

ASX Announcement  
20 March 2012

## SUNDANCE AND EQUATORIAL SIGN MOU REGARDING OPPORTUNITIES FOR SHARING IRON ORE INFRASTRUCTURE

- ***Agreement follows similar infrastructure sharing MoU between Sundance and fellow West African iron ore group Core Mining***
- ***Three high-grade iron ore deposits in Republic of Congo and one in Cameroon are now the subject of infrastructure sharing discussions***
- ***Highlights Sundance's leadership and ongoing commitment to the growth of a new iron ore region with a growing number of project development options and infrastructure scenarios***

Sundance Resources Limited ('the Company' or 'Sundance') (ASX: SDL) and Equatorial Resources ('Equatorial') (ASX: EQX) are pleased to advise that they have signed a Memorandum of Understanding under which both companies will examine how Equatorial may utilise the rail and port infrastructure associated with Sundance's Mbalam/Nabeba iron ore project in West Africa.

The MoU also covers other opportunities for regional co-operation between the two Australian-based companies.

Equatorial owns the Badondo Iron Project in the north-west of the Republic of Congo. Badondo is located approximately 90 km south-west of Sundance's high-grade Nabeba deposit and approximately 90 km south from Sundance's proposed rail infrastructure. Equatorial believes Badondo is highly prospective and has set a global exploration target for the project of between 1.3 and 2.2 billion tonnes of iron mineralisation.

As part of the MoU, Sundance will advance its discussions with Equatorial regarding the potential for access to the Mbalam infrastructure by way of direct investment or alternatively by a haulage services agreement. Sundance and Equatorial will also advance their discussions concerning other possible infrastructure solutions.

In addition to cooperation over the development of transport infrastructure, the two companies under the MoU have also committed to negotiate and attempt to seek agreement in relation to:

- (i) Opportunities for operational cooperation in relation to exploration and project development;
- (ii) A unified approach to environmental impact management, compliance and reporting as well as a unified liaison program with relevant environmental agencies;
- (iii) Cooperation on risk management, health and safety practices and reporting methods, and emergency response procedures;
- (iv) Collaboration of training initiatives and work force development strategies; and
- (v) Mutual assistance with government relations and community liaison.

The MoU with Equatorial comes approximately two weeks following Sundance's announcement that it had finalised a MoU with Core Mining concerning the provision and use of future infrastructure facilities which would service Sundance's Mbalam/Nabeba Iron Ore Project. Core owns the Avima project, which is located 65 km west of Sundance's Nabeba deposit in the Republic of Congo.

Sundance currently plans to transport ore from the Mbalam/Nabeba Project from the deposits in the Republic of Congo and Cameroon via a dedicated rail line to a custom-built iron ore export terminal at the Port of Lolabe in Cameroon, both of which are proposed to be constructed by Sundance.

This region also hosts several other world-class iron ore exploration projects, including CMEC's Belinga Project in Gabon.



**Figure 1: Proximity of Sundance Resources' Mbalam/Nabeba Project to the Badondo Project as well as to other neighbouring prospects along the proposed rail corridor**

Sundance Chairman George Jones said Sundance's Mbalam/Nabeba Project was strategically located at the heart of an emerging iron ore province in central Africa, with the potential for long-term iron ore production of up to 100 million tonnes a year.

"Sundance is leading the development of a world-class iron ore region and our first mover advantage with having our DFS complete and project funding on the table from Hanlong and CDB demonstrates that we are ready to start unlocking the potential of this area. We strongly believe that regional cooperation by way of infrastructure sharing is a logical and pragmatic approach to fast tracking development for the benefit of everyone involved, including the Governments and people of these countries.

"Sundance has now formalised discussions on this issue with three neighbouring project operators, Legend Mining in Cameroon and Core Mining and Equatorial Resources in the Republic of Congo, and we are in talks with others. These discussions highlight the growing number of options coming onto the table in respect to project development scenarios and the funding and use of related infrastructure that Sundance is planning to build in the foreseeable future," Mr Jones said.

**ENDS**

Released by:

**George Jones**  
Chairman, Sundance Resources



**Shareholder/Media Inquiries:**

Jill Thomas  
Investor Relations Manager, Sundance Resources  
Telephone: +61 8 9220 2300  
Email: info@sundanceresources.com.au

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

About The Mbalam Iron Ore Project

The Mbalam Iron Ore Project is based around a group of large-scale iron ore deposits spanning the border between the Republic of Cameroon and the neighbouring Republic of Congo in central West Africa. The Mbalam Iron Ore Project is an integrated mine, rail and port Project that will unlock the potential of a new world-class iron ore region in central West Africa.

The first stage of the project is designed to develop mines to produce 35Mtpa of DSO-quality hematite for 10 years as well as the construction of a heavy haul railway for the transport of iron ore and building of a dedicated deep water port. Stage two will then develop and produce at 35Mtpa Sundance's Itabirite deposits for a further fifteen years. The Definitive Feasibility Study (DFS) for Stage One was completed in March 2011. The DFS now forms the basis for capital appropriation and will provide the budget input to move towards final investment decision pending securing project financing and Government approvals in Cameroon and Congo.