identified in both Cameroon and the Republic of Congo.
- Further to this is a previously announced High Grade Exploration Target[1] of 90-150 Mt and an Itabirite Exploration Target[1] of an additional 9.2 - 13.2Bt at 30%-40% Fe (refer to September 2012 Quarterly Report).

Sundance Resources Limited ('Sundance' or 'the Company') (ASX: SDL) advises that the high-grade Ore Reserve for Stage One of the Mbalam-Nabeba Iron Ore Project ('the Project') in Cameroon and the Republic of Congo has increased by 24 per cent to 436.3 million tonnes (Mt) at 62.6% Fe. Increases in the high-grade Ore Reserve will enable the Stage One life of 10 years to be extended.

All Ore Reserves have been estimated in accordance with the JORC Code by Australian Mining Consultants Pty Ltd (AMC).

The Ore Reserve increase is based on the current inventory of 775.4Mt of high-grade Hematite Mineral Resources (including 748Mt Indicated Mineral Resources) at 57.2% Fe (refer to 20 June 2012 ASX announcement), representing a conversion of 58% of the Company's total Indicated Mineral Resources.

The increased Ore Reserve figure contains low impurities of 4.43% Silica, 2.55% Alumina and 0.087% Phosphorus.

[1] *It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.*

SUNDANCE RESOURCES LTD

Sundance Resources Ltd
ASX Code: SDL
Level 35, Exchange Plaza, 2
The Esplanade, Perth, WA, 6000
Telephone +61 8 9220 2300
Facsimile +61 8 9220 2309
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

Table 1 is the Global Summary of all High Grade Ore Reserves for the Project.

Table 1 Global High Grade Hematite Ore Reserves	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Ore Reserves Reported to ASX – 6 April 2011	Probable	251.5	63.6	3.64	2.54	0.08	2.42
Ore Reserves Reported to ASX – 15 November 2011	Probable	352.3	62.4	5.0	2.6	0.09	2.6
Ore Reserves Reported to ASX – 24 December 2012	**Probable**	**436.3**	**62.6**	**4.43**	**2.55**	**0.087**	**2.78**

The updated Global Ore Reserves consist of the high grade Ore Reserves from the Mbarga, Mbarga South, Nabeba, Nabeba South and Nabeba North West deposits.

Table 2 summarises High Grade Ore Reserves by location.

Table 2 Ore Reserves (Ore Products) – Dec. 2012	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga and Mbarga South							
DSO Product	Probable	83.9	63.6	4.6	2.30	0.079	1.71
Transition Upgraded Product	Probable	43.05	62.99	8.04	1.18	0.053	1.27
Total Mbarga and Mbarga South Product	**Probable**	**126.95**	**63.41**	**5.77**	**1.92**	**0.071**	**1.56**
Nabeba, Nabeba North West and Nabeba South							
DSO Product	Probable	249.7	62.76	3.26	2.97	0.096	3.11
Sub-Grade and Transition Upgraded Product	Probable	59.6	60.13	6.47	2.08	0.082	3.95
Total Nabeba, Nabeba North West and Nabeba South Product	**Probable**	**309.3**	**62.25**	**3.88**	**2.80**	**0.094**	**3.27**
Total Ore Reserves	**Probable**	**436.3**	**62.6**	**4.43**	**2.55**	**0.087**	**2.78**

Table 3 summarises the High Grade Minerals Resources for the Project as reported in the 20 June 2012 ASX announcement which forms the basis for the High Grade Hematite Reserves.

Table 3 High Grade Hematite Resource		Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Indicated		748.0	57.2	9.2	4.4	0.098	3.8
Inferred		27.4	57.4	15.1	3.0	0.090	1.5
Total High Grade Hematite Resource		**775.4**	**57.2**	**9.4**	**4.3**	**0.098**	**3.8**

SUNDANCE RESOURCES LTD

Sundance Resources Ltd
ASX Code: SDL
Level 35, Exchange Plaza, 2
The Esplanade, Perth, WA, 6000
Telephone +61 8 9220 2300
Facsimile +61 8 9220 2309
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

