



**Sundance Resources Limited**

ABN 19 055 719 394

## Prospectus

For a pro-rata renounceable entitlement offer of 1 New Share for every 1 Share held by Eligible Shareholders at an issue price of \$0.005 per New Share, together with 1 free New Option for every 1 New Share subscribed to raise up to \$16,512,793 (**Offer**).

**This Offer is partially underwritten by Patersons Securities Limited for an amount of \$13,250,000. Refer to section 9 of this Prospectus for details of the terms of the underwriting arrangements.**

### **IMPORTANT NOTICE**

This Prospectus has also been prepared for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Securities issued by the Company.

This document is important and should be read in its entirety before deciding whether to apply for New Securities under this Prospectus. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

You should have regard to all publicly available information concerning the Company.

An investment in the Securities of the Company, including the New Shares and New Options offered by this Prospectus, should be considered speculative.

**Legal Adviser to Sundance**

**CLAYTON UTZ**

## Corporate Directory

### Board of Directors

Wallace (Wal) King  
*Independent Chairman and Non-Executive Director*

Giulio Casello  
*Chief Executive Officer and Managing Director*

Alan Rule  
*Non-Executive Director*

### Company Secretary

Alan Rule

### Registered Office

Level 3  
24 Outram Street  
West Perth WA 6005

Telephone: + 61 8 9220 2300  
Facsimile: + 61 8 9220 2309

Website: [www.sundanceresources.com.au](http://www.sundanceresources.com.au)

### Share Registry

Computershare Investor Services Pty Limited  
Level 11  
172 St Georges Terrace  
Perth WA 6000

Telephone:

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

Facsimile:

+61 3 9323 2033

### Solicitors to the Offer

Clayton Utz  
Level 27  
QV.1 Building  
250 St Georges Terrace  
Perth WA 6000

Telephone: +61 8 9426 8000

Facsimile: + 61 8 9481 3095

### Lead Manager and Underwriter

Patersons Securities Limited  
Level 23, Exchange Tower  
2 The Esplanade  
Perth WA 6000

Telephone: +61 8 6263 1111

## **Important notes**

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You should read this entire Prospectus carefully before deciding whether to invest in New Securities. In particular, you should consider the key risks that could affect the performance of the Company or the value of an investment in the Company, details of which are outlined in section 4 of this Prospectus.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading this Prospectus, you have any questions about the Offer, you should contact your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

## **Regulatory information**

This Prospectus is dated 3 February 2016 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offer.

Applications for New Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form, which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options over continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been given to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

## **Disclaimer**

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus. An investment in the New Securities offered by this Prospectus should be considered speculative.

The Company has prepared this document based on information available to it at the time of preparation.

## **Forward-looking statements**

This Prospectus contains forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions many of which are outside the control of the Company and that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

In particular, this Prospectus details some important factors and risks that could cause the Company's actual results to differ from the forward-looking statements in this Prospectus (details of which are outlined in section 4 of this Prospectus).

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of the Company's view on its future financial condition and/or performance.

Neither the Company nor any other person guarantees the repayment of capital or the payment of income. Investors should note that the past performance of the Company provides no guidance as to its future performance.

## **Key risks**

Subscribing for New Securities the subject of this Prospectus involves a number of risks. The risk factors set out in section 4 of this Prospectus and other general risks applicable to all investments in listed securities not specifically referred to may in the future affect the value of the Securities. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities or cannot otherwise be mitigated.

If any Shareholder is unsure about subscribing for Securities, the Shareholder should first seek advice from its stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser.

The New Securities offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to its future performance.

### **Prospectus availability**

Eligible Shareholders can obtain a copy of this Prospectus during the Offer Period on the Company's website at [www.sundanceresources.com.au](http://www.sundanceresources.com.au) or by contacting the Company by telephone on + 61 8 9220 2300 during the Offer Period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Entitlement and Acceptance Form. You will only be entitled to accept the Offer by completing and returning your personalised Entitlement and Acceptance Form, which accompanies this Prospectus, or by making a payment via BPAY<sup>®1</sup> using the information provided on your personalised Entitlement and Acceptance Form (refer to section 6 of this Prospectus for further information).

The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

### **Foreign jurisdictions**

This Prospectus has been prepared to comply with the requirements of the laws of Australia and is being sent to Eligible Shareholders. No action has been taken to register the New Securities in any jurisdiction outside of Australia.

See section 1.10 of this Prospectus for further details in relation to persons in jurisdictions outside of Australia.

### **Entitlements may have value**

Shareholders should be aware that their Entitlements may have value. The Offer is renounceable which enables Eligible Shareholders who do not wish to take up their Entitlement to sell all or part of their Entitlement to persons meeting certain eligibility criteria on ASX or by transferring it directly to another eligible person.

### **Trading Entitlements and New Securities**

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

The assignment, transfer and exercise of Entitlements trading on ASX is restricted to persons meeting certain eligibility criteria. If holders of Entitlements at the end of the trading period do not meet eligibility criteria, they will not be able to exercise the Entitlements and, as a result, they will receive no value for them.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Securities in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser. Refer to section 1.5 for more details on trading of New Securities and Entitlements.

### **Glossary**

Terms and abbreviations used in this Prospectus are explained in the Glossary in section 11 of this Prospectus.

A reference in this Prospectus to time is a reference to the local time in Perth, Western Australia, unless otherwise stated.

All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

### **Governing law**

This Prospectus and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

### **Enquiries**

If you have any questions in relation to the Offer, please contact your stockbroker, solicitor, banker, financial adviser, accountant or other professional adviser. If you have any enquiries in relation to the Entitlement and Acceptance Form, please contact the Share Registry by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

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<sup>1</sup> ® Registered to Bpay Pty Limited ABN 69 079 137 518

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## Chairman's letter

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3 February 2016

Dear Shareholders

On behalf of the Directors and management, I am pleased to offer you the opportunity to invest in Sundance Resources Limited (**Sundance** or the **Company**) through this pro-rata renounceable Offer of New Securities.

Under this Prospectus, Eligible Shareholders are invited to purchase 1 New Share for every 1 Share held at 4:00 pm (Perth time) on the Record Date at the Offer Price of \$0.005 per New Share, together with 1 free New Option exercisable on or before 31 August 2017 at \$0.006 for every 1 New Share subscribed.

You may also apply for additional New Shares in excess of your Entitlement as set out in section 1.7 of this Prospectus (**Oversubscription Offer**). The Oversubscription Offer is an opportunity for smaller Shareholders to take positive action and increase their shareholding.

The Offer Price represents a 29% discount to the Company's closing price of \$0.007 on 29 January 2016, the last day Sundance Shares traded before the Offer was announced, and a 17% discount to the theoretical ex-rights price of \$0.006.

New Shares will rank equally with existing Shares in all respects from allotment, including entitlements to dividends/distributions. The terms of the New Options, in respect of which the Company will apply for their listing on ASX, are set out in the Schedule.

The Offer is partially underwritten by Patersons Securities Limited (**Patersons**) for an amount of \$13.25 million. Patersons has entered into sub-underwriting arrangements with Mr David Porter for \$11 million and other investors for \$2.25 million. The Offer is being managed by Patersons.

As the Offer is only partially underwritten, to the extent that Eligible Shareholders elect not to take up their Entitlement in excess of the amount underwritten, there will be a Shortfall. The Company, in conjunction with Patersons, will continue to engage with any new Shareholders and other investors to take up any Shortfall that may arise.

Sundance requires shareholders' support to secure the Company's future and the underwriting support the Company has received contemplates that Shareholders will provide an appropriate level of support for the Company.

### Update on Company's activities

In section 2 you will find an overview of the Company and an update on the Company's activities. I would like to highlight several of the key advances the Company has made over the past few quarters. In particular, the Company has:

- Strengthened the Project fundamentals by:<sup>2</sup>
  - increasing the capacity to 40Mtpa;
  - reducing operating costs by improved strip ratio;
  - increasing the high grade hematite ore reserves to 517Mt at 62.2% Fe; and
  - increasing the itabirite resource to 5.6Bt at 33.4% Fe;
- Completed the Transition Agreement which moved the funding and ownership of the port and rail to the Cameroon Government which is seeking sovereign funds from China, whilst maintaining a 2% free carried interest;
- Extended EP92 expiry date and the Mbalam Convention long stop date to 24 July 2017;
- Completed the marking of the railway corridor;
- Assisted the Cameroon Government to complete the negotiations and finalise the contract for the EPC contract to construct the rail and port infrastructure in Cameroon ready for signature;
- With shareholder approval, extended the maturity date of existing convertible notes due on 1 December 2015 to 23 September 2017;
- Implemented significant cost reductions across the organisation including ongoing reductions in Director fees; and
- Raised \$7 million via the issue of new convertible notes.

### Porter litigation settlement

On 23 December 2015, the Company announced to ASX that the Supreme Court of Western Australia (Action No. CIV 1632 of 2013) had delivered its judgment in the dispute between Mr David Porter (as plaintiff) and Sundance, and ordered

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<sup>2</sup> In accordance with ASX Listing Rule 5.23 and the JORC Code the Company confirms that this information was originally sourced from the ASX announcements released on 20 May 2015 and titled "Mbalam Nabeba Iron Ore Project increases total high grade and itabirite hematite mineral resources" and "High grade hematite ore reserves increased to over half a billion tonnes at Mbalam-Nabeba". The Company is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

Sundance to pay damages in the amount of \$5,037,407 in lieu of a grant of 10 million options to Mr David Porter. No orders have been made yet in relation to either interest or costs, however these are estimated to be in the order of \$3 million. The judgment had effect as soon as it was made on 23 December 2015.

On 18 January 2016, the Company announced to ASX that Sundance reached an agreement to settle, in full, the above matter and another outstanding matter in the Supreme Court of Western Australia with Mr Porter and Absolute Analogue Inc.

The Board believes that reaching a settlement with Mr Porter and Absolute Analogue Inc. is a prudent and commercial decision in the best interests of the Company and all Shareholders.

The settlement with Mr Porter and Absolute Analogue Inc. under the Porter Settlement Deed totals \$11.5 million and includes a cash payment of \$500,000 (initially paid into trust), payment of a portion of the proceeds of the Offer to Mr Porter and an undertaking by Mr Porter to sub-underwrite for \$11 million of the Offer.

The first \$2.25 million raised from the Offer will be to the benefit of the Company, with the next \$2.25 million for the benefit of Mr Porter and Absolute Analogue Inc. Any amount raised above this will be split between the Company and Mr Porter in the ratio of 27:73. The result being that if the Offer is subscribed in full, Mr Porter will receive \$11 million in cash from the Offer.

Whilst Mr Porter is sub-underwriting the Offer for \$11 million, the Company will not receive any cash proceeds from the subscription by Mr Porter under the sub-underwriting arrangements as those Shares (if any) would be issued to Mr Porter in lieu of the balance of \$11 million which is not otherwise paid to Mr Porter (from the proceeds of the Offer) as part of the consideration for the settlement of the disputes as agreed under the Porter Settlement Deed.

For additional information on the settlement with Mr Porter and sub-underwriting arrangements, please refer to sections 2.2 and 9.2.

#### **EPC contract**

On 13 January 2016, the Company announced to ASX that the proposed signing of the EPC contract between the Government of Cameroon and a Chinese state-owned construction company to construct the port and rail infrastructure for the Project located in Cameroon and Congo has been postponed.

Due to the delay in the signing of the EPC contract and the subsequent delay the Company expects this will create in finding an equity partner for the mines, the Sundance Board has made the decision to immediately implement a number of additional and significant cost reduction measures.

For additional information please refer to section 2.1.

#### **Proceeds of Offer**

The proceeds of the Offer will be used, among other things, to secure the intellectual property and assets of Sundance, maintain relationships in-country, advance the Project, pay Mr Porter in accordance with the terms of settlement under the Porter Settlement Deed (depending on the level of acceptances from the Offer) and for general working capital purposes.

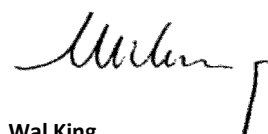
With the proceeds of the Offer and the costs reductions referred to above, if no more than \$2.25 million is subscribed by Shareholders or taken up by the Underwriter, the Company expects it will have sufficient working capital until early 2017. If however, the rights issue is fully subscribed by Shareholders, Sundance anticipates having sufficient working capital to last until December 2017. For additional information on the use of funds raised from the capital raising, please refer to section 1.9.

To apply for New Securities under the Offer, you must complete the personalised Entitlement and Acceptance Form accompanying this Prospectus before the Closing Date. Shareholders may also apply for New Securities in excess of their Entitlement.

I encourage you to read this Prospectus in its entirety before making your investment decision. Risk factors associated with the investment in the Company that you may wish to consider are set out in section 4.

On behalf of the Board, I recommend this Offer to you and look forward to your continuing investment in the Company. I thank you for your ongoing support as a Shareholder.

Yours faithfully



**Wal King**

Independent Chairman and Non-Executive Director

## Key Offer information

Eligible Shareholders' Entitlement	1 New Share for every 1 Share held by Eligible Shareholders, together with 1 free New Option for every 1 New Share subscribed
Offer Price per New Share	\$0.005
Maximum amount to be raised under the Offer before costs	\$16,512,793
Maximum number of New Shares to be issued	3,302,558,630
Maximum Number of New Options to be issued	3,302,558,630
Maximum Number of Shares to be issued to Underwriter <sup>3</sup>	112,500,000
Maximum Number of Shares on issue on completion of the Offer (including Shares issued to Underwriter)	6,717,617,260

## Key dates

Announcement of Entitlement Offer	Wednesday 3 February 2016
Lodgement of Prospectus with ASIC and ASX	Wednesday 3 February 2016
Notice to Optionholders	Wednesday 3 February 2016
Notice to Shareholders	Wednesday 3 February 2016
Entitlements trading commences on a deferred settlement basis	Friday 5 February 2016
Ex date for the Offer (date from which Shares begin trading without Entitlements to participate in the Offer)	Friday 5 February 2016
Record Date (to identify Shareholders entitled to participate in the Offer)	4:00 pm (Perth time) on Tuesday 9 February 2016
Despatch of Prospectus and Entitlement and Acceptance Form commences	Friday 12 February 2016
Offer opens	Friday 12 February 2016
Entitlements trading commences on a normal settlement basis	Monday 15 February 2016
Entitlements trading ends	Friday 19 February 2016
New Securities quoted on a deferred settlement basis	Monday 22 February 2016
Offer closes	5:00 pm (Perth time) on Friday 26 February 2016
ASX notified of under-subscriptions	Tuesday 1 March 2016
Allotment of New Securities under the Offer	Thursday 3 March 2016
Mailing of holding statements in relation to New Securities issued under the Offer	Friday 4 March 2016
Normal trading of New Securities issued under the Offer expected to commence on ASX	Friday 4 March 2016

**Note:** These dates (other than the date of this Prospectus and date of lodgement of this Prospectus with ASIC and ASX) are indicative only. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notice.

