



**SUNDANCE
RESOURCES LTD**

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ABN 19 055 719 394

ASX Announcement | Media Release
15 March 2016

HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

Attached please find the financial statements of Sundance Resources Limited (ASX: SDL) for the 6 months ended 31 December 2015.

ENDS

GIULIO CASELLO
Chief Executive Officer and Managing Director
Sundance Resources Limited
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**Sundance Resources Limited
and subsidiaries**

ABN 19 055 719 394

Financial Report
for the Half-Year ended
31 December 2015

This document should be read in conjunction with the annual report of
Sundance Resources Ltd for the year ended 30 June 2015



**SUNDANCE RESOURCES LIMITED
CORPORATE DIRECTORY**

Directors:	Wal King (Chairman & Non-Executive Director) Giulio Casello (Managing Director & Chief Executive Officer) Alan Rule (Non-Executive Director)
Company Secretary:	Alan Rule
ABN:	19 055 719 394
Registered Office:	Level 3 24 Outram Street West Perth WA 6005
Head Office:	Level 3 24 Outram Street West Perth WA 6005 Tel: +61 (8) 9220 2300 Fax: +61 (8) 9220 2309 Internet: www.sundanceresources.com.au
Auditors:	Deloitte Touche Tohmatsu Tower 2, Brookfield Place 123 St George's Terrace Perth WA 6000 PO Box A46 Perth WA 6837 Tel: +61 (8) 9365 7000 Fax: +61 (8) 9365 7001
Share Registry:	Computershare Investor Services Pty Ltd Level 11 172 St George's Terrace Perth WA 6000 GPO Box D182 Perth WA 6840 Tel: +61 1300 850 505 (within Australia) +61 (3) 9415 4000 (outside Australia) Fax: +61 (8) 9323 2033



SUNDANCE RESOURCES LIMITED DIRECTORS' REPORT

The Directors of Sundance Resources Limited submit herewith the financial report of Sundance Resources Limited and its subsidiaries ('Consolidated Entity', 'Company' or 'Sundance') for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the half-year are:

Mr Wal King AO	Chairman and Non-Executive Director
Mr Giulio Casello	Managing Director and Chief Executive Officer
Mr Barry Eldridge	Non-Executive Director – <i>resigned 27 January 2016</i>
Mr Andrew (Robin) Marshall	Non-Executive Director – <i>resigned 27 January 2016</i>
Mr David Southam	Non-Executive Director – <i>resigned 27 January 2016</i>
Mr Oleg Sheyko	Non-Executive Director – <i>resigned 27 January 2016</i>
Mr Alan Rule	Non-Executive Director – <i>appointed 27 January 2016</i>

Except as set out above, all other Directors have held office for the full period of this report and remain in office as at the date of this report.

REVIEW OF OPERATIONS

The Project

Sundance holds a majority interest in subsidiaries Cam Iron SA ('Cam Iron') and Congo Iron SA ('Congo Iron') whose principal asset is the Mbalam-Nabeba Iron Ore Project ('Project'), which straddles the border of Cameroon and Congo in Central Africa.

The Project:

- Consists of:
 - The iron ore mine, processing plant and associated infrastructure to be developed on Exploration Permit 92 ('EP92') held by Cam Iron located in the East Province of Cameroon ('Mbarga'); and
 - The iron ore mine, processing plant and associated infrastructure to be developed on Mining Permit Nabeba-Bamegod held by Congo Iron in the Sangha Province of the Congo ('Nabeba').
- Plans to produce at least 40Mtpa from these 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 dedicated 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%).



SUNDANCE RESOURCES LIMITED DIRECTORS' REPORT

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:¹
 - 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 in October 2015. A Declaration of Public Utility ('DUP') was issued by the Government of Cameroon for the entire project railway corridor in 2011. Work commenced in 2014 on implementation of the DUP including public consultation meetings, cadastral surveys and evaluations for compensation and resettlement purposes. The work also included physical examination and marking of the route on the ground and potential minor adjustments of the alignment to minimize impacts to communities and the environment;
- Assisted the Cameroon Government to complete the negotiations and finalise the contract ready for signature for the Engineering, Procurement and Construction ('EPC') contract to construct the rail and port infrastructure in Cameroon;
- 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;
- Raised \$7 million via the issue of new convertible notes on 9 November 2015; and
- Raised \$2.3 million from shareholders via rights issue on 2 March 2016.

Port and Rail Development Process

Following the Cameroon Prime Minister Philemon Yang's visit to Beijing in June 2015, where he met with the Chinese President Xi Jinping and the Chinese Premier Li Keqiang, the Government of Cameroon expressed its optimism that it will be successful in the financing of the port and rail infrastructure. This gave Sundance a high level of confidence that the Government of Cameroon would be able to achieve sovereign funding on the port and rail infrastructure which supports the Project and would allow Sundance to focus on funding, constructing and operating the Mbarga and Nabeba mines, process plants and associated infrastructure ('**Mine Infrastructure**') in Cameroon and Congo.

