



ASX Announcement
29 November 2013

**Chairman's Address
Sundance Resources Limited
AGM 2013**

Good morning ladies and gentlemen. Welcome to the annual general meeting of Sundance Resources.

I'm George Jones and I am the Chairman of your Board.

This time last year, Managing Director Giulio Casello and I were absent from that meeting because we were in Cameroon for the signing of the Mbalam Convention with the Government of Cameroon.

That signing marked a significant milestone for our company. Since then, we have enjoyed significant success on several fronts, including securing the Congo Mining Permit. As a result, we have substantially de-risked the Mbalam-Nabeba Project and built a solid foundation on which it can be developed.

In April, we announced that the Scheme Implementation Agreement with Hanlong had been terminated. No shareholder could be more frustrated than I have been with the outcome of the proposed Hanlong transaction. It was one of the more challenging deals I have been involved with in nearly 40 years as a banker and director of public companies.

The Board maintained its policy of supporting the Hanlong transaction until the point at which we believed there was no longer any realistic chance of it succeeding. When it became clear that Hanlong could not meet the conditions precedent your Board took the view that the Company should actively pursue the alternative development strategies that had been kept under review throughout the Scheme process.

The Hanlong Group still holds approximately 14 per cent of the issued capital of Sundance. That stake was financed by banks in China and we believe those banks will have a significant influence on what happens to that holding.

We have recently met with these banks in China and have been reassured that they support our current strategy to develop the project.

With the end of the takeover discussions with Hanlong, Sundance has been approached by a number of groups keen to discuss how they may become involved in the Mbalam-Nabeba Iron Ore Project. These groups come from a range of countries and have widely diversified interests in areas such as banking, resource projects, infrastructure provision and steel making.

One common theme emerged from these discussions and following due diligence on the project is that all expressed the view that Mbalam-Nabeba is a world-class asset and one of the most advanced, low cost, greenfield iron ore projects not controlled by the majors.

Our current strategy involves financially separating the development of the port and rail infrastructure from the mine development and its associated iron ore product sales. Giulio will explain this in more detail in his presentation later this morning.

A few months ago we issued the tender documents to a number of international Engineering, Procurement, and Construction (EPC) contractors for this rail and port infrastructure. The contractors - both Chinese and non-Chinese parties – which have been invited to submit tenders have a proven track record in building successful projects of large scope and scale.

A number of them have since visited the project and the overwhelming feedback suggests they are extremely interested in being part of it. Tender submissions are expected to be received within weeks. We will then take a few weeks to review them and then expect to enter into final negotiations during the first half of 2014.

I have been personally involved in a number of these discussions and met those who are compiling the tenders. I have a high degree of confidence that we will enter into a transaction which will confirm development plans for the Mbalam-Nabeba Project in the first half of next year.

The term sheets have also been issued for the sale of equity and take-or-pay iron ore off-take agreements. These negotiations cover the full production capacity of 35 million tonnes per annum of high-grade iron ore from the Mbarga and Nabeba mines.

The off-take contracts will need to be at such a level that they can be used as security for funding the EPC infrastructure contracts. Companies committing to off-take will also have the opportunity to take an equity position in the mine or the total project, at terms to be agreed.

For the development of the mines, EPC tender documents will be issued before the end of the year.

In the short term, the Company continues to take steps to reduce expenditure as we balance our commitments in-country to maintain our assets there with cash conservation as we go through the EPC negotiation process.

We successfully raised \$40 million in October through the issue of convertible notes and options to Noble Resources International and an investor consortium made up of Blackstone, the D. E. Shaw Group and Senrigan Capital. These measures are the subject of several of the resolutions to be voted on later in the meeting.

This funding arrangement not only secures Sundance's financial position in the short term, but also demonstrates the ongoing support our company and the project is receiving from strategic parties and global institutional investors.

Noble Resources is a significant player in the Iron Ore Industry and Blackstone and the D. E. Shaw Group are sophisticated investors in the resources sector. The fact that they are investing in Sundance demonstrates that they believe in the strong potential our company offers as we push forward in developing this world-class iron ore project.

During the past year we have increased our **High Grade Probable Ore Reserves** by more than 120 per cent to 436.3Mt grading 62.6% Fe.

That Reserve is from total High Grade Hematite Resources of 775.4 million tonnes grading 57.2 per cent iron. We also have extensive Itabirite resources, which stand at 4.05 billion tonnes grading 36.3 per cent iron.

Both deposits - Mbarga and Nabeba - remain open at depth and there is significant potential to add to resources and reserves.

I have no doubt that our Project has an outstanding future, not only as a stand-alone project but also as the hub of what I believe will be the world's next great iron ore region.

The first-mover advantage associated with development of the port and rail infrastructure is immense. The scope for consolidation of the region's iron ore deposits and the gains to flow from maximising the potential economies of scale are extremely attractive.

I believe that many of the prospective participants in this project recognize this potential.

Substantial progress is being made with all of the processes outlined and I have a high degree of confidence that Sundance will successfully bring this project into production.

The iron ore market, both price and volume, remains very strong and all the studies and information available to us indicate that the supply/demand equation for the time this project comes on stream in 2017/2018 will also remain very strong.

On behalf of the Board, I would like to thank Sundance Management and staff for the outstanding job they have done in bringing our project to a stage where major companies on the world stage are now compiling tenders to be a part of it.

I also thank the Governments of Cameroon and Republic of Congo for their continued support through the lengthy process to pull this project together.

I would also like to take this opportunity to thank our shareholders for their ongoing support. The past year has brought its challenges. But it has also delivered us much success and I am very confident that this success will gain momentum as we move into the New Year.

I wish you all a very merry Christmas and a happy new year.

George Jones
Chairman