<sup>3</sup> Pursuant to the terms of the Underwriting Agreement, the Company has agreed to issue up to 112,500,000 Shares to the Underwriter or parties nominated by the Underwriter upon the successful completion of the Offer. The Company has also agreed to issue additional Shares and Options to the Underwriter in lieu of part of its cash fees. Please refer to sections 1.16 and 9.1 for details of the terms of the Underwriting Agreement.



## Frequently asked questions (FAQs)

<b>What is the Offer?</b>	The Offer is a pro-rata renounceable entitlement offer to Eligible Shareholders to apply to purchase 1 New Share for every 1 Share held as at the Record Date, together with 1 free New Option for every 1 New Share subscribed.	Section 1.1
<b>What is my Entitlement?</b>	Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 1 Share held on the Record Date, together with 1 free New Option for every 1 New Share subscribed.	Entitlement and Acceptance Form and section 1.2
<b>What is the Offer Price?</b>	The Offer Price is \$0.005 per New Share.	Section 1.1
<b>Am I an Eligible Shareholder?</b>	Eligible Shareholders are those Shareholders who, as determined by the Company at its absolute discretion: <ul style="list-style-type: none"> <li>• are a Shareholder as at the Record Date;</li> <li>• have a registered address on the Company's Register in Australia, New Zealand or Hong Kong;</li> <li>• are not in the United States or acting for the account or benefit of a person in the United States; and</li> <li>• are eligible under all applicable securities laws to receive an offer under the Offer.</li> </ul>	Section 1.3
<b>What happens if I am a Shareholder on the Record Date but not an Eligible Shareholder?</b>	You will not be entitled to subscribe for New Securities under the Entitlement Offer. Ineligible Shareholders will have their percentage shareholding in the Company (held at the Record Date) diluted as a result of the Offer.  The Company intends to appoint a Nominee to arrange for the sale of those Entitlements that would otherwise have been issued to Ineligible Shareholders had they been Eligible Shareholders. The Nominee will direct the net proceeds (if any) to the Company or another party on its instruction to facilitate pro-rata payments to Ineligible Shareholders.	Section 1.11
<b>How much will be raised from the Offer?</b>	The Offer is proposed to raise up to \$16.5 million (before costs).	Section 1.9
<b>What is the purpose of the Offer and how will the funds raised be used?</b>	The funds raised under the Offer, net of expenses of the Offer, together with existing cash reserves will be used for the following purposes: <ul style="list-style-type: none"> <li>• payment to Mr Porter in accordance with the Porter Settlement Deed;</li> <li>• protecting the intellectual property and assets of Sundance;</li> <li>• maintaining relationships with the Governments of Cameroon and Congo;</li> <li>• assisting the Government of Cameroon as required to progress the funding and signing of the EPC contract for the port and rail;</li> <li>• continuing the process of negotiating and then agreeing the terms of an equity investment into the Mine Infrastructure; and</li> <li>• general working capital purposes.</li> </ul>	Section 1.9
<b>Is the Offer underwritten?</b>	Yes, the Offer is partially underwritten by Patersons Securities Limited for an amount of \$13.25 million. Patersons has entered into sub-underwriting arrangements with Mr Porter for \$11 million and other investors for \$2.25 million.  Please refer to section 9 for details of the terms of the Underwriting Agreement, including the fees to be received by the Underwriter.	Sections 1.8 and 9

<b>Will the Company receive any proceeds from the sub-underwriting of the Offer by Mr Porter?</b>	No, the Company will not receive any cash proceeds from the subscription by Mr Porter under the sub-underwriting arrangements as those Shares (if any) would be issued to Mr Porter in lieu of the balance of \$11 million which is not otherwise paid to Mr Porter (from the proceeds of the Offer) as part of the consideration for the settlement of the disputes as agreed under the Porter Settlement Deed.	Section 2.2
<b>Will there be any control implications of the sub-underwriting of the Offer by Mr Porter?</b>	The sub-underwriting arrangements with Mr Porter may have an impact on control, depending on a number of factors including investor demand.  Further details of the effect on control are set out in sections 1.16 and 2.2.	Sections 1.16 and 2.2
<b>What are the tax implications of participating in the Offer?</b>	Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular taxation treatment which will apply to them.	Section 9.13
<b>Are there any risks?</b>	There are risks associated with an investment in the Company. These include risks relating to the Company's business, risks relating to the Offer and risks associated with financial investments generally. These risks are set out in more detail in section 4 of this Prospectus.	Section 4
<b>What effect will the issue of New Securities under the Offer have on the control of the Company?</b>	The potential effect that the issue of the New Securities under the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.  Further details of the effect on control are set out in section 1.16.	Sections 1.16 and 5
<b>Where can I find more information about the Company?</b>	For more information on the Company and its project please see the Company's website ( <a href="http://www.sundanceresources.com.au">www.sundanceresources.com.au</a> ) and the Company's ASX announcements (also available on the Company's website and the ASX's website ( <a href="http://www.asx.com.au">www.asx.com.au</a> )).	

#### **Actions for Eligible Shareholders**

<b>How do Eligible Shareholders find out what their Entitlement is?</b>	Your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.	Entitlement and Acceptance Form
<b>What can I do with my Entitlement?</b>	You can do the following: <ul style="list-style-type: none"> <li>• take up all or part of your Entitlement by participating in the Offer;</li> <li>• take up more than your Entitlement by participating in the Oversubscription Offer;</li> <li>• sell all or part of your Entitlement to persons meeting certain eligibility criteria on ASX or by transferring it directly to another eligible person; or</li> <li>• do nothing, in which case your Entitlement will lapse.</li> </ul>	Sections 1.5 and 6.1

<b>How do I accept the Offer?</b>	<p>If you wish to take up all or part of your Entitlement, you must either:</p> <ul style="list-style-type: none"> <li>• complete and return the personalised Entitlement and Acceptance Form to the Share Registry together with a cheque, bank draft or money order for your Application Monies so that it is received by the Share Registry by no later than 5:00 pm (Perth time) on the Closing Date; or</li> <li>• pay your Application Monies via BPAY® by no later than 5:00 pm (Perth time) on the Closing Date.</li> </ul>	Sections 6.2 and 6.3
<b>Can I sell or transfer my Entitlement?</b>	Yes, the Offer is renounceable, meaning you can sell or transfer your Entitlement.	Sections 1.5 and 6.1
<b>What happens if I do not take up my Entitlement, or take up only part of my Entitlement?</b>	If you do not take up all of your Entitlement by the Closing Date, then any Entitlements which you do not take up, sell or transfer will form part of the Shortfall. This will likely result in your interest in the Company being diluted.	Sections 1.16 and 6.1
<b>Can I take up more than my Entitlement?</b>	Shareholders may apply for New Shares above their Entitlement by applying to participate in the Oversubscription Offer.	Sections 1.7 and 6.1
<b>How do I participate in the Oversubscription Offer?</b>	<p>Entitlements that form the Shortfall will be available for subscription through the Oversubscription Offer.</p> <p>Shareholders who wish to apply for New Shares above their Entitlement and participate in the Oversubscription Offer can complete the relevant section of the Entitlement and Acceptance Form (titled "Number of Additional New Shares applied for") and return it, together with the Application Monies for the value of those Oversubscription Securities (at \$0.005 per New Share).</p>	Section 1.7
<b>How will the Oversubscription Offer be allocated?</b>	<p>The Directors, in consultation with the Underwriter reserve the right to place the Oversubscription Securities and Oversubscription Shortfall at their absolute discretion.</p> <p>If the Oversubscription Offer is oversubscribed by Shareholders, the Company intends to scale back, pro-rata, applications for Oversubscription Securities.</p> <p>To the extent that any Oversubscription Securities remain after the above allocations, this will form the Oversubscription Shortfall and will be taken up by the Underwriter, subject to sub-underwriting arrangements up to an amount of \$13.25 million.</p> <p>The Directors in conjunction with the Underwriter, reserve the right to then place the Oversubscription Shortfall to third parties.</p> <p>Any Oversubscription Securities and the Oversubscription Shortfall will be placed no later than 3 months after the Closing Date.</p>	Section 1.7
<b>Enquiries</b>	If you have any enquiries in relation to the Entitlement and Acceptance Form or your Entitlement, please contact the Share Registry by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or consult your professional adviser.	

## 1. Details of the Offer

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The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

### 1.1 Overview of the Offer

Under the Offer, Eligible Shareholders are being offered the opportunity to purchase 1 New Share for every 1 Share held as at 4:00 pm (Perth time) on 9 February 2016 (**Record Date**), at the Offer Price of \$0.005 per New Share, together with 1 free New Option for every 1 New Share subscribed.

The New Shares offered under this Prospectus will be issued on a fully paid basis and will rank equally in all respects with the Shares on issue at the date of this Prospectus. Please refer to section 7 for further information regarding the rights and liabilities attaching to the New Shares.

The New Options offered under this Prospectus will be issued on the terms and conditions set out in the Schedule and summarised in section 8 of this Prospectus.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 3,302,558,630 New Shares and 3,302,558,630 New Options may be issued pursuant to this Offer to raise up to \$16.5 million.

In addition, the Underwriter will be issued up to 112,500,000 Shares upon the successful completion of the Offer pursuant to the terms of the Underwriting Agreement. Please refer to sections 1.16 and 9.1 for details of the terms of the Underwriting Agreement.

The purpose of the Offer and the intended use of funds raised are set out in sections 1.9 of this Prospectus.

### 1.2 Entitlement

Each Eligible Shareholder who is registered as the holder of Shares at 4:00 pm (Perth time) on the Record Date is entitled to participate in the Offer. The number of New Shares to which you are entitled is shown on your personalised Entitlement and Acceptance Form accompanying this Prospectus.

Eligible Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted as a result of the Offer.

If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding. It is the responsibility of Applicants to determine their allocation prior to trading in the New Securities. The sale by Applicants of New Securities prior to the receipt of a holding statement is at the Applicant's own risk.

### 1.3 Eligible Shareholders

An Eligible Shareholder is a Shareholder who, as determined by the Company at its absolute discretion:

- is a Shareholder as at the Record Date;
- has a registered address on the Company's Register in Australia, New Zealand or Hong Kong;
- is not in the United States or acting for the account or benefit of a person in the United States; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

### 1.4 Opening Date and Closing Date

The Offer will be open for receipt of Applications on the Opening Date, 12 February 2016.

The Company will accept Applications, including Application Money, until 5:00 pm (Perth time) on the Closing Date, 26 February 2016, subject to the Company varying the Closing Date in accordance with the Corporations Act and ASX Listing Rules.

## 1.5 Entitlement trading

The Offer is renounceable. This means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may sell or transfer their Entitlement in order to realise the value that may attach to their Entitlement.

### Entitlement trading on ASX

If you wish to sell all or part of your Entitlement, you must provide appropriate instructions to your stockbroker and provide them with any information requested by them in order to effect our instructions as soon as possible. You must allow sufficient time for your instructions to be carried out.

The Entitlement will be quoted on ASX and trading of the Entitlement will commence on ASX on 5 February 2016 and will cease at the close of trading on 19 February 2016, unless extended. Please refer to section 6.1(c) of this Prospectus.

### Entitlement trading other than on ASX

If your Eligible Shareholding is Issuer sponsored, and you wish to transfer all or part of your Entitlement, you will need to sign a standard Renunciation and Transfer Form. If your Eligible Shareholding is CHESS sponsored, you will need to contact a CHESS controlling participant, normally your broker. Please refer to section 6.1(d) of this Prospectus.

## 1.6 Application Money

Application Money will be held in trust in a subscription account established and held by the Company on behalf of each Eligible Shareholder until the New Securities are issued. If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. Interest earned on any Application Money will be for the benefit of the Company and will be retained by the Company regardless of whether New Securities are issued under the Offer.

## 1.7 Oversubscription Offer

Entitlements that are not subscribed for under the Offer will be available for subscription through the Oversubscription Offer.

Shareholders who wish to apply for New Securities in excess their Entitlement (and participate in the Oversubscription Offer) can complete the relevant section of the Entitlement and Acceptance Form (titled "Number of Additional New Shares applied for") and return it, together with the Application Monies for the value of those Oversubscription Securities (at \$0.005 per New Share) to the Company.

The Directors in conjunction with the Underwriter reserve the right to place the Oversubscription Securities at their absolute discretion.

If the Oversubscription Offer is oversubscribed by Shareholders, the Company intends to scale back, pro-rata, applications for Oversubscription Securities. The Company cannot guarantee that you will receive the number of Oversubscription Securities subscribed for. If you do not receive any or all of the Oversubscription Securities you applied for, the excess Application Monies will be returned to you without interest.

To the extent that any Oversubscription Securities remain after the above allocations, this will form the Oversubscription Shortfall and will be taken up by the Underwriter, subject to sub-underwriting arrangements up to an amount of \$13.25 million.

The Directors in conjunction with the Underwriter, reserve the right to then place any Oversubscription Shortfall remaining to third parties. Any Oversubscription Securities and the Oversubscription Shortfall will be placed no later than 3 months after the Closing Date.

In any event, the Directors in conjunction with the Underwriter reserve the right to place the Oversubscription Securities and any Oversubscription Shortfall at their absolute discretion.

Pursuant to Listing Rule 7.2 (exception 3), any allocation of Shortfall Securities to persons other than the Underwriter or any sub-underwriter in accordance with an underwriting agreement, will not count towards the Company's 15% threshold under Listing Rule 7.1 or 10% threshold under Listing Rule 7.1A, provided that the Company makes the issue within 3 months after the close of the Offer and the issue price is not less than the price at which the Shares were offered under the Offer.