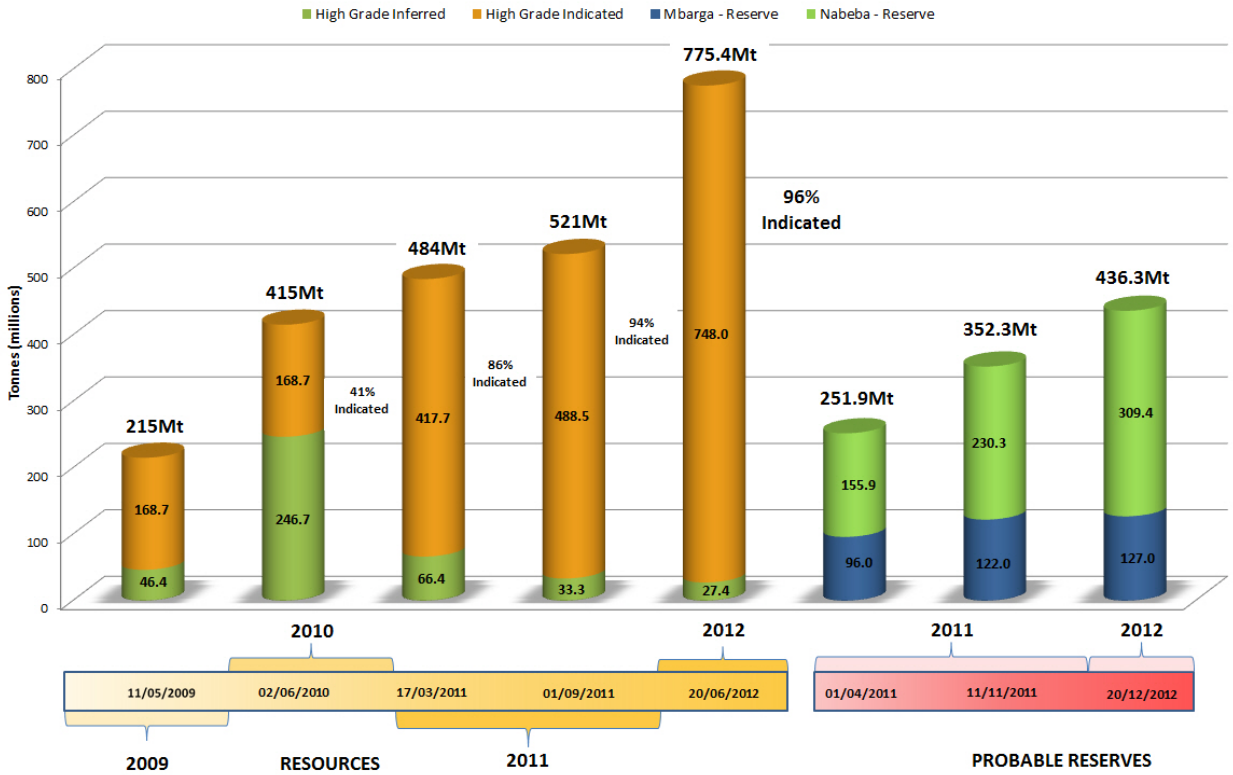

FIGURE 1 – INCREASE IN HIGH GRADE RESOURCES AND ORE RESERVES

The material changes that have driven the recent increase in Ore Reserves since the previously announced Ore Reserve Statement (released to ASX on 15 November 2011) include:

1. **Additional Drilling**

   Additional drilling was conducted which resulted in a significant increase in global Mineral Resources (for further technical information, please refer to the Company's Resources Upgrade ASX announcement dated 20 June 2012).

   The re-interpretation of the main Nabeba and Mbarga Deposits based on additional drilling information also enabled additional resources to be presented to the Ore Reserve Estimation process.

2. **New Mineral Resources**

   Addition of the Nabeba Northwest Deposit (50.3Mt @ 52.8% Fe Indicated Mineral Resources) and the Nabeba South Deposit (9.9Mt @ 57.3%Fe Indicated Mineral Resources).

Sundance Resources Ltd
ASX Code: SDL
Level 35, Exchange Plaza, 2
The Esplanade, Perth, WA, 6000
Telephone +61 8 9220 2300
Facsimile +61 8 9220 2309
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

3. Relaxation of previous chemistry 'cut-off' and 'cut-over' restraints as a result of the Enhancement Study

The Sundance Board confirms that the Ore Reserve increase does not impact on its unanimous recommendation that Sundance Shareholders vote in favour of the acquisition by Hanlong (Africa) Mining Investment Limited of all Sundance shares by way of a scheme of arrangement in the absence of a superior proposal.

The Independent Expert, Ernst & Young, has also confirmed that the Ore Reserve increase does not have a material impact on the valuation analysis undertaken as part of the assessment of the Scheme and therefore does not affect its conclusion that the Scheme is in the best interests of Sundance Shareholders in the absence of a superior proposal. As part of this consideration, Optiro, the Independent Mineral Specialist, confirmed to Ernst & Young, that the increase in Ore Reserves does not materially impact the conclusions contained in its earlier report.

- ENDS -

Released by:
Giulio Casello
Managing Director & CEO
Sundance Resources Limited

Shareholder/Media enquiries:

Jill Thomas
Investor Relations Manager
Telephone: +61 8 9220 2300
Email: jthomas@sundanceresources.com.au

Paul Armstrong
Read Corporate
Telephone: +61 8 9388 1474
Email: paul@readcorporate.com.au

SUNDANCE RESOURCES LTD

Sundance Resources Ltd
ASX Code: SDL
Level 35, Exchange Plaza, 2
The Esplanade, Perth, WA, 6000
Telephone +61 8 9220 2300
Facsimile +61 8 9220 2309
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources 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 and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are 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".

The information in this report that relates to Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory 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".

Messrs Longley, Widenbar and Gregory consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: www.sundanceresources.com.au.

