

ASX Announcement | Media Release

21 August 2017

SUNDANCE TO LAUNCH CAPITAL RAISING

HIGHLIGHTS

- **Sundance to undertake an underwritten Share Purchase Plan.**
- **Funds raised will support the ongoing push for Sundance to find a partner to develop the Mbalam-Nabeba Iron Ore Project.**

On 31 July 2017 Sundance Resources Limited (“**Sundance**” or “**Company**”) (**ASX: SDL**) announced that it had reached an agreement with the Government of Cameroon to initially extend the Mbalam Convention by 6 months to 26 January 2018. A further 6-month extension will be granted if Sundance can show progress on funding the Mbalam-Nabeba Iron Ore Project (“**Project**”) either by itself or with a credible partner.

This agreement was reached after co-operative discussions between Sundance and representatives of the Cameroon Government. Both parties were driven by a common desire to advance the Project in the shortest possible time, within the context of the prevailing soft iron ore market conditions.

To support this desire, Sundance is pleased to offer its existing eligible shareholders the opportunity to participate in the Sundance Resources Limited Share Purchase Plan (“**Plan**”).

Under the Plan, eligible shareholders may apply to purchase up to \$15,000 worth of new fully paid ordinary shares in the Company (“**New Shares**”) without paying brokerage or other transaction costs. Participation in the Plan is open to all holders of Sundance shares as at 5:00pm WST on Friday, 18 August 2017 (“**Record Date**”) with a registered address in Australia or New Zealand (“**Eligible Shareholder**”).

The issue price will be determined at the issue date of the New Shares under the Plan based on a 20% discount to the volume weighted average price of Sundance shares traded on the ASX during the last 5 days on which sales of shares were recorded immediately prior to the issue date of the New Shares.

Under the Plan Eligible Shareholders will be able to purchase parcels of New Shares valued at \$1,000, \$2500, \$5000, \$10,000 or \$15,000. The Company seeks to raise \$1,000,000 under the Plan, however, the Directors reserve the right to expand the size of the Plan (up to the maximum permitted by the ASX Listing Rules) or scale back applications in their absolute discretion. Shareholder approval for the Plan is not required.

The Plan is underwritten by Patersons Securities Limited to \$1,000,000. Under this agreement, the Company has also agreed to provide the underwriter the right to facilitate a placement of New Shares in the Company at the same issue price as under the Plan.

Eligible Shareholders will be sent an offer letter and Plan Terms and Conditions on 25 August 2017. The Plan is scheduled to close at 5:00pm WST on 15 September 2017.

Sundance intends for the new funds raised primarily augment available working capital to enable the Company to:

- progress discussions with potential strategic partners in China or other locations to work with the Company to develop the Mbalam-Nabeba Iron Ore Project (“**Project**”);
- support in-country costs associated with the Project; and
- fund general corporate and other expenses.

Sundance CEO/Managing Director Giulio Casello said:

“We remain confident of achieving a positive outcome from discussions with potential partners for our Mbalam-Nabeba Iron Ore Project, which is a world-class asset even in the current iron ore environment.

We are mindful of Sundance’s equity structure and, given the recent cost reductions we have undertaken, we only need a small raising to progress the Company’s ambitions.”

ENDS

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About Sundance Resources

*Sundance Resources is seeking to develop its flagship Mbalam-Nabeba Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. Stage One will be the production of a Direct Shipping Ore (“**DSO**”)-quality sinter fines product averaging >62.0% Fe at a rate of 40Mtpa for approximately 14 years based on blending material sourced from the deposits in the neighbouring countries of Cameroon and Congo. Stage Two, which is currently at a Pre-Feasibility Stage, would then extend the life of the operation by further 15-plus years producing high-grade Itabirite hematite concentrate. In April 2011, Sundance completed the Definitive Feasibility Study for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam-Nabeba Iron Ore Project. The Project will utilise the rail and port infrastructure to be financed, built and owned by the Government of Cameroon, a 540km rail line dedicated to the transport of iron ore through Cameroon and a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.*

Forward Looking Statements

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, financing a large capital project, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of Sundance's operations including the likely financing and commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital sources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's operations, economic performance and financial condition.

Although Sundance believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors: changes in economic and market conditions, deterioration in the iron ore market, deterioration in debt and equity markets that lead to the Project not being able to be financed, success of business and operating initiatives, changes in the regulatory environment and other government action, fluctuations in iron ore prices and exchange rates, business and operational risk management, changes in equipment life, capability or access to infrastructure, emergence of previously underestimated technical challenges, environmental or social factors which may affect a license to operate.