The Oversubscription Offer is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the Closing Date. The purpose of offering the Oversubscription Securities and Oversubscription Shortfall pursuant to this Prospectus is to comply with section 708A(11) of the Corporations Act so that investors

issued with Oversubscription Securities or Oversubscription Shortfall pursuant to the placement of the Oversubscription Securities or Oversubscription Shortfall (as relevant) can sell their Oversubscription Securities or Oversubscription Shortfall within the next 12 months without the issue of a prospectus.

Please refer to section 9.5 for further information on section 708A(11) of the Corporations Act.

#### **1.8 Underwriting and sub-underwriting**

The New Securities to be issued under the Offer are partially underwritten by the Underwriter for an amount of \$13.25 million. The Underwriter has entered into sub-underwriting arrangements with Mr Porter for \$11 million and other investors for \$2.25 million.

The Company will not receive any cash proceeds from the subscription by Mr Porter under the sub-underwriting arrangements as those Shares (if any) would be issued to Mr Porter in lieu of the balance of \$11 million which is not otherwise paid to Mr Porter (from the proceeds of this Offer) as part of the consideration for the settlement of the disputes as agreed under the Porter Settlement Deed.

Pursuant to Listing Rule 7.2 (exception 2), any allocation of the Oversubscription Shortfall to the Underwriter or any sub-underwriter in accordance with an underwriting agreement, will not count towards the Company's 15% threshold under Listing Rule 7.1 or 10% threshold under Listing Rule 7.1A, provided that the Underwriter or sub-underwriters receive the New Securities within 15 business days after the close of the Offer.

A summary of the Underwriting Agreement, including the events whereby the Underwriter may be released from its obligations under the Underwriting Agreement, is set out in section 9.1 of this Prospectus.

If the Underwriter is released from its obligations under the Underwriting Agreement, the Company will not proceed with the Offer and all Application Money will be refunded by cheque to each Applicant without interest as soon as practicable after the close of the Offer and no New Securities will be issued pursuant to the Offer.

A summary of the key aspects of the sub-underwriting arrangements, including with Mr Porter, is set out in section 9.2 of this Prospectus.

#### **1.9 Purpose of the Offer and intended use of funds**

The Offer is proposed to raise up to \$16.5 million (before costs).

The proceeds of the Offer, net of expenses, together with existing cash reserves will be used for the following purposes:

- to pay Mr Porter in cash \$500,000 and a portion of the proceeds received by the Company from the Offer in accordance with the terms of the Porter Settlement Deed set out in section 2.2;
- protecting the intellectual property and assets of Sundance;
- maintaining relationships with the Governments of Cameroon and Congo;
- assisting the Government of Cameroon as required to progress the funding and signing of the EPC contract for the port and rail;
- continuing the process of negotiating and then agreeing the terms of an equity investment into the Mine Infrastructure; and
- for general working capital purposes.

In the event that circumstances change, business opportunities vary from expected or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

Please refer to section 2 for further information regarding the Company's strategy, and section 2.2 for further information regarding the settlement with Mr Porter and the Porter Settlement Deed.

#### **1.10 Treatment of foreign Shareholders**

This Prospectus and the accompanying Entitlement and Acceptance Form does not constitute an offer of New Securities in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

Return of a duly completed Entitlement and Acceptance Form or BPAY® payment will be taken by the Company to constitute a representation by the Applicant that there has been no breach of applicable securities laws. It is the responsibility of any Applicant to ensure compliance with any laws of the country relevant to their Application.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and anyone who receives this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify

the New Securities or the Offer, or otherwise permit a public offering of New Securities, in any jurisdiction outside Australia.

This Prospectus does not constitute an offer of Entitlements, New Shares or New Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Entitlements, New Shares and New Options may not be offered or sold, in any country outside Australia except to the extent permitted below:

#### **New Zealand**

The Entitlements, the New Shares and the New Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). The offer of New Shares is renounceable in favour of members of the public.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### **Hong Kong**

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

#### **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

### **1.11 Ineligible Shareholders and appointment of nominee**

The Company is of the view that it is unreasonable to extend the Offer to Ineligible Shareholders, having regard to:

- the number of Ineligible Shareholders;
- the number and value of the New Securities which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Offer is not being extended to Ineligible Shareholders. The Company will send all Ineligible Shareholders details of the Offer and advise that the Company is not extending the Offer to them.

The Company intends, however, to appoint an ASIC approved nominee (**Nominee**) to arrange for the sale of those Entitlements that would otherwise have been issued to Ineligible Shareholders had they been Eligible Shareholders. The Nominee will direct the net proceeds (if any) to the Company or another party on its instruction to facilitate pro-rata payments to Ineligible Shareholders.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner in which any sale is made. After deduction for any withholding required by law (in the Company's reasonable opinion) the proceeds of sale (if any) will be distributed to the Ineligible Shareholders for whose benefit the Entitlements have been sold in proportion to the Entitlement they would have been issued had they been Eligible Shareholders (after deducting brokerage commission and other expenses).

The ability to procure subscribers for Entitlements or to sell Entitlements on ASX, and the price at which Entitlements can be sold, will depend on various factors, including market conditions. To the maximum extent permitted by law, neither the Company nor the Nominee, nor their respective related bodies corporate, nor the Directors, officers, employees, agents or advisers of any of them, will be liable for a failure to sell Entitlements at any particular price.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against the expenses of such sale, including brokerage, and any balance will accrue to the Company.

In limited circumstances, and in the Company's absolute discretion, the Company may elect to treat as Eligible Shareholders certain institutional or sophisticated persons who would otherwise not be Eligible Shareholders because their registered addresses are not in Australia, New Zealand or Hong Kong.

#### 1.12 ASX waivers and ASIC relief

The Company has confirmed that no waivers from the ASX Listing Rules are required in relation to the Offer. The Company is not relying on any specific ASIC relief in order to conduct the Offer.

#### 1.13 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$1,125,004 (excluding GST) and are expected to be applied towards the items set out in the table below:

Expenses	Maximum subscription (\$)
ASIC fees	2,320
ASX fees (estimate)	24,366
Legal fees	25,000
Offer management fees	100,000
Underwriting fees <sup>4</sup>	861,250
Printing and despatch	107,068
Miscellaneous	5,000
<b>Total</b>	<b>1,125,004</b>

#### 1.14 Allotment of New Securities

New Securities issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date.

Holding statements for New Securities issued under the Offer will be despatched to Shareholders in accordance with the requirements of the ASX Listing Rules and the timetable set out at the commencement of this Prospectus.

#### 1.15 ASX listing

Application for Official Quotation by ASX of the New Securities offered pursuant to this Prospectus will be made as soon as possible and in any event within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of this Prospectus (or such period as varied by ASIC), the Company will not issue any New Securities and will repay all Application Money for the New Securities within the time prescribed under the Corporations Act, without interest.

The anticipated date of commencement of Official Quotation of the New Securities issued in accordance with this Prospectus is 4 March 2016, subject to ASX's discretion and compliance with the ASX Listing Rules. The fact that ASX may grant Official Quotation to the New Securities is not to be taken in any way as an indication of the merits of the Company or the New Securities now offered for subscription.

#### 1.16 Effect on control of the Company and potential dilution to Shareholders

The potential effect that the issue of the New Securities under the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.

The maximum number of New Shares to be issued pursuant to the Offer is 3,302,558,630 Shares. If each Eligible Shareholder elects to subscribe for all of the New Securities offered to them the issued capital of the Company will total 6,717,617,260 Shares (including up to 112,500,000 Shares to be issued to the Underwriter or parties nominated by the Underwriter).

The Offer is partially underwritten by the Underwriter for an amount of \$13.25 million. The Underwriter has entered into sub-underwriting arrangements with Mr Porter for \$11 million and other investors for \$2.25 million.

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<sup>4</sup> Please refer to sections 1.16 and 9.1 for details of the terms of the Underwriting Agreement.



The Underwriter's underwriting commitment will not have any effect on the control of the Company. However, the Underwriter or parties nominated by the Underwriter will be issued up to 112,500,000 Shares upon the successful completion of the Offer pursuant to the terms of the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, to the extent that the Underwriter's fees are not taken as cash, they will be satisfied by an allotment of an equivalent number of Shares calculated by reference to the Offer Price. Each Share will be accompanied by 1 free attaching Option on the terms and conditions set out in the Schedule. It is estimated that 174,250,000 Shares and 174,250,000 Options will be issued to the Underwriter in lieu of part of its cash fees.

The sub-underwriting arrangements with Mr Porter may have an impact on control, depending on a number of factors including investor demand. The other sub-underwriting arrangements with sub-underwriters will not have any effect on the control of the Company.

Further information regarding the underwriting arrangements is set out in section 9.

#### Disclosure of sub-underwriting arrangements on voting power

To comply with the requirement to fully disclose the sub-underwriter's potential voting power in Sundance, the below is a summary of the effect on the voting power that Mr Porter would hold under various scenarios depending on the level of take up by Shareholders under the Offer.

Voting power and number of Shares held in the Company							
	At date of Prospectus	At completion of the Offer					
		100% take up	80% take up	60% take up	40% take up	20% take up	0% take up <sup>2</sup>
David Porter <sup>1</sup>	0.04%	0.04%	7.15%	14.70%	22.68%	31.83%	0.04%
	2,500,000 Shares	2,500,000 Shares	480,805,760 Shares	962,979,320 Shares	1,445,152,880 Shares	1,991,988,274 Shares	2,500,000 Shares

#### Notes:

1. The above shareholdings assume that prior to the close of the Offer Hanlong does not convert any of the outstanding \$2.5 million convertible notes into Shares and that Mr Porter does not acquire Shares prior to the Record Date and/or Closing Date.
2. This 0% take up assumes that the Underwriter terminates the Underwriting Agreement on the basis that the Company has not received at least \$1,125,000 (representing 225,000,000 New Shares or approximately 6.9% take up by Eligible Shareholders) through Applications from the Offer, and consequently the Offer is not completed.

The level of take up in this table assumes Eligible Shareholders accept their Entitlements at the different levels shown below:

- "100% take up" assumes that Eligible Shareholders accept 100% of their Entitlements.
- "80% take up" assumes that Eligible Shareholders accept 80% of their Entitlements.
- "60% take up" assumes that Eligible Shareholders accept 60% of their Entitlements.
- "40% take up" assumes that Eligible Shareholders accept 40% of their Entitlements.
- "20% take up" assumes that Eligible Shareholders accept 20% of their Entitlements.
- "0% take up" assumes that Eligible Shareholders do not accept their Entitlements.

The number of Shares which Mr Porter may hold and the voting power in the table above show the potential effect of the sub-underwriting of the Offer by Mr Porter. The sub-underwriting obligations of Mr Porter and therefore his voting power will reduce as Shareholders take up their entitlements.

If all of the Eligible Shareholders accept their Entitlements in full, then the Offer will have no effect on the control of the Company. In this case, Eligible Shareholders will maintain their percentage shareholding interest in the Company.

If Eligible Shareholders do not subscribe for their full Entitlement, their percentage shareholding in the Company will decrease.

The Offer will likely affect the shareholding interest of Shareholders if all of the Entitlements are not accepted in the following ways:

- The shareholding interest of Eligible Shareholders who do not accept all of their Entitlements will be reduced.

- The shareholding interest of Ineligible Shareholders will be decreased because they are not entitled to participate in the Offer.
- The shareholding interest of those Eligible Shareholders who accept all of their Entitlements will likely increase. These Shareholders will hold a greater proportion of the issued Shares in the Company after completion of the Offer.

#### 1.17 Details of substantial shareholders

The following are details of those Shareholders who have a relevant interest in more than 5% of the Shares prior to the date of this Prospectus:

Name	# of Shares	%
Hanlong (Africa) Mining Investment Limited	626,099,044	18.96

If all of the substantial shareholder's Entitlements are accepted, there will be no change to the percentage shareholding interest of the substantial shareholder on completion of the Offer. If the substantial shareholder does not accept its Entitlement in full, then there may be a change to the percentage shareholding interest of the substantial shareholder on completion of the Offer.

As the Offer is partially underwritten for an amount \$13.25 million, the Offer is not expected to have a material impact on the percentage shareholding interest of the substantial shareholder.

#### 1.18 Withdrawal of the Offer

The Company reserves the right to withdraw the Offer at any time, in which case the Company will refund Application Monies in accordance with the Corporations Act and will do so without interest.

#### 1.19 CHES

The Company participates in the Clearing House Electronic Subregister System (**CHES**). ASX Settlement, a wholly-owned subsidiary of ASX, operates CHES in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of New Securities.

If your shareholding is held on a broker sponsored sub-register, ASX Settlement will send you a CHES statement. The CHES statement will set out the number of New Securities issued to you under this Prospectus, and provide details of your holder identification number and the participant identification number of the sponsor.

If your shareholding is held on the CHES Company-sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHES statement or Company statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time. However, a charge may be incurred for additional statements.

#### 1.20 Enquiries

If you have any enquiries in relation to the Entitlement and Acceptance Form or your Entitlement, please contact the Share Registry by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or consult your professional adviser.

## 2. Overview of the Company

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### 2.1 Status of the Project

Sundance's Mbalam-Nabeba Iron Ore Project is at the heart of an emerging world class iron ore project based on a cluster of high grade hematite and itabirite iron ore deposits that straddle the border between the Republic of Cameroon and the Republic of Congo in Central Africa.

The Project:

- Consists of the Mbarga and Nabeba iron ore mines, processing plants and associated infrastructure;
- Plans to produce at least 40Mtpa from the two mines for 30+ years in two stages:
  - Stage 1: high-grade hematite direct shipping ore for at least 13 years; and
  - Stage 2: 66% - 68% concentrate product from itabirite for further 20+ years; and
- Plans to utilise:
  - a new railway (to be constructed) from Congo, through Cameroon, to the coast with:
    - 540km in Cameroon;
    - 40km spur line in Congo; and
    - a deep water iron ore mineral terminal (to be constructed) in Cameroon.

The port and rail infrastructure in Cameroon is planned to be funded by the Government of Cameroon and be jointly owned by Cam Iron (2%) and the Government of Cameroon (98%).