In July 2015 the Government of Cameroon commenced the process to select a Chinese EPC contractor for the construction of the port and rail infrastructure to support its application for a loan from China and possible other friendly countries to construct the port and rail infrastructure.

Tenders from EPC contractors for the railway line and port construction were received by the Cameroon Government and detailed evaluations of the tenders were carried out by an expert committee.

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 had been postponed. The selected EPC contractor

¹ 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 RESOURCES LIMITED DIRECTORS' REPORT

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 this will create a delay in finding an equity partner for the Mine Infrastructure.

Porter Litigation

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 had been made 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 the Supreme Court of Western Australia (Action No. CIV 1773 of 2007) action commenced by Absolute Analogue Inc. and Mr Porter ('**2007 Action**'). The settlement with the Porter Parties totals \$11.5 million and includes a cash payment of \$0.5 million on lodgement of a Prospectus for the pro-rata renounceable rights issue to be undertaken by Sundance and an undertaking by Mr Porter to sub-underwrite an amount of \$11 million of the pro-rata renounceable rights issue.

The 2007 Action relates 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 was ordered by the Court of Appeal (WA) in a decision handed down on 28 August 2015.

Entitlement Issue

On 18 January 2016, the Company announced to ASX that In conjunction with the settlement with Mr Porter, Sundance appointed Patersons Securities Limited ('**Patersons**') as the Lead Manager for a 1-for-1 pro-rata renounceable rights issue at an issue price of \$0.005 per share to raise up to \$16.5 million. Each new share subscribed will carry an attaching 1-for-1 free option exercisable at \$0.006 per share before 31 August 2017.

On 3 February 2016, the Company announced to ASX that it had lodged a Prospectus with ASIC and ASX for a partially underwritten pro rata renounceable entitlement offer of 1 new fully paid ordinary Sundance share for every 1 share held to raise up to \$16.5 million (before costs of the offer) ('**Entitlement Offer**')

- The Entitlement Offer will be undertaken at an issue price of \$0.005 each ('**Offer Price**') together with one (1) free new option for every one (1) new share subscribed. The options will be exercisable at \$0.006 each on or before 31 August 2017;



SUNDANCE RESOURCES LIMITED DIRECTORS' REPORT

- The Entitlement Offer is partially underwritten by 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 proceeds of the Entitlement 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 Sundance from the Entitlement Offer in accordance with the terms of a deed of release and settlement dated 17 January 2016 between the Company, Mr Porter and Absolute Analogue Inc;
 - 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
 - general working capital purposes.

On 4 March 2016, the Company announced to ASX that the Entitlement Offer closed on 2 March 2016 with subscriptions received from shareholders totalling \$2.3 million resulting in a shortfall of \$10.94 million that was taken up by Mr Porter pursuant to the underwriting agreement.

On 8 March 2016, the Company announced to ASX the issue and allotment of:

- 2,936,750,000 fully paid ordinary shares at an issue price of \$0.005 each; and
- 2,824,250,000 options exercisable at \$0.006 each on or before 31 August 2017.

The Company currently has the following shares and options on issue:

- 6,239,308,630 fully paid ordinary shares; and
- 2,824,250,000 options exercisable at \$0.006 each on or before 31 August 2017.

As a consequence of the completion of the Entitlement Issue and the underwriting by Mr Porter, the litigation with Mr Porter and his associates has been settled in full. Mr Porter now owns 35.1% of the Company.

Financial Position

Cash and cash equivalents decreased during the period to \$7.4 million at 31 December 2015 from \$13.7 million at 30 June 2015.

On 27 October 2015, Sundance announced that it had executed an agreement for the Investment of A\$7 million into the Company through a subscription for new convertible notes by Wafin Limited ('**Wafin**'), Noble Resources International Pte Ltd ('**Noble**') and investment vehicles managed by Senrigan Capital Group ('**Senrigan**') and D.E. Shaw Group ('**D. E. Shaw**') to be used for working capital

The financial position of the Consolidated Entity as at 31 December 2015 remains positive. Net assets of the Consolidated Entity amounted to \$71.7 million (31 December 2014: \$235.7 million). Mine development assets decreased to \$168.4 million (31 December 2014: \$279.4 million) due mainly to a \$71.8 million project impairment.

At 31 December 2015, the Consolidated Entity had a net working capital deficiency of \$9.4 million after including a liability of \$11.5 million for the settlement reached with Mr Porter. This liability of \$11.5 million was extinguished in full after the end of the reporting period by a cash payment of \$553,402 plus the issue of \$10.96 million worth of fully paid ordinary shares in Sundance to Mr Porter pursuant to Mr Porter's underwriting of the Entitlement Issue that was completed in March 2016.