Itabirite Resources reported at the Mbarga Deposit (Republic of Cameroon) and at the Nabeba Deposit (Republic of Congo)

At Mbarga, the estimated quantity and grade of Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource and a 200m x 100m spaced drill pattern applies for the Inferred Resource. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit.

At Nabeba, drilling of the Itabirite has been conducted on an approximate 400m x 200m spaced pattern and as such is only categorised at Inferred. Recent drilling of the Itabirite at Nabeba has been by way of re-entering and extending historical holes. However, all deep holes across the Deposit area that intersected Itabirite have been used in the estimation and this covers an area approximately 3km (east-west) x 3km (north-south).

Grade has been estimated by Ordinary Kriging on composited sample results. 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 Itabirite resource modelling has used 20m (X) x 10m (Y) x 10m (Z) blocks at the Mbarga Deposit with sub-blocks to honour the constraining surfaces. Nabeba Itabirite modelling has applied 25m (X) x 25m (Y) x 5m (Z) blocks at this Inferred stage of estimation.

Drillhole collar survey has utilised DGPS surveying at all Deposits.

Down-hole surveys (at Mbarga only) 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 at Mbarga only. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied to apply a density value. 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/m^3 depending on the iron grade.

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. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.

High Grade Hematite Resources reported on Exploration Permit 92, Republic of Cameroon (Mbarga, Mbarga South and Metzimevin Deposits)

The estimated quantity and grade of High Grade Hematite 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 Mbarga Deposit and a spacing varying from 200m x 100m to 50m x 50m for the Indicated Resource at the Mbarga South

Sundance Resources Ltd
ASX Code: SDL
Level 35, Exchange Plaza, 2
The Esplanade, Perth, WA, 6000
Telephone +61 8 9220 2300
Facsimile +61 8 9220 2309
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

Deposit. A 200m x 100m drill pattern applies for the Inferred Resource at the Mbarga 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.

Note that Cut-off grades for High Grade Hematite at the Mbarga Deposits have been changed since the previous estimation (September, 2011) and while most restrictions have been removed, the following still apply: 'Phosphorus' Domain: >50% Fe and <0.3% P; 'Hypogene' Domains: >51% Fe. Metzimevin Inferred Resources remain unchanged and have a >50% Fe cut-off and density of 2.80 applied.

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 a block size of 10m (X) by 10m (Y) by 2m (Z).

Drillhole collar survey has utilised DGPS surveying at all Deposits.

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.

Densities have been assigned from a combination of down hole geophysical and physical measurements of diamond core carried out as part of metallurgical analysis. Densities of 2.40 t/m^3 have been assigned for the Surficial Zone, 2.80 t/m^3 for the Supergene, 2.80 t/m^3 for the Phosphorus, 2.90 t/m^3 for the Transition and 3.20 t/m^3 for the Hypogene. 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 4 t/m^3 depending on the iron grade.

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 Nabeba-Bamegod Permit, Republic of Congo (Nabeba, Nabeba Northwest and Nabeba South Deposits)

The estimated quantity and grade of near-surface, high grade mineralisation for the Nabeba Resources has been restricted to an area currently covered by drilling on predominantly a 100m x 100m pattern (with some closer-spaced drilling on selected north-south lines on the northern ridge). Sundance has completed significant drilling at the main Nabeba Deposit of which approximately 20% has been diamond core and 80% RC (Reverse Circulation) drilling with face-sampling hammers.

Drilling at the smaller Nabeba Northwest and Nabeba South Deposits has been by predominantly RC method although two diamond holes were drilled at Nabeba Northwest to ensure similar physical properties and densities applied.

The geological model at the Nabeba Main Deposit is represented by an area approximately 2.5km (east-west) x 3km (north-south). Nabeba Northwest covers a smaller area of approximately 1km x 1km and Nabeba South smaller again at 500m x 500m.

Grade has been estimated by Ordinary Kriging 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, 92% of drill sample results were full XRF analyses from Ultra Trace Laboratories (Perth, Western Australia) and the remaining 8% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.

Cut-off grades for the Nabeba deposits have changed since the previous estimation (September, 2011) and now no cutoff grades have been applied. Resultant grades are simply a result of the grades which lie within carefully defined mineralised domain boundaries.

SUNDANCE RESOURCES LTD

Sundance Resources Ltd
ASX Code: SDL
Level 35, Exchange Plaza, 2
The Esplanade, Perth, WA, 6000
Telephone +61 8 9220 2300
Facsimile +61 8 9220 2309
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

A digital terrain surface (based on recent Lidar and ground surveys) 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.

Drillhole collar survey has utilised DGPS surveying at all Deposits.

A density of 2.65 t/m^3 has been used for the 'Supergene' and 'Transition' domains of High Grade Hematite, with a density of 2.50 t/m^3 for the 'Sub-Grade' and 'Surficial' zones. All density values are based on results from an assessment of physical density measurements of current drill core and on down-hole density determination by Surtron.

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.