Over the last 12 months, a number of significant highlights and project milestones were realised, in particular, the Company has:

- Strengthened the Project fundamentals by:<sup>5</sup>
  - increasing the capacity to 40Mtpa;
  - reducing operating costs by improved strip ratio;
  - increasing the high grade hematite ore reserves to 517Mt at 62.2% Fe; and
  - increasing the itabirite resource to 5.6Bt at 33.4% Fe.
- Completed the Transition Agreement which moved the funding and ownership of the port and rail to the Cameroon Government which is seeking sovereign funds from China;
- Extended EP92 expiry date and the Mbalam Convention long stop date to 24 July 2017;
- Completed the marking of the railway corridor;
- Assisted the Cameroon Government to complete the negotiations and finalise the contract for the EPC contract to construct the rail and port infrastructure in Cameroon ready for signature;
- Extended, after receiving shareholder approval at the 2015 AGM, the maturity date of existing convertible notes due on 1 December 2015 to 23 September 2017; and
- Raised \$7 million via the issue of new convertible notes on 9 November 2015 as disclosed in the Company's announcement released on that date.

In recent months, the Cameroon Government following high level meetings between the Prime Minister of Cameroon and Premier Li and President Xi of China, made excellent progress on negotiations to appoint an Engineering, Procurement and Construction (EPC) contractor to build the port and rail infrastructure. Sundance has provided the Government of Cameroon technical and commercial support during the selection of the preferred contractor and through the contract negotiations.

On 13 January 2016, the Company announced to ASX that the proposed signing of the EPC contract between the Government of Cameroon and a Chinese state-owned construction company to construct the port and rail infrastructure for the Project located in Cameroon and Congo has been postponed.

The selected EPC contractor advised that it continues to support the Project but has requested a postponement of the contract signing until market conditions improve and progress on their financing is more advanced.

Sundance had previously advised that it expected the contract would be signed during the December 2015 quarter. The postponement was unexpected for both Sundance and the Government of Cameroon given the recent advances made with the EPC contract ready for execution. Sundance and the Project continues to have the strong support of both the Cameroon and Congo Governments.

Due to the delay to the signing of the EPC contract and the subsequent delay this will create in finding an equity partner for the mines, the Sundance Board has made the decision to immediately implement a number of additional and significant cost reduction measures. These measures align the Company's cash position with essential needs whilst retaining the ability to advance the Project as soon as the EPC contract has been signed.

The cost reduction measures include the following:

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<sup>5</sup> In accordance with ASX Listing Rule 5.23 and the JORC Code the Company confirms that this information was originally sourced from the ASX announcements released on 20 May 2015 and titled "Mbalam Nabeba Iron Ore Project increases total high grade and itabirite hematite mineral resources" and "High grade hematite ore reserves increased to over half a billion tonnes at Mbalam-Nabeba". The Company is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

- Significant scale-back of employees, overheads and activities in Perth, Cameroon and Congo with a planned 80% reduction from the previously planned spend;
- Effective 1 February 2016, 60 personnel across Perth, Cameroon and Congo to be made redundant resulting in only 10 employees remaining (2 in Perth, 8 in Cameroon and Congo); and
- The Company has secured and retained the services of the Cam Iron CEO, Mr Serge Asso'o and the Congo Iron CEO Mr Emmanuel Yoka.
- The new Board structure comprises Wal King (Non-executive Chairman), Giulio Casello CEO and Managing Director, and Alan Rule (non-executive director) who has stepped down as Chief Financial Officer of the Company.

It is important to note that these measures have been taken with the aim of protecting Sundance's valuable project assets and intellectual property in Perth, Cameroon and Congo whilst ensuring the Company remains able to continue operating.

The Company's focus over the coming 6-8 months is to support the Cameroon Government in its endeavour to have the EPC contract signed for the port and rail and then to progress negotiations with potential equity partners for funding of the mines.

## 2.2 Porter litigation settlement

### Background

On 23 December 2015, the Company announced to ASX that the Supreme Court of Western Australia (Action No. CIV 1632 of 2013) had delivered its judgement in the dispute between Mr David Porter (as plaintiff) and Sundance (**2013 Action**), and ordered Sundance to pay damages in the amount of \$5,037,407 in lieu of a grant of 10 million options to Mr David Porter. No orders have been made yet in relation to either interest or costs, however these are estimated to be in the order of \$3 million. The judgment had effect as soon as it was made on 23 December 2015.

On 18 January 2016, the Company announced to ASX that the Company had reached an agreement with Mr Porter and Absolute Analogue Inc. (together, the **Porter Parties**) to settle, in full, the 2013 Action and Supreme Court of Western Australia (Action No. CIV 1773 of 2007) action commenced by Absolute Analogue Inc. and Mr Porter (**2007 Action**).

The 2007 Action is in relation to an alleged agreement between the Company and the Porter Parties for the issue of 30 million options (20 million options with an exercise price of \$0.10 and 10 million options with an exercise price of \$0.20). The Porter Parties sought damages in lieu of specific performance assessed at \$9 million plus interest at 6% p.a. since 2007 and costs. If Sundance was unsuccessful, Sundance estimates the total amount of interest and costs could be approximately \$6 million to \$7 million.

The 2007 Action proceeded to trial in November 2013 and on 6 August 2014 the Supreme Court of Western Australia delivered its judgment in favour of Sundance dismissing the Porter Parties' claim and ordered the Porter Parties to pay Sundance's costs.

The Porter Parties lodged an appeal which was heard in June 2015 (**Appeal Proceeding**). The Porter Parties were not successful in having the Supreme Court Judge's decision reversed but a retrial has been ordered by the Court of Appeal (WA) in a decision handed down on 28 August 2015. No date has been set for the retrial.

### Porter Settlement Deed

Sundance estimates its potential total exposure in respect of the 2013 Action and 2007 Action to be between \$23 and \$24 million in the event that Mr Porter and Absolute Analogue Inc. were successful in the 2007 Action in addition to the liability arising from the judgment delivered under the 2013 Action.

The Board of the Company determined that it is in the best interests of the Company to settle the 2013 Action and the 2007 Action with Mr Porter and Absolute Analogue Inc. for a total settlement amount of no more than \$11.5 million (**Settlement Amount**) (as detailed below).

The Board believes that reaching a settlement with Mr Porter and Absolute Analogue Inc. is a prudent and commercial decision in the best interests of the Company and all Shareholders. If the Company was not able to reach a settlement with Mr Porter, the Company expects that it would have been difficult for the Company to pay the judgment amount to Mr Porter pursuant to the 2013 Action, which in turn would have presented significant issues for the Company.

The Company, Mr Porter and Absolute Analogue Inc. entered into the Porter Settlement Deed on the following key terms:

**(a) Payment Conditions**

Payment of the Settlement Amount by the Company to Mr Porter and the releases between the Company and the Porter Parties detailed below are subject to the satisfaction of the following conditions on or before 31 March 2016 (**Payment Conditions**):

- the closing of the Offer;
- the Company notifying ASX of under-subscriptions in relation to the Offer; and
- the Company having received at least \$2,250,000 from the Offer.

Once the Payment Conditions have been satisfied, the Company is required to give the Porter Parties notice that the conditions have been satisfied (**Completion Notice**).

**(b) Settlement Amount**

The Settlement Amount comprises the following:

- **Cash Payment** - A \$500,000 cash payment. The Cash Payment will be placed in a trust account with Mr Porter's lawyers within two Business Days of lodgement of this Prospectus with ASIC. The Cash Payment will be released from trust and paid to Mr Porter within 5 Business Days of the Company giving a Completion Notice to the Porter Parties.
- **Cash Waterfall** - After the Company has given a Completion Notice to the Porter Parties, the cash proceeds of the Offer (after all costs and expenses of the Offer) will, funds permitting, be distributed in the following order within 5 Business Days of receipt by the Company (**Cash Waterfall**):
  - firstly, to the Company up to a total amount of \$2.25 million;
  - secondly, to Mr Porter up to a total amount of \$2.25 million; and
  - finally, any amount in excess of \$4.5 million is to be paid in the following proportions: 27% to Sundance and 73% to Mr Porter.
- **Sub-underwriting commitment** - As Mr Porter is sub-underwriting the Offer for \$11 million, in accordance with the sub-underwriting arrangements, Mr Porter will be issued with that number of Shares (if any) on the same terms as the Offer, which is equal in value to the difference between \$11 million and the amount he receives under the Cash Waterfall (if any).

The effect of the settlement arrangements is that Mr Porter will receive the Cash Payment and the cash proceeds from the Offer (if any) under the Cash Waterfall.

If the Offer is fully subscribed, Mr Porter will receive the Cash Payment and \$11 million cash proceeds from the Offer under the Cash Waterfall.

Alternatively, if the total of the Cash Payment and the cash proceeds received by Mr Porter from the Offer under the Cash Waterfall does not total \$11.5 million, there will be a cash shortfall (**Cash Shortfall**). In accordance with the sub-underwriting arrangements, Mr Porter will then be issued that number of Shares on the same terms as the Offer, which is equivalent to the Cash Shortfall.

The end result is that the total Settlement Amount received by Mr Porter from Sundance will total no more than \$11.5 million.

The Company will not receive any cash proceeds from the subscription by Mr Porter for the Shares under the sub-underwriting arrangements as those Shares (if any) would be issued to Mr Porter in lieu of the balance of \$11 million which is not otherwise paid to Mr Porter (from the proceeds of the Offer) as part of the consideration for the settlement of the disputes as agreed under the Porter Settlement Deed.

**(c) Releases to be given by the Company and Porter Parties**

On and from the date that Mr Porter receives the Settlement Amount, each of the Company and the Porter Parties in full and final settlement, release and discharge each other from all claims they now have, or may have at any time in the future, against each other in any way related to the 2013 Action, 2007 Action, Appeal Proceedings or circumstances referred to in the Porter Settlement Deed, and allegations or circumstances arising out of or in any way connected or related to the 2013 Action, 2007 Action, Appeal Proceedings, the circumstances referred to in the Porter Settlement Deed or anything related to them.

The Company and the Porter Parties agree that none of the parties to the Porter Settlement Deed will bring or pursue a claim in respect of any matter which is the subject of the release under the Porter Settlement Deed.

**Potential proceeds of Offer received by the Company and Mr Porter**

The below table sets out the amount that the Company and Mr Porter would receive from the Offer under various scenarios depending on the level of take up by Shareholders of the Offer:

	Cash received at completion of the Offer (\$ million)					
	100% take up	80% take up	60% take up	40% take up	20% take up	0% take up <sup>1</sup>
Company	5.51	4.60	3.71	2.82	2.25	0.00
David Porter	11.00	8.61	6.20	3.79	1.05	0.00
<b>Total</b>	<b>16.51</b>	<b>13.21</b>	<b>9.91</b>	<b>6.61</b>	<b>3.30</b>	<b>0.00</b>

Note:

1. This 0% take up assumes that the Underwriter terminates the Underwriting Agreement on the basis that the Company has not received at least \$1,125,000 (representing 225,000,000 New Shares or approximately 6.9% take up by Eligible Shareholders) through Applications from the Offer, and consequently the Offer is not completed.

The level of take up in this table assumes Eligible Shareholders accept their Entitlements at the different levels shown below:

- "100% take up" assumes that Eligible Shareholders accept 100% of their Entitlements.
- "80% take up" assumes that Eligible Shareholders accept 80% of their Entitlements.
- "60% take up" assumes that Eligible Shareholders accept 60% of their Entitlements.
- "40% take up" assumes that Eligible Shareholders accept 40% of their Entitlements.
- "20% take up" assumes that Eligible Shareholders accept 20% of their Entitlements.
- "0% take up" assumes that Eligible Shareholders do not accept their Entitlements.

#### Potential voting power of Mr Porter at completion of the Offer

As at the date of this Prospectus, Mr Porter controls 2,500,000 shares in the Company.

The below table sets out Mr Porter's shareholding (voting power) in the Company at completion of the Offer as a result of his sub-underwriting of the Offer for \$11 million under various scenarios depending on the level of take up by Shareholders of the Offer:

	Voting power and number of Shares held in the Company					
	100% take up	80% take up	60% take up	40% take up	20% take up	0% take up <sup>2</sup>
David Porter	0.04%	7.15%	14.70%	22.68%	31.83%	0.04%
	2,500,000 Shares	480,805,760 Shares	962,979,320 Shares	1,445,152,880 Shares	1,991,988,274 Shares	2,500,000 Shares

Notes:

1. The above shareholdings for Mr Porter assumes that prior to the close of the Offer Hanlong does not convert any of the outstanding \$2.5 million convertible notes into Shares and that Mr Porter does not acquire Shares prior to the Record Date and/or Closing Date.
2. This 0% take up assumes that the Underwriter terminates the Underwriting Agreement on the basis that the Company has not received at least \$1,125,000 (representing 225,000,000 New Shares or approximately 6.9% take up by Eligible Shareholders) through Applications from the Offer, and consequently the Offer is not completed.

#### Potential outcome of the settlement with Mr Porter

The below table sets out the outcome of the settlement with Mr Porter under the Porter Settlement Deed at completion of the Offer which shows the cash proceeds and the value of Shares received by Mr Porter under various scenarios depending on the level of take up by Shareholders of the Offer:

	Composition of Settlement Amount received by David Porter at completion of the Offer (\$ million)					
	100% take up	80% take up	60% take up	40% take up	20% take up	0% take up <sup>2</sup>
Cash received <sup>1</sup>	11.50	9.11	6.70	4.29	1.55	0.00
Share value received	0.00	2.39	4.80	7.21	9.95	0.00
<b>Total</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>	<b>0.00</b>

Notes:

1. This comprises the \$500,000 Cash Payment and the cash proceeds from the Cash Waterfall.
2. This 0% take up assumes that the Underwriter terminates the Underwriting Agreement on the basis that the Company has not received at least \$1,125,000 (representing 225,000,000 New Shares or approximately 6.9% take up by Eligible Shareholders) through Applications from the Offer, and consequently the Offer is not completed.

### Consequences if Payment Conditions are not satisfied

If the Payment Conditions are not satisfied on or before 31 March 2016, the Cash Payment held on trust by Mr Porter's lawyers will be returned to the Company and the Porter Settlement Deed, including the Cash Waterfall and release provisions, will have no further operation or effect.