SUNDANCE RESOURCES LIMITED DIRECTORS' REPORT

The total loss for the period amounted to \$103.5 million compared to \$14.1 million for the half-year ended 31 December 2014. Of this total loss, \$9.7 million related to non-cash convertible note financing charges (2014: \$8.9 million), \$71.8 million project impairment, and \$11.5 million for litigation settlement to Mr Porter.

Total comprehensive income amounted to a loss of \$96.2 million (2014: loss \$3.6 million) for the half-year ended 31 December 2015, which includes an exchange gain on translation of foreign operations. This gain amounted to \$7.3 million (2014: \$10.5 million) and is due to a movement in the Central African CFA francs against the Australian Dollar from 440.3 at 31 December 2014 to 438.7 at 31 December 2015.

Corporate

The Company continuously reviews the timing of all discretionary expenditures, including exploration and development costs, and wherever necessary these costs have been minimised or deferred to match the Company's cash flow forecast.

On 28 January 2016 the Company announced that due to the delay to the signing of the EPC contract for the port and rail infrastructure for the Project and the subsequent delay this will create in finding an equity partner for the mines, it had 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:

- Significant scale-back of employees, overheads and activities in Perth, Cameroon and Congo with a planned 80% reduction from the previous spend;
- Effective 1 February 2016, approximately 60 personnel across Perth, Cameroon and Congo to be made redundant resulting in less than 10 employees remaining (two in Perth with eight in Cameroon and Congo); and
- The Company has retained the services of the Cam Iron CEO, Mr Serge Asso'o; the Congo Iron CEO, Mr Emmanuel Yoka; and the Sundance CEO, Mr Giulio Casello.

The retention of these employees enables the organisation to focus on conserving expenditure whilst driving the advancement of the Project. These employees retain knowledge and history of the Project and relationships with each Government. Some of their key tasks will include:

- 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; and
- Continuing the process of negotiating and then agreeing the terms of an equity investment into the Mine Infrastructure.
- As part of the cost reduction decisions taken, and to align the executive and Board structure with the ongoing focus of Sundance, with effect from 27 January 2016, Robin Marshall, David Southam, Barry Eldridge and Oleg Sheyko have resigned as directors of the Company. In addition, Alan Rule has stepped down as CFO and has been appointed a non-executive director to continue to have access to his corporate knowledge, history and relationships. The new Board comprises Wal King (non-executive Chairman), Giulio Casello (CEO and Managing Director) and Alan Rule (non-executive director);

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 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.



SUNDANCE RESOURCES LIMITED DIRECTORS' REPORT

Material Business Risks

There are a number of risk 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. A summary of these risk factors are set out in section 4 of the Sundance Prospectus dated 3 February 2016.

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.

Some, but not all, of the material business risks faced by Sundance that are likely to have an effect on the prospects of the Company are considered below:

- **Working capital funding**

At 31 December 2015, Sundance held cash of \$7.38 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.

With the proceeds of the Offer and the costs reductions referred to above, the Company expects it will have sufficient working capital until early 2017.

- **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 note 5 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.

- **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.

- **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. 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 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.

- **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



SUNDANCE RESOURCES LIMITED DIRECTORS' REPORT

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.

- **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.

- **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.

- **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.

- **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.



SUNDANCE RESOURCES LIMITED
DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the *Corporations Act 2001* section 307C the auditors of the Company, Deloitte Touche Tohmatsu Ltd have provided a signed auditors independence declaration to the Directors in relation to the half-year ended 31 December 2015. The auditor's independence declaration has been included in the half-year financial report on page 10.

Signed in accordance with a resolution of the Directors, made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors

Wal King
Director (Chairman)

Giulio Casello
Managing Director and CEO

15 March 2016
Perth, Western Australia

The Board of Directors
Sundance Resources Limited
Level 3, 24 Outram Street
Perth WA 6005

15 March 2016

Dear Board Members,

Sundance Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sundance Resources Limited.