The outcome of this will be that:

- This Offer will not complete, no Shares will be issued to Eligible Shareholders under the Offer or Mr Porter as sub-underwriter, and no payment of the Settlement Amount will be made to Mr Porter by the Company.
- The releases outlined above will not be given, which would mean that:
  - Mr Porter can then enforce the Supreme Court orders made on 23 December 2015 for Sundance to pay damages in the amount of \$5,037,407 and seek interest and costs in relation to the 2013 Action;
  - Mr Porter can continue the Appeal Proceedings and seek interest and costs in relation to the Appeal Proceeding and the 2007 Action; and
  - Mr Porter may commence further actions against the Company in relation to matters connected with the 2013 Action, the 2007 Action and the Appeal Proceedings.

If the Payment Conditions are not satisfied and the Offer is unsuccessful, alternative strategies would then need to be urgently considered and negotiated between the Company and Mr Porter. If an acceptable resolution is then not able to be reached with Mr Porter within a very short time frame, this would place Sundance in a precarious financial position and it would need to reassess its financial commitments. In such circumstances, Sundance would be required to seek alternative funding, which may be difficult for Sundance to secure on acceptable terms or at all. The directors would in this circumstance need to consider the solvency of the Company.

## 3. Company information

### 3.1 Board of Directors

The Directors of the Company bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

The following persons are Directors of the Company as at the date of this Prospectus:

**Mr Wallace (Wal) King AO,**  
*BE, MEngSc, Hon DSc, Hon FIE Aust, CPEng, FAICD, FAIM, FAIB, FTSE*  
**Independent Chairman and Non-Executive Director**

Mr King has extensive experience having worked in the construction industry for over 40 years and was Chief Executive Officer of Leighton Holdings Limited from 1987 until his retirement on 31 December 2010. Under his leadership, Leighton grew from an organisation with annual revenue of \$1 billion to one of the world's leading contracting, services and project development organisations with revenues of more than \$20 billion and substantial operations in Australia, Asia and the Middle East.

Mr King has been a Director of the Company since 30 May 2014, and was appointed Chairman on 27 November 2014 and is currently a director of listed company, Coca-Cola Amatil Ltd.

**Mr Giulio Casello***B.Eng, ME Mgt, MAICD***Chief Executive Officer and Managing Director**

Mr Casello is a highly experienced executive with national and global exposure in manufacturing environments for blue chip organisations. Backed by 30 years of experience, he has a track record of success with operations, business development and corporate strategy. He has previously worked at Sinosteel Midwest as Chief Operating Officer, Century Aluminium Company in the United States of America where as Senior Vice President Business Development he was responsible for developing and implementing a growth plan in aluminium, alumina and critical raw material and managing new projects across the globe. He has also held a number of significant positions in Alcoa including Director of WA Operations, General Manager of Alcoa's World Chemicals and Location Manager of the Kwinana Alumina Refinery.

Mr Casello has been a Director of the Company since 8 November 2010.

**Mr Alan Rule***B. Comm, B.Acc, FCA, MAICD***Non-Executive Director**

Mr Rule was the Chief Financial Officer of Sundance from July 2014 until 27 January 2016. Mr Rule is a Chartered Accountant and has more than 19 years senior finance roles in the Australian mining industry. He has considerable experience in international financing of mining projects, implementation of accounting controls and systems and mergers and acquisitions. Prior to joining Sundance, he was with ASX-listed African uranium producer Paladin Energy, where he had been Chief Financial Officer since July 2012. His previous positions have also included CFO of Mount Gibson Limited, CFO of Western Metals Limited and CFO of St Barbara Mines Limited.

Mr Rule was appointed a Director of the Company on 27 January 2016.

**3.2 Directors' interests**

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	# of Shares	# of Options	New Share Entitlement	New Option Entitlement	\$
Wallace (Wal) King	1,200,000	-	1,200,000	1,200,000	6,000
Giulio Casello	7,950,000	-	7,950,000	7,950,000	39,750
Alan Rule	1,191,242	-	1,191,242	1,191,242	5,956

As at the date of this Prospectus the Directors intend to take up some or all of their Entitlement.

**3.3 Directors' fees**

Other than as set out below, no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer.

Directors are entitled to Directors' fees and other payments, which are disclosed in the Company's annual financial reports. The Directors' annual remuneration for the last 2 years is as follows:



Name	Remuneration			
	Year ended 30 June 2014		Year ended 30 June 2015	
	Cash \$	Non Cash \$	Cash <sup>1</sup> \$	Non Cash \$
Wallace (Wal) King	10,461	-	180,225	-
Giulio Casello	689,266	117,997	648,375	7,348
Alan Rule	-	-	477,675	53,661

Note:

1. On 28 October 2015, Sundance announced further reductions in cash remuneration for Directors which have not been reflected in these numbers.

## 4. Risk factors

### 4.1 Introduction

The New Securities offered by this Prospectus should be considered speculative.

Prior to deciding whether to take up their Entitlement, Shareholders should read this Prospectus and review announcements made by the Company to ASX (at [www.sundanceresources.com.au](http://www.sundanceresources.com.au), ASX: SDL) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects. In addition, the Directors strongly recommend that investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to take up their Entitlement.

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Shareholders should consider the summary risk factors set out in this section 4 of this Prospectus when evaluating the Company and deciding whether to increase their shareholding in the Company.

The Directors consider that the following summary represents the principal risk factors which Shareholders need to be aware of in evaluating the Company and deciding whether to increase their investment in the Company, but is not intended to be an exhaustive list.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation.

### 4.2 Company-specific risks

#### (a) Working capital funding

At 31 December 2015, Sundance held cash of \$7.29 million. Sundance is not currently in a position to generate income from operations and as such is reliant upon the equity and/or debt markets for additional working capital funding.

At 30 June 2015, the Sundance Group had a net working capital deficiency of \$34.2 million due mainly to the existing convertibles notes with a redemption value totaling \$49 million which were due for repayment in November and December 2015. At the Annual General Meeting held on 30 November 2015, Shareholders approved the extension of the maturity date of the convertible notes with Noble and the Investor Consortium which were due on 1 December 2015, to 23 September 2017. The effect of this is that the amount due will now be disclosed as a non-current liability.

With the proceeds of the Offer and the costs reductions referred to above, if no more than \$2.25 million is subscribed by Shareholders or taken up by the Underwriter, the Company expects it will have sufficient working capital until early 2017. If however, the rights issue is fully subscribed by Shareholders, Sundance anticipates having sufficient working capital to last until December 2017.

#### (b) Convertible notes

Sundance currently has convertible notes on issue with a total face value of \$93.5 million and a total redemption value of \$116.85 million. See section 9.3 for further details of these convertible notes.

Should the Company be unable, prior to the maturity date of 23 September 2017, to either convert the convertible notes in full into Sundance equity, repay these convertible notes in full, extend the maturity

dates of the convertible notes or refinance the convertible notes in full, a material uncertainty would exist as to whether Sundance will be able to remain solvent and continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

(c) **Project funding**

Sundance will need to raise further capital and/or debt financing in order to advance the development of the Project. Sundance has commenced the process to achieve funding of the Mine Infrastructure by concentrating its efforts into China for the Mine Infrastructure equity and debt funding, Sundance is seeking an equity partner to acquire a significant equity interest in the Mines. As a result of the postponement of the EPC contract signing, this process has been placed on hold. The success and the pricing of any such sale of equity in the Mines and/or debt financing will be dependent upon the prevailing market conditions at that time. Failure to secure appropriate funding for the development of the Project will result in a delay or inability to develop the Project, the potential loss of the Project and the impairment of the carrying value of the capitalised mine development expenditure related to the Project.

(d) **EPC contract**

As set out in section 2.1, on 13 January 2016, the Company announced to ASX that the proposed signing of the EPC contract between the Government of Cameroon and a Chinese state-owned construction company to construct the port and rail infrastructure for the Project located in Cameroon and Congo has been postponed. There is a risk that the postponement will continue indefinitely which will likely have a material impact on the Company's ability to proceed with the Project due to the material impact this this will create in finding an equity partner for the mines. Any such delay will likely also materially impact the Project Funding, Mbalam Convention and EP92 set out in this section.

(e) **Future sales or issue of Shares**

The Company may issue further Shares or other securities in subsequent fundraising. The Company may also issue additional securities to finance future activities. The Company cannot predict the size of future issues or the effect, if any, that future issues of securities will have on the market price of the Shares. Issues of substantial numbers of Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Shares. With any additional sale or issue of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

(f) **Litigation**

Sundance may be exposed to risks of litigation which may have a material adverse effect on the financial position of the Sundance Group.

Refer to section 2.2 for further information regarding the Porter litigation settlement.

(g) **Mbalam Convention**

The Government of Cameroon has extended the date to complete the conditions precedent to the Mbalam Convention to 24 July 2017. Failure to achieve the conditions precedent prior to that date will, if no further extension is granted, result in the cessation of the Mbalam Convention which will be considered an event of default as defined in the various convertible note deeds in place which will most likely result in the convertible notes becoming immediately due and payable at their full redemption value. The Mbalam Convention will, pursuant to the Transition Agreement signed on 30 June 2015, be renegotiated as part of the restructure of the Project. It is likely that, given the postponement of the signing of the EPC contract for the port and rail infrastructure, this renegotiation will take longer than previously anticipated and there is a risk that it may not be renegotiated before 24 July 2017.

(h) **Exploration Permit 92 (EP92)**

This is the permit held by Cam Iron located in Cameroon that contains the Mbalam deposit. EP92 expires on 24 July 2017. Sundance is required to achieve a financing commitment (credit approved term sheet) for the Mine Infrastructure no later than 9 months (or such later date as agreed) after the Government of Cameroon achieves its financing commitment for the rail and port infrastructure. If this is not achieved within the timeline or any agreed extension, Cam Iron may, at the request of the Government of Cameroon, be required to transfer EP92 to a nominee of the Government of Cameroon for no consideration. It is likely that, given the postponement of the signing of the EPC contract for the port and rail infrastructure, the time it takes the Government of Cameroon to achieve its financing commitment for the rail and port infrastructure will take longer than previously anticipated and there is a risk that it may not be completed before 24 July 2017.

(i) **Tenure risk**

There are a number of conditions that the Company's subsidiaries must satisfy in order to keep their exploration licenses in the Republic of Cameroon and mining permit in the Republic of Congo in good standing, and to facilitate conversion of exploration licences to mining permits in the Republic of Cameroon, including minimum expenditure and annual reporting requirements. There is a risk that the Company may not be able to satisfy these requirements, in which case the Company may either lose its exploration licences or be unsuccessful in obtaining a grant of the required mining permits.

(j) **Foreign currency risk**

The Company may be subject to foreign currency fluctuations. The Company's mining properties are located in the Republic of Cameroon and the Republic of Congo and the Company's financial results are reported in Australian dollars. The Company's currency fluctuation exposure is primarily to the U.S. dollar, Australian dollar, Euro, Central African Francs and South African Rand. The Company does not currently use derivative financial instruments, nor does the Company currently hedge its foreign currency.

(k) **Key Personnel**

On 28 January 2016, the Company announced a significant reduction in employees and restructure of the Board. The success of the Project in the future is dependent on securing the services of key engineering, managerial, financial, commercial, marketing and processing personnel. Loss or diminution in the services of key employees, particularly as a result of an inability to retain key employees or the ability to attract suitable replacement staff could have an adverse effect on the Company's business, financial condition, results of operations and prospects.

4.3 **Industry-specific risks**

(a) **Commodity price**

The price of iron ore can be volatile and is affected by numerous factors beyond Sundance's control such as supply and demand dynamics and changes in global economic conditions. The decision to develop the Project, and the returns to be achieved from it, are dependent upon the future price of iron ore. The current spot iron ore price is at its lowest level since early 2009. The price has reduced by approximately 50% in the last 12 months due mainly to reduced steel demand in China and a significant surge in supply by the iron ore major producers. Sundance expects that iron ore pricing will continue to exhibit volatility on a short term basis, however it notes that the Project is a mid to longer term project where long term iron ore price forecasts are more favourable than the current spot price and short term outlook.

(b) **Foreign jurisdiction**

Sundance's operations in Cameroon and Congo, in Central Africa, are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest; tropical diseases; acts of terrorism; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

(c) **Political**

Changes, if any, in mining or investment policies or shifts in political attitude in Cameroon and Congo or elsewhere may adversely affect Sundance's operations. A presidential election in Congo is currently scheduled for March 2016, the outcome of which has the potential to adversely affect Sundance's operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to: restrictions on production; pricing controls; export controls; currency remittance; income taxes; foreign investment; maintenance of claims; environmental legislation; land use; land claims of local people; water use; mine safety and government and local participation. Failure to comply strictly with applicable laws, regulation and local practices relating to mineral tenure and development could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted.

(d) **Resource/reserve estimates**

The resources and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. These estimates are currently considered appropriate and have been made in accordance with Joint Ore Reserves Committee (**JORC**) requirements, however, they may change significantly when additional data becomes available or economic assumptions change.

(e) **Exploration and development risks**

Exploration and development involves inherent risks. Exploration risks include the uncertainties associated with projected continuity of ore deposits, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems. Exploration may also be adversely affected by a variety of non-technical issues such as limitations on activities due to seasonal changes, industrial disputes, land claims, heritage, environmental legislation and mining legislation.

There can be no assurance that the Company will be able to complete development of the Project on time or to budget due to, among other things, changes in the scope of the project, delays in the installation of the plant and equipment and cost overruns, difficulties in securing supply of the required equipment, consumables and mining support services, metallurgical issues or that the Company's personnel, systems procedures and controls will be adequate to support the operation. Many of these inherent exploration and development risks are outside the control of the Company.

(f) **Production and other operational risks**

Future operations will be subject to a number of factors that can cause material delays or changes in operating costs for varying lengths of time. These factors include weather conditions and natural disasters, disruption to supply, unexpected technical problems, unanticipated geological conditions, equipment failures, personnel issues, or disruptions of rail and ship loading facilities.

(g) **Infrastructure access risk**

The Company has planned and designed an integrated mining facility which is sufficient for its operations. However, the Company will require reliable port facilities, road and rail networks and power and water infrastructure owned and operated by others to access and support its operations. The availability and costs of this infrastructure affect capital and operating costs and the Company's ability to maintain expected levels of production and sales. Limitations or interruptions in rail or shipping capacity could disrupt the Company's ability to deliver its products on time. This could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

(h) **Environmental**

The Company has received all necessary approvals for the Project but there cannot be any assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, including in relation to pre-existing environmental conditions unknown to the Company at present. Rehabilitation costs are uncertain and planned expenditure may differ from the actual expenditure required.

(i) **Insurance**

The Company does not have political insurance risk associated with its operations.

The Company's insurance may not fully cover its liability or the consequences of any business interruptions nor does it cover political risk.

The occurrence of a significant adverse event not covered or only partially covered by insurance could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Insurance of risks associated with minerals exploration and mining operations is not always available and, when available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

(j) **Unforeseen expenses**

The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

4.4 **General risks**

(a) **Global economic developments and market conditions**

The Company's operational results may be adversely impacted by factors including significant changes in general economic conditions such as interest rates, inflation, deflation and general market levels. A number of factors affect the performance of stock markets, which could affect the price at which the Company's securities trade on the ASX. Among other things, movements on international and domestic stock markets, interest rates, inflation and inflationary expectations, deflation and deflationary expectations, currency fluctuations, changes in investor sentiment toward particular market sectors and overall economic conditions, as well as government taxation and other policy changes may affect the demand for, and price of, the Company's shares. Volatility in the Australian or international financial markets may influence the trading price of the Company's shares on the ASX.

The economic situation in global markets has in various ways been adversely affected by weakening economic conditions and recent turmoil in the global financial markets. Some countries have experienced declining gross domestic product, reduced industrial production, increasing rates of unemployment and decreasing asset values. A continued downturn in economic conditions may result in lower demand for the Company's future products and, in turn, impact negatively on its financial position.

Furthermore, recent volatility in the credit markets and the potential impact on the liquidity of major financial institutions may have an adverse effect on the Company's cost of funding.

(b) **Share market risk**

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including: the Company's operating performance and the performance of competitors and other similar companies; the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector; changes in general economic conditions; the number of the Company's Shares publicly traded; and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares is affected by many variables not directly related to the Company's success and therefore not within the Company's control, including: other developments that affect the market for all resource sector shares; the breadth of the public market for the Company's Shares; and the attractiveness of alternative investments.

4.5 **Investment speculative**

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

## 5. Purpose and effect of the Offer

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5.1 **Purpose of the Offer**

The intended use of funds raised from the Offer is detailed in section 1.9.

Further, pursuant to section 708A(11) of the Corporations Act, the Prospectus will have the effect of providing an exemption from the secondary sales provisions in section 707 of the Corporations Act in respect of Securities issued without disclosure to investors after the lodgement of the Prospectus at a time when offers under the Prospectus are still open for acceptance (provided the conditions of section 708A(11) of the Corporations Act can be met).

## 5.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase cash reserves by approximately \$16.5 million (if the Offer is fully subscribed by all shareholders) immediately after completion of the Offer, before deducting a payment of \$11 million payment (if the Offer is fully subscribed by all shareholders) to Mr Porter pursuant to section 2.2 and deducting the estimated expenses of the Offer. Please see section 2.2 for further details setting out the amount of cash that the Company and Mr Porter would each receive from the Offer under various scenarios depending on the level of take up by Shareholders of the Offer; and
- (b) increase the total number of Shares on issue from 3,302,558,630 as at the date of this Prospectus to 6,717,617,260 following completion of the Offer (including up to 112,500,000 Shares to be issued to the Underwriter or parties nominated by the Underwriter).

## 5.3 Effect on the Company's capital structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below:

<b>Shares</b>	
Shares on issue at date of this Prospectus	3,302,558,630
Issue of New Shares under the Offer	3,302,558,630
Issue of Shares to the Underwriter <sup>6</sup>	112,500,000
<b>Total Shares on issue after completion of the Offer</b>	<b>6,717,617,260</b>
<b>Options</b>	
Unquoted Options on issue as at the date of this Prospectus	720,000,000
Issue of New Options Under the Offer	3,302,558,630
<b>Total Options on issue after completion of the Offer</b>	<b>4,022,558,630</b>

<sup>6</sup> Pursuant to the terms of the Underwriting Agreement, the Company has agreed to issue up to 112,500,000 Shares to the Underwriter or parties nominated by the Underwriter upon the successful completion of the Offer. The Company has also agreed to issue additional Shares and Options to the Underwriter in lieu of part of its cash fees. Please refer to sections 1.16 and 9.1 for details of the terms of the Underwriting Agreement.

The Company also has convertible notes and performance rights on issue as set out below:

<b>Convertible notes</b>	
Hanlong	2,500,000
Noble	200,000
Investor Consortium	240,000
Wafin	400,000
2015 Investor Group	70,000
<b>Total convertible notes on issue</b>	<b>3,410,000</b>
<b>Performance rights</b>	
2013 LTI	400,834
2013 retention plan	1,525,070
2014 LTI	4,836,276
<b>Total performance rights on issue</b>	<b>6,762,180</b>

#### 5.4 Effect on the Company's financial position

This section provides relevant financial information for Shareholders to consider when assessing whether to participate in the Offer, including details of the potential financial impact of the Offer.

The pro-forma financial information should be read in conjunction with the limitations explained in the "important notes" section of this Prospectus.

##### **Pro-forma Statement of Financial Position**

Set out below is the audited Statement of Financial Position for the Company as at 30 June 2015 and an unaudited pro-forma Statement of Financial Position as at 31 December 2015 showing the financial position of the Company following the Offer:

	Audited 30 June 2015 \$ million	Adjustments 1 to 6 \$ million	Pro-forma 31 Dec 2015 \$ million	Adjustment 7 \$ million	Pro-forma 31 Dec 2015 \$ million
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	13.7	(2.3)	11.4	-	11.4
Other current assets	1.2		1.2	(1.2)	-
<b>Total Current Assets</b>	<b>14.9</b>	<b>(2.3)</b>	<b>12.6</b>	<b>(1.2)</b>	<b>11.4</b>
Inventory, property, plant & equipment	2.5	-	2.5	(2.5)	-
Mine Development	231.9	7.3	239.2	(239.2)	-
<b>Total Non-Current Assets</b>	<b>234.4</b>	<b>7.3</b>	<b>241.7</b>	<b>(241.7)</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>249.3</b>	<b>5.0</b>	<b>254.3</b>	<b>(242.9)</b>	<b>11.4</b>
<b>CURRENT LIABILITIES</b>					
Borrowings	(45.5)	43.0	(2.5)	-	(2.5)
Other	(3.6)	-	(3.6)	-	(3.6)
<b>Total Current Liabilities</b>	<b>(49.1)</b>	<b>43.0</b>	<b>(6.1)</b>	<b>-</b>	<b>(6.1)</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	(39.2)	(55.0)	(94.2)	-	(94.2)
Provisions	(0.3)	-	(0.3)	-	(0.3)
<b>Total Non-Current Liabilities</b>	<b>(39.5)</b>	<b>(55.0)</b>	<b>(94.5)</b>	<b>-</b>	<b>(94.5)</b>
<b>TOTAL LIABILITIES</b>	<b>(88.6)</b>	<b>(12.0)</b>	<b>(100.6)</b>	<b>-</b>	<b>(100.6)</b>
<b>NET ASSETS / (LIABILITIES)</b>	<b>160.7</b>	<b>(7.0)</b>	<b>153.7</b>	<b>(242.9)</b>	<b>(89.2)</b>
<b>EQUITY</b>					
Issued capital	409.0	18.8	427.8	-	427.8
Reserves	44.0	2.1	46.1	-	46.1
Accumulated losses	(279.4)	(27.9)	(307.3)	(212.5)	(519.8)
<b>Attributable to owners of the Company</b>	<b>173.6</b>	<b>(7.0)</b>	<b>166.6</b>	<b>(212.5)</b>	<b>(45.9)</b>
Non-controlling interests	(12.9)	-	(12.9)	(30.4)	(43.3)
<b>TOTAL EQUITY</b>	<b>160.7</b>	<b>(7.0)</b>	<b>153.7</b>	<b>(242.9)</b>	<b>(89.2)</b>

The Pro-forma Statement of Financial Position illustrates the effect of the Offer on the Company. It has been prepared based on the audited Statement of Financial Position as at 30 June 2015, adjusted for the following events that have occurred or may occur after 30 June 2015:

- 1) Receipt of \$7 million proceeds for new convertible note (after costs of \$0.7 million) resulting in an increase of \$5.9 million in Non-Current Borrowings and \$0.7 million in Reserves;
- 2) Receipt of proceeds from this Offer of \$16.5 million (after costs of \$0.2 million);
- 3) Payment to Mr Porter of \$11.5 million pursuant to the settlement detailed in section 2.2;
- 4) Reclassification of \$45.5 million of convertible note liability from current to non-current as a consequence shareholders approving the Refinancing Proposals at the Annual General Meeting held on 30 November 2015, accrued interest for the period to 31 December 2016 and revaluation of convertible notes as at 31 December 2016 totalling approximately \$9 million;
- 5) Conversion on 31 December 2015 by Hanlong of \$2.5 million of their convertible note into equity. As set out in section 9.3, it is the Board's intention that should the Offer reach its conclusion and Hanlong does not take



up its Entitlement, the Company will issue a conversion notice for the remaining \$2.5 million after the Offer has closed thereby converting these Borrowings into equity;

- 6) Cash outflows in the 6 months ended 31 December 2015 of \$13.3 million with \$7.2 million capitalised in mine development, \$5.7 million expensed and \$1.1 million reduction in Non-Current Borrowings for costs incurred on the new convertible notes; and
- 7) The Company will review the carrying values of its assets in the half year financial statements in accordance with Accounting Standards to reflect changes to assumptions, the current economic conditions and the delay in the EPC contract signing. The results of this review will formally be considered by the Board prior to the release of the half year financial statements. This review could potentially result in an impairment charge of up to approximately \$243 million (pre and post tax) being recognised in the half-year financial statements. Note 6 on pages 54 and 55 of the 2015 Annual Report sets out the valuation methodology, assumptions and sensitivities used to assess the carrying value of the mine development assets at 30 June 2015 including the impact of an increase to the discount rate, construction delays and a reduction in the long term iron ore price. Although the current iron price remains low, the Company has improved the project fundamentals with reduced operating costs and increased production and expects iron ore prices and the current economic environment to improve to facilitate financing of the Project. Forecasters are expecting improved supply and demand fundamentals with long term iron ore price forecasts which continue to reflect the attractive economics of the Project.

The Pro-forma Statement of Financial Position is not intended to represent the financial position of the Company upon completion of the Offer. It is provided as an illustration of the effect of the Offer and other adjustments set out above. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

The pro-forma Statement of Financial Position has been prepared to provide Shareholders with information on the pro-forma assets and liabilities of the Company. It has been prepared on the basis of accounting policies normally adopted by the Company. The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

## 6. Action required by Eligible Shareholders

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All Applications for New Securities must be made by Eligible Shareholders in accordance with the instructions in this Prospectus and on the Entitlement and Acceptance Form. By returning the Entitlement and Acceptance Form or paying any Application Money for New Shares by BPAY®, you offer to acquire the New Securities on the terms and conditions set out in this Prospectus.

The Company reserves the right to reject any Applications for New Securities that are not made in accordance with the terms of this Prospectus or the instructions on the Entitlement and Acceptance Form.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Securities allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they fail to provide information to substantiate their claims.

### 6.1 Options available to you

If you are an Eligible Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Entitlement:

- take up all or part of your Entitlement by participating in the Offer (see section 6.1(a));
- take up more than your Entitlement by participating in the Oversubscription Offer (see section 6.1(b));
- sell all or part of your Entitlement to persons meeting certain eligibility criteria:
  - on ASX (see section 6.1(c)); or
  - by transferring it directly to another eligible person (see section 6.1(d)); or
- allow all or part of your Entitlement to lapse (see section 6.1(e)).

#### (a) If you wish to take up all or part of your Entitlement by participating in the Offer

If you wish to take up all or part of your Entitlement, please either:

- complete and return the Entitlement and Acceptance Form with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the Entitlement and Acceptance Form,

in each case, by no later than 5:00 pm (Perth time) on 26 February 2016 (the Closing Date).

If you take up and pay for all or part of your Entitlement before the Closing Date, it is expected that you will be issued New Securities on 3 March 2016. The Company's decision on the number of New Securities to be issued to you will be final.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Securities issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if the Company believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Company's satisfaction.

**(b) If you wish to take up more than your Entitlement by participating in the Oversubscription Offer**

If you wish to apply for more Securities than your Entitlement you will need to complete the relevant section of the Entitlement and Acceptance Form (titled "Number of Additional New Shares applied for") and return it, together with the necessary Application Money to the Company in accordance with the instructions in this Prospectus and on the Entitlement and Acceptance Form.

**(c) If you wish to sell all or part of your Entitlement on ASX**

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your Entitlement and Acceptance Form. Allow sufficient time for your instructions to be carried out by your stockbroker. You may incur brokerage if you choose to sell your Entitlement on ASX. Please do not forward your requests for sale to the Share Registry.

Entitlement trading on ASX starts on a deferred settlement basis on 5 February 2016 and ceases on 19 February 2016. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

The assignment, transfer and exercise of Entitlements trading on ASX is restricted to persons meeting certain eligibility criteria. If holders at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements and, as a result, those Entitlements will lapse.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Entitlements are allotted, or before you receive your Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or the failure to maintain your updated details on the Share Registry or otherwise.

If you wish to sell part of your Entitlement on ASX and let the balance lapse, follow the procedures above in respect of the part of your Entitlement you wish to sell on ASX and do nothing in respect of the balance.

Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Offer Price. If you sell your Entitlements in the Entitlement trading period, you may receive a higher or lower amount than a Shareholder who sells their Entitlements at a different time in the Entitlement trading period.

If you sell your Entitlement, you will forgo any exposure to future increases or decreases in the value of the New Securities that would have been allotted to you had you taken up your Entitlement. Your percentage shareholding in the Company (held at the Record Date) will also be diluted.

**(d) If you wish to transfer all or part of your Entitlement other than on ASX**

If your Eligible Shareholding is Issuer sponsored, and you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Transfer Form to the Share Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to the Entitlement transferred to them to the Share Registry.

If your Eligible Shareholding is CHES sponsored, you cannot transfer Entitlements using a Renunciation and Transfer Form.

You can obtain a Renunciation and Transfer Form by contacting the Share Registry by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) during the Offer Period or from your stockbroker.

The Renunciation and Transfer Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Entitlement transferred to them must be received by the Share Registry at the mail delivery address in section 6.3 no later than 5:00 pm (Perth time) on 26 February 2016 (the Closing Date).

If the Share Registry receives both a completed Renunciation and Transfer Form and an Application in respect of the same Entitlement, the transfer will take priority over the Application.

If you wish to transfer part of your Entitlement and allow the balance to lapse, follow the procedures above in respect of the part of your Entitlement you wish to transfer, and do nothing in respect of the balance.

Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Offer Price. If you sell your Entitlements in the Entitlement trading period, you may receive a higher or lower amount than a Shareholder who sells their Entitlements at a different time in the Entitlement trading period.

If you transfer your Entitlement, you will forgo any exposure to future increases or decreases in the value of the New Securities that would have been allotted to you had you taken up your Entitlement. Your percentage shareholding in the Company (held at the Record Date) will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia, New Zealand or Hong Kong. Transferees of Entitlements that do not have a registered address in Australia, New Zealand or Hong Kong will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

See section 1.10 for more information on restrictions on participation.

**(e) If you wish to let some or all of your Entitlement to lapse**

If you decide not to apply for all or part of your Entitlement to New Securities (or fail to apply by the Closing Date) and do not sell or transfer your Entitlements, your Entitlement will lapse. The New Securities not subscribed for will form part of the Shortfall.

By allowing your Entitlement to form part of the Shortfall, you will forgo any exposure to future increases or decreases in the value of the New Securities that would have been allotted to you had you taken up your Entitlement. Your percentage shareholding in the Company (held at the Record Date) will also be diluted.

The New Securities not subscribed for under the Offer will be available for subscription through the Oversubscription Offer. Any New Securities which remain after the Oversubscription Offer will be taken up by the Underwriter, subject to sub-underwriting arrangements.

## **6.2 Payment**

You can pay your Application Monies in the following ways:

- by BPAY®; or
- by cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued. The Company will treat you as applying for as many New Securities as your Application Monies will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded.

**(a) Payment by BPAY**

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Should you choose to pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the representations, declarations, warranties and agreements on that Entitlement and Acceptance Form and in section 6.4; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Securities which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00 pm (Perth time) on 26 February 2016 (the Closing Date). Your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

**(b) Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “Sundance Resources Limited” and crossed “Not Negotiable”.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.005 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in foreign currency. Eligible Shareholders who reside outside of Australia must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form) and made the representations, declarations, warranties and agreements in section 6.4. Alternatively, at the discretion of the Company, your Application will not be accepted.

**6.3 Mail**

To participate in the Offer, your payment must be received no later than the Closing Date, being 5:00 pm (Perth time) on 26 February 2016. If you make payment via cheque, bank draft or money order, mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Sundance Resources Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001  
Australia

**6.4 Implications of making an Application**

Submitting an Application constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If an Application is not completed or submitted correctly it may still be treated as a valid Application for New Securities. The Company's decision whether to treat an Application as valid and how to construe, amend, complete or submit the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you:

- agree to be bound by the terms of this Prospectus and the provisions of the Constitution;
- authorise the Company to register you as the holder(s) of the New Securities allotted to you;
- declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Offer;
- acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- agree to apply for, and be issued with up to, the number of New Securities that you apply for at the issue price of \$0.005 per New Share and nil consideration per New Option;
- authorise the Company and its officers or agents to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- agree that the allotment of New Securities to you constitutes acceptance of your Application;
- declare that you are the current registered holder(s) of the Shares in your name at the Record Date;
- acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Securities are suitable for you, given your investment objectives, financial situation or particular needs;
- represent and warrant that the laws of the country relevant to your Application do not prohibit you from being given this Prospectus or making an Application for New Securities; and
- in the case of an Eligible Shareholder, represent and warrant that you are an Eligible Shareholder and have read and understood this Prospectus and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements, contained in this Prospectus and the Entitlement and Acceptance Form.

## 7. Rights of the New Shares

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The following is a summary of the more significant rights attaching to the New Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered address.

### 7.1 Voting rights

Subject to the Constitution and to any rights or restrictions attached to any class or classes of shares, at a general meeting:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every Shareholder present has one vote; and
- (c) on a poll, every Shareholder present has one vote for each Share held by the Shareholder entitling the Shareholder to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose.

### 7.2 General meetings

Shareholders are entitled to receive written notice of and attend and vote at general meetings of the Company.

### 7.3 Dividend rights

Subject to the Constitution, the Directors may, from time to time, declare and pay interim and final dividends to Shareholders entitled to a dividend. In addition, the Directors may pay any dividend required to be paid under the terms of issue of a Share.

A dividend shall only be payable to Shareholders out of the profits of the Company. A determination by the Directors as to profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

#### 7.4 Winding-up

Subject to the Constitution and the rights or restrictions attached to any Shares or class of Shares, if the Company is wound up, any surplus will be divided amongst Shareholders in proportion to the number of Shares held by them, irrespective of the amount paid or credited as paid on the Shares.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may, for that purpose, set such value as they consider fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

#### 7.5 Transfer of Shares

Generally, all Shares are freely transferable subject to the procedural requirements of the Constitution and to the provisions of the Corporations Act, ASX Listing Rules and ASX Settlement and Transfer Corporation Pty Limited (ASTC) Settlement Rules. If the Directors refuse to register a transfer, they must give written notice of the refusal (in accordance with the Corporations Act and the ASX Listing Rules) to the transferee and the broker lodging the transfer (if any).

#### 7.6 Variation of rights

The rights attached to any class of Shares may, unless their terms of issue state otherwise, be varied, whether or not the Company is being wound up, with the written consent of the holders of 75% of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of Shares of that class.

## 8. Rights of the New Options

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The rights and liabilities attaching to ownership of the New Options offered under this Prospectus arise from a combination of the terms and conditions set out in the New Option terms, Constitution, statute, the ASX Listing Rules and general law.

The New Options will be issued on the terms and conditions set out in the Schedule. A summary of the significant rights and liabilities attaching to New Options is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Optionholders.

- **Entitlement** - Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- **Expiry date** - Each New Option will expire at 5:00 pm (Perth time) on 31 August 2017 (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- **Exercise price** - The amount payable upon exercise of each New Option will be \$0.006 (**Exercise Price**).
- **Exercise notice** - New Options may be exercised at any time before the Expiry Date by notice in writing to the Company in the manner specified in the New Option terms and payment of the Exercise Price for each New Option being exercised by cheque or electronic funds transfer.
- **Ranking** - All Shares issued upon the exercise of New Options will upon allotment rank pari passu in all respects with other Shares.
- **Quotation of New Options** - The Company will apply for Official Quotation by ASX of all New Options issued.
- **Quotation** - The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the New Options.
- **Reconstruction of capital** - If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- **Participation in new issues** - Holders of New Options will not be permitted to participate in new issues of capital offered by the Company without exercising the New Options.

## 9. Additional information

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#### 9.1 Underwriting

Sundance and the Underwriter have entered into an Underwriting Agreement under which it has been agreed that the Underwriter will partially underwrite the Offer for an amount of \$13.25 million. Customary with these types of arrangements:

- a) Sundance has provided various representations and warranties;

- b) Sundance has agreed to indemnify the Underwriter, its officers, employees, agents and advisors against losses in connection with the Offer;
- c) the Underwriting Agreement includes a number of termination events which give the Underwriter the right but not the obligation to terminate the Underwriting Agreement, including (but not limited to):
  - i. any of the All Ordinaries Index or the Standard and Poors/ASX200 Materials Index as published by ASX is at any time after the date of the Underwriting Agreement over 2 consecutive trading days 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
  - ii. the Porter Settlement Deed is breached by any party to the deed and the breach is not waived or otherwise remedied in accordance with the terms of the Porter Settlement Deed or it is revoked, rescinded, avoided, amended, varied, superseded or replaced in any way;
  - iii. the Company is required to redeem the convertible notes on issue or there is a breach of any convertible note deed or any convertible note deed is revoked, rescinded, avoided, amended, varied, superseded or replaced, or any party moves to demand payment or to enforce the security granted by its terms;
  - iv. the closing price of Sundance's Shares falls below the Offer Price at any time after the date of the Underwriting Agreement and remains below the Offer Price for 2 consecutive trading days;
  - v. an amount of \$1,125,000 (representing 225,000,000 New Shares) is not subscribed for by Eligible Shareholders by the Closing Date;
  - vi. a statement contained in this Prospectus (including any supplementary prospectus) is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Prospectus (including any supplementary prospectus) omits any information that it is required to contain;
  - vii. Sundance withdraws the Offer;
  - viii. material default by Sundance in respect of any of its obligations under the Underwriting Agreement; and
  - ix. there is a material delay in the timetable for the Offer which has not been agreed between the Company and the Underwriter;
- d) upon completion of the Offer the Underwriter will receive a corporate advisory fee of \$100,000 (**Advisory Fee**), an underwriting fee of 6.5% of the underwritten amount of \$13.25 million (**Underwriting Fee**) and a selling fee of 6.5% of any amounts raised over and above the underwritten amount (**Selling Fee**). To the extent that these fees are not taken as cash, they will be satisfied by the allotment of an equivalent number of Shares calculated by reference to the Offer Price. Each Share will be accompanied by 1 free attaching Option on the terms and conditions set out in the Schedule. All sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter; and
- e) in addition to the underwriting fee described above, Sundance will grant to the Underwriter or parties nominated by the Underwriter a number of Shares for no consideration. The number of Shares to be granted will be calculated on the basis of 1 Share for every 4 New Shares underwritten by the Underwriter, less the number of New Shares sub-underwritten via the sub-underwriting arrangements with Mr Porter (**Underwriting Shares**).
- f) if the Underwriting Agreement is terminated by the Underwriter, the Underwriter will receive a termination fee of \$50,000, of which 50% may be satisfied by the allotment of an equivalent number of Shares calculated by reference to the Offer Price. Each Share will be accompanied by 1 free attaching Option on the terms and conditions set out in the Schedule.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to issue up to 286,750,000 Shares and 174,250,000 Options to the Underwriter or parties nominated by the Underwriter upon the successful completion of the Offer. These totals comprise up to 174,250,000 Shares and 174,250,000 Options in lieu of cash for part of the Advisory Fee and the Underwriting Fee and 112,500,000 Underwriting Shares. The precise number of Shares and Options to be issued in lieu of part of the Selling Fee (if any) will not be known until the completion of the Offer.

## 9.2 Sub-underwriting

The Underwriter has appointed sub-underwriters, including Mr Porter, to subscribe for the Oversubscription Shortfall.

Mr Porter has agreed to sub-underwrite the Offer for \$11 million, in accordance with the terms of the Porter Settlement Deed. Pursuant to the sub-underwriting agreement, Mr Porter will sub-underwrite up to 2,200,000,000 New Shares and 2,200,000,000 New Options. No fee is payable to Mr Porter for sub-underwriting the New Shares and New Options, or on any Oversubscription Shortfall that Mr Porter is obliged to subscribe for. If the Offer does not proceed or is withdrawn, or the Underwriting Agreement is terminated, Mr Porter's sub-underwriting agreement will terminate without any obligation to Mr Porter.

Other investors have agreed to sub-underwrite the Offer for \$2.25 million.

## 9.3 Convertible notes

The Company has convertible notes with a total face value of \$93.5 million and a total redemption value of \$116.85 million on issue as summarised below.

	<b>Noble</b>	<b>Investor Consortium</b>	<b>Wafin</b>	<b>2015 Investor Group</b>	<b>Hanlong</b>
<b>Date of issue</b>	1 December 2015	1 December 2015	23 September 2014	9 November 2015	6 February 2013
<b>Maturity date</b>	23 September 2017	23 September 2017	23 September 2017	23 September 2017	31 December 2016
<b>Face value</b>	\$20 million	\$24 million	\$40 million	\$7 million	\$2.5 million
<b>Coupon</b>	None	None	None	None	10% p.a. quarterly in arrears
<b>Redemption value</b>	125.781% of face value (being \$25.15 million)	120% of face value (being \$28.8 million)	130% of face value (being \$52 million)	120% of face value (being \$8.4 million)	100% of face value (being \$2.5 million)
<b>Conversion price</b>	6.0 cents per Share	6.0 cents per Share	6.0 cents per Share	1.6 cents per Share	5 day VWAP average preceding conversion
<b>Number of Shares issued on conversion</b>	333,333,333	400,000,000	666,666,667	437,500,000	Calculated as per formula above

### Hanlong convertible notes

Pursuant to the convertible note deed dated 6 February 2013 between the Company and Hanlong, the Company may at any time notify Hanlong that all of the outstanding convertibles notes will be converted into Shares on the date specified in the notice.

A summary of the key terms of the convertible notes held by Hanlong is set out in the Company's Notice of Annual General Meeting dated 29 October 2013. The Company will provide a copy of its Notice of Annual General Meeting dated 29 October 2013, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date. A copy of this document is also available through the Company's website [www.sundanceresources.com.au](http://www.sundanceresources.com.au).

It is the Board's intention that should the Offer reach its conclusion and Hanlong does not take up its Entitlement, the Company will issue a conversion notice for the remaining \$2.5 million after the Offer has closed. Assuming the relevant conversion notice is issued at the Offer Price of \$0.005 per share Hanlong will be issued an additional 500,000,000 Shares and their percentage shareholding (voting power) in the Company will increase to



approximately 16.7% assuming Hanlong does not acquire any shares or take up any part of its entitlement under the Offer.

**Noble, Investor Consortium, Wafin and 2015 Investor Group convertible notes**

The convertible note deeds between the Company and each of Noble, the Investor Consortium, Wafin and the 2015 Investor Group contain a clause which, upon the occurrence of certain transactions, requires an adjustment to be made to the conversion price of the relevant convertible notes. The issue of Securities under this Offer will trigger such an adjustment.

Set out below is a comparison of the existing conversion price and Shares to be issued on conversion and the adjusted conversion price and adjusted Shares to be issued on conversion:

	<b>Noble</b>	<b>Investor Consortium</b>	<b>Wafin</b>	<b>2015 Investor Group</b>	<b>Hanlong</b>
<b>Face value</b>	\$20 million	\$24 million	\$40 million	\$7 million	\$2.5 million
<b>Existing conversion price</b>	6.0 cents per share	6.0 cents per share	6.0 cents per share	1.6 cents per share	5 day VWAP average preceding conversion
<b>Existing number of Shares issued on conversion</b>	333,333,333	400,000,000	666,666,667	437,500,000	Calculated as per formula above
<b>Adjusted conversion price</b>	4.33 cents per Share	4.33 cents per Share	4.33 cents per Share	1.115 cents per Share	N/A
<b>Adjusted number of Shares issued on conversion</b>	462,009,022	554,410,826	924,018,044	606,386,841	N/A

A summary of the key terms of the convertible notes held by Noble, the Investor Consortium, Wafin and the 2015 Investor Group is set out in the Company's 2015 Annual Report and its Notice of Annual General Meeting dated 30 October 2015. The Company will provide a copy of each of its 2015 Annual Report and Notice of Annual General Meeting dated 30 October 2015, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date. Copies of these documents are also available through the Company's website [www.sundanceresources.com.au](http://www.sundanceresources.com.au).

**9.4 Continuous disclosure obligations**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the securities in the Company.

This Prospectus is a "transaction specific prospectus". In general terms, a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (1) the annual financial report most recently lodged by the Company with ASIC;
  - (2) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC; and
  - (3) any continuous disclosure documents given by the Company to ASX in accordance with ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below:

Date	Description of announcement
30/10/2015	Appendix 4G - Corporate Governance
5/11/2015	ASX waiver granted
6/11/2015	Appendix 3B - performance rights lapsing
9/11/2015	\$7 million convertible notes issued
9/11/2015	Appendix 3B - issue of \$7 million convertible notes
30/11/2015	AGM Chairman's address
30/11/2015	AGM Presentation
30/11/2015	AGM results
30/11/2015	AGM voting
1/12/2015	Replacement convertible note issue completed
1/12/2015	Appendix 3B - convertible notes
15/12/2015	Hanlong conversions and extension
23/12/2015	Trading halt
23/12/2015	Porter litigation
29/12/2015	Suspension request
30/12/2015	Appendix 3B - Hanlong convertible notes
30/12/2015	Cleansing notice - Hanlong
4/1/2016	Appendix 3B - performance rights lapsing
4/1/2016	Form 604 - Hanlong
6/1/2016	Extension of suspension
13/1/2016	Corporate update, progress on litigation settlement and EPC postponement

13/1/2016	Extension of suspension
18/1/2016	Corporate update, Porter settlement and rights issue
18/1/2016	Suspension lifted, shares recommenced trading
27/1/2016	Quarterly report - 31 December 2015
27/1/2016	Appendix 5B - 31 December 2015
28/1/2016	Appendix 3Z - Southam
28/1/2016	Appendix 3Z - Sheyko
28/1/2016	Appendix 3Z - Marshall
28/1/2016	Appendix 3Z - Eldridge
28/1/2016	Appendix 3X - Rule
28/1/2016	Appendix 3B - performance rights lapsing
1/2/2016	Trading halt

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.sundanceresources.com.au](http://www.sundanceresources.com.au)

#### 9.5 Section 708A(11) Corporations Act

If Securities are issued to an investor without a disclosure document then the on-sale of those Securities is generally restricted pursuant to the Corporations Act, unless an exemption applies (such as those under section 708A of the Corporations Act).

These on-sale provisions are an anti-avoidance mechanism that are designed to minimise the opportunity for an issuer of Securities to avoid giving disclosure to retail investors by first issuing the securities to an investor for whom disclosure is not required and then having that investor on-sell the securities to a retail investor.

The on-sale provisions seek to ensure that regardless of whether the securities are issued directly or indirectly to retail clients, the retail clients received adequate disclosure for what is indirectly an issue of securities and the issuer remains liable to retail clients for the efficacy of that disclosure.

Section 708A operates as an exemption from the on-sale provisions. If the Company does not fall within one of these exemptions, any securities issued to an exempt investor (pursuant to section 708 of the Corporations Act) may be restricted from on-sale for the first 12 months from the date of issue unless the investor (to whom the securities may be on-sold) also falls within one of the exemptions.

However, section 708A(11) provides that a sale offer of securities would not need disclosure (and therefore would be exempt from the on-sale provisions) if the securities are in a class of securities that are quoted securities and a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made, or the securities are issued after the lodgement of a prospectus at a time when offers under the prospectus are still open for acceptance.

As noted in section 1.7, the Oversubscription Offer is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the Closing Date. The purpose of offering the Oversubscription Securities and Oversubscription Shortfall pursuant to this Prospectus is to comply with section 708A(11) of the Corporations Act so that investors issued with Oversubscription Securities or Oversubscription Shortfall pursuant to the placement of the Oversubscription Securities or Oversubscription Shortfall (as relevant) can sell their Oversubscription Securities or Oversubscription Shortfall within the next 12 months without the issue of a prospectus.

In addition, any Securities issued to the Underwriter or sub-underwriters including Mr Porter are being offered pursuant to this Prospectus to comply with section 708A(11) of the Corporations Act so that those Securities can be sold within the next 12 months without the issue of a prospectus.

#### 9.6 Corporate governance

The Board is responsible for the corporate governance of the Company and to ensure that the Sundance Group is properly managed and controlled. In this regard, the Board is committed to maintaining and promoting the principles of good corporate governance.

The Directors are of the view that the Sundance Group has complied in all substantial respects with corporate governance best practice in Australia, including with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations. The Directors believe that any departure from the ASX Corporate Governance Council Corporate Governance Principles and Recommendations is in the best interests of Shareholders, having regard to the size and the pre-production stage of the Company.

#### 9.7 Related Party disclosure

From time to time the Company may be party to transactions with Related Parties including:

- (a) employment and service arrangements;
- (b) issue of securities to Directors or entities associated with Directors; and
- (c) payment of Directors' fees.

The Company believes that it has made appropriate disclosure of past Related Party transactions and other than any further disclosure made in this Prospectus does not intend to make any further disclosure of such transactions, which will have either proceeded on an "arm's length" basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

#### 9.8 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Clayton Utz are acting as solicitors to the Offer and have performed work in relation to this Prospectus. In doing so, Clayton Utz have placed reasonable reliance upon information provided to them by the Company. Clayton Utz does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$25,000 (excluding disbursements and GST) to Clayton Utz. Further amounts may be paid to Clayton Utz in accordance with its normal time based charges.

#### 9.9 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this Prospectus as the Share Registry for the Company in the form and context in which it is named. It takes no responsibility for any part of this Prospectus other than references to its name. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Clayton Utz has given and has not withdrawn its consent to be named in this Prospectus as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of this Prospectus other than references to its name.

Patersons has given and has not withdrawn its consent to be named in this Prospectus as Lead Manager and Underwriter of the Offer in the form and context in which it is named. Patersons Securities Limited was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons Securities Limited makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited. To the maximum extent permitted by law, Patersons Securities Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

#### 9.10 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX in the 3 months up to the date immediately prior to the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	\$	Date
Highest	0.018	4/11/2015
Lowest	0.006	19/1/2016
Last	0.007	29/1/2016

#### 9.11 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company, to affect substantially:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

#### 9.12 Litigation

Please refer to section 2.2 for further information regarding the settlement with Mr Porter and Absolute Analogue Inc. and the Porter Settlement Deed.

#### 9.13 Tax

You should be aware that there may be taxation implications associated with participating in the Offer and receiving New Securities.

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Securities under the Offer, or the disposal of any New Securities allotted and issued. The Company does not accept any responsibility in this regard, and Shareholders should consult with their professional tax adviser.

#### 9.14 Privacy

By submitting an Entitlement and Acceptance Form for New Securities you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through the Share Registry, an external service provider. The Company requires the Share Registry to comply with the National Privacy Principles in performing these services. The Company's Register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition, the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the group of companies;
- (e) to your broker; and
- (f) to external service suppliers who supply services in connection with the administration of the Company's Register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and the Share Registry, except in limited circumstances. If you wish to access, update or correct your personal information held by the Share Registry or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information, please contact the Company.

## 10. Directors' authorisation

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This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

**Dated** 3 February 2016



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**Wallace (Wal) King**

**For and on behalf of  
SUNDANCE RESOURCES LIMITED**

## 11. Glossary

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\$ means Australian dollars.

**2015 Investor Group** means Wafin, Noble, Senrigan and D. E. Shaw.

**Applicant** means a Shareholder who applies for New Securities pursuant to the Offer.

**Application** means an application to subscribe for New Securities under this Prospectus.

**Application Money** means the aggregate amount of money payable for New Securities applied for in a duly completed Entitlement and Acceptance Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the securities exchange operated by that entity.

**ASX Listing Rules** means the listing rules of ASX.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**Blackstone** means an investment vehicle managed by the Blackstone Group L.P.

**BPAY®** means BPAY Pty Limited (ABN 69 079 137 518).

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Cam Iron** means Cam Iron S.A., a subsidiary of the Company.

**CHES** means the ASX Clearing House Electronic Subregister System.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended or closed earlier).

**Company** or **Sundance** means Sundance Resources Limited ABN 19 055 719 394.

**Competent Person** has the meaning given to that term in the JORC Code.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company at the date of this Prospectus.

**Eligible Shareholder** means a person who, as determined by the Company at its absolute discretion:

- is a Shareholder as at the Record Date;
- has a registered address on the Company's Register in Australia, New Zealand or Hong Kong;
- is not in the United States or acting for the account or benefit of a person in the United States; and
- is eligible under all applicable securities laws to receive an offer under the Offer.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form attached to this Prospectus.

**Entitlement Offer or Offer** means the offer of New Securities referred to in section 1.1 of this Prospectus.

**EPC** means an Engineering, Procurement and Construction contract.

**EP92** means Exploration Permit 92 granted by the Cameroon Government to Cam Iron for mining operations in Cameroon.

**D. E. Shaw** means the investment vehicle managed by D. E. Shaw Group.

**Hanlong** means Hanlong (Africa) Mining Investment Limited.

**Ineligible Shareholder** means a Shareholder on the Record Date who is not an Eligible Shareholder.

**Investor Consortium** means Senrigan, D. E. Shaw and Blackstone.

**JORC Code** means the 2012 Edition of the Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

**Lead Manager or Lead Manager and Underwriter** means Patersons.

**Mandate** means the agreement between Sundance and Patersons dated 17 January 2016 for the appointment of Patersons as Lead Manager and Underwriter for the Offer.

**Mbalam Convention** means the mining convention dated 29 November 2012 between the Republic of Cameroon and Cam Iron (as amended and restated on 5 June 2014).

**Mine Infrastructure** means the development of the mines, the processing plants and their associated infrastructure such as camps, aerodrome, power stations and roads.

**New Option** means an Option issued pursuant to the Offer and on the terms and conditions set out in the Schedule to this Prospectus.

**New Securities** means a New Share and/or a New Option, as the context requires.

**New Share** means a new Share to be issued under the Offer.

**Noble** means Noble Resources International Pte Ltd.

**Offer Period** means the period from the date of this Prospectus until (and including) the Closing Date.

**Offer Price** means \$0.005 per New Share.

**Official Quotation** means official quotation on ASX.

**Opening Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended or opened earlier).

**Option** means an option to subscribe for a Share.

**Optionholder** means the holder of an Option.

**Oversubscription Offer** means the offer of Oversubscription Securities as described in section 1.7.

**Oversubscription Securities** means the Shortfall Securities that are offered to Shareholders under the Oversubscription Offer.

**Oversubscription Shortfall** means such New Securities offered under the Oversubscription Offer for which valid Applications have not been received from Eligible Shareholders before the Closing Date.

**Patersons** means Patersons Securities Limited ACN 008 896 311.

**Porter Settlement Deed** means the deed of release and settlement dated 17 January 2016 between the Company, David Porter and Absolute Analogue Inc.

**Project** means the Mbalam-Nabeba Iron Ore Project in the Republic of Cameroon and the Republic of Congo, approximately 500km from a proposed port near Lolabe and associated rail, port and mine.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Register** means the share register of the Company kept pursuant to the Corporations Act.

**Related Party** has the meaning given to it in the ASX Listing Rules.

**Renunciation and Transfer Form** means the form that must be completed by an Eligible Shareholder who wishes to transfer all or part of their Entitlement otherwise than on ASX, as described in section 6.1(d).

**Schedule** means the schedule to this Prospectus.

**Securities** means a Share and/or an Option, as the context requires.

**Senrigan** means an investment vehicle managed by Senrigan Capital Group Ltd.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of Shares in the Company.

**Share Registry** means Computershare Investor Services Pty Limited ACN 078 279 277.

**Shortfall or Shortfall Securities** means such New Securities offered under the Offer for which valid Applications have not been received from Eligible Shareholders before the Closing Date.

**Sundance Group** means the Company and its controlled entities.



**Transition Agreement** means the transition agreement for the restructure of the Project between the Company, the Republic of Cameroon, Cam Iron, CI RailCo S.A., CI PortCo S.A. Mineral Terminal and Rail Operations Company S.A. dated 30 June 2015.

**Underwriter** means Patersons.

**Underwriting Agreement** means the underwriting agreement dated 2 February 2016 between the Company and Patersons under which Patersons has agreed to underwrite the Offer on the terms and conditions contained in that agreement.

**Unquoted Option** means an Option not quoted on ASX.

**VWAP** means volume weighted average price.

## Schedule - Terms and conditions of New Options

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The New Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each New Option gives the Optionholder the right to subscribe for one Share.
- (b) The New Options will expire at 5:00 pm (Perth time) on 31 August 2017 (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each New Option will be \$0.006 (**Exercise Price**).
- (d) An Optionholder may exercise their New Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of New Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised, (**Exercise Notice**).
- (e) All Shares issued upon the exercise of New Options will upon allotment rank pari passu in all respects with other Shares.
- (f) The Company will apply for Official Quotation of the New Options by ASX.
- (g) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (h) There are no participating rights of entitlements inherent in the New Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (i) A New Option does not confer the right to a change in exercise price or a change in the number of underlying Securities over which the New Option can be exercised.

**Entitlement and Acceptance Form**

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