As lead audit partner for the review of the financial statements of Sundance Resources Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants



**SUNDANCE RESOURCES LIMITED
DIRECTORS' DECLARATION**

The Directors of Sundance Resources Limited A.C.N. 055 719 394 declare that, in the opinion of the Directors:

- a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including complying with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Wal King
Director (Chairman)

Giulio Casello
Managing Director and CEO

15 March 2016
Perth, Western Australia



SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31-Dec-15 \$	31-Dec-14 \$
CONTINUING OPERATIONS			
Other income		79,593	470,413
Gain on revaluation of derivative – Convertible Notes		1,815,058	4,163,469
Administration expense		(1,121,602)	(770,263)
Consultants expense		(216,607)	(172,645)
Depreciation and amortisation expense		(308,593)	(749,645)
Employee benefits expense		(2,402,574)	(5,645,490)
Exchange rate loss		(51,374)	(17,535)
Legal fees		(881,025)	(217,628)
Listing and registry fees		(139,967)	(105,913)
Occupancy costs		(571,032)	(618,613)
Professional fees		(208,967)	(390,658)
Transport and logistics		(8,719)	(13,780)
Travel expenses		(369,146)	(750,094)
Finance charges	4	(9,670,800)	(8,859,193)
Project impairment	3	(71,757,952)	-
Litigation settlement		(11,500,000)	-
Property, plant & equipment impairment		(2,140,308)	-
Inventory impairment		(3,323,598)	-
Other expenses		(708,631)	(439,428)
Loss from continuing operations before tax		(103,486,244)	(14,117,003)
Income tax expense		-	-
Loss for the period		(103,486,244)	(14,117,003)
Loss attributable to:			
- Owners of the parent		(91,666,038)	(13,519,236)
- Non-controlling interests		(11,820,206)	(597,767)
Loss for the period		(103,486,244)	(14,117,003)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		7,328,939	10,520,875
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the period		7,328,939	10,520,875
Total comprehensive (loss)		(96,157,305)	(3,596,128)
Total comprehensive (loss) attributable to:			
- Owners of the parent		(85,820,361)	(4,441,739)
- Non-controlling interests		(10,336,944)	845,611
Net comprehensive (loss) attributable to members		(96,157,305)	(3,596,128)
Loss per share			
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From continuing operations			
- Basic (cents per share)		(3.338)	(0.44)
- Diluted (cents per share)		(3.338)	(0.44)



SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31-Dec-15 \$	30-Jun-15 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents		7,379,893	13,725,029
Trade & Other Receivables		76,639	157,462
Inventory		70,951	415,985
Other Current Assets		329,663	616,453
Total Current Assets		7,857,146	14,914,929
NON-CURRENT ASSETS			
Inventory		-	128,092
Property, Plant & Equipment	2	-	2,353,809
Mine Development Assets	3	168,420,002	231,948,704
Total Non-Current Assets		168,420,002	234,430,605
TOTAL ASSETS		176,277,148	249,345,534
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	5	2,625,000	45,498,100
Trade & Other Payables		14,352,431	3,263,974
Provisions		249,573	388,955
Total Current Liabilities		17,227,004	49,151,029
NON-CURRENT LIABILITIES			
Borrowings	5	87,087,063	39,194,356
Provisions		270,499	305,075
Total Non-Current Liabilities		87,357,562	39,499,431
TOTAL LIABILITIES		104,584,566	88,650,460
NET ASSETS		71,692,582	160,695,074
EQUITY			
Issued Capital	7	411,526,057	409,026,056
Reserves		54,465,763	43,965,273
Accumulated Losses		(371,066,302)	(279,400,263)
Equity attributable to the owners of the parent		94,925,518	173,591,066
Non-controlling interest		(23,232,936)	(12,895,992)
TOTAL EQUITY		71,692,582	160,695,074



SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	31-Dec-15 \$	31-Dec-14 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(11,038,907)	(6,320,837)
Interest received		79,593	383,693
Interest paid		(4,878)	(5,007)
Net Cash (used in) Operating Activities		(10,964,192)	(7,196,946)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(14,983)	(462,558)
Proceeds from disposal of property, plant and equipment		3,310	992
Mine development costs		(1,007,546)	(14,495,502)
Net Cash (used in) Investing Activities		(1,019,219)	(14,957,068)
Cash flows from Financing Activities			
Proceeds from convertible notes issued	5	7,000,000	40,000,000
Interest paid on convertible notes		(250,000)	(1,254,795)
Borrowing costs associated with convertible notes	5	(1,143,635)	(1,684,251)
Net Cash provided by Financing Activities		5,606,365	38,315,749
Net (Decrease)/Increase in Cash and Cash Equivalents		(6,377,046)	16,161,735
Cash and cash equivalents at beginning of period		13,725,029	14,377,685
Effect of foreign currency movements on cash and equivalents		31,910	8,249
Cash and Cash Equivalents at end of Period		7,379,893	30,547,669



SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued Capital	Share Based Payments Reserve	Convertible Note & Option Reserve	Foreign Currency Translation Reserve	Share Transactions with Non-Controlling Interests	Accumulated Losses	Attributable to owners of the parent	Non-Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>At 1 July 2014</i>	409,071,476	23,721,197	12,700,000	13,911,588	(11,160,000)	(206,987,067)	241,257,194	(6,981,157)	234,276,037
Loss for the period						(13,519,236)	(13,519,236)	(597,767)	(14,117,003)
Foreign currency gain				9,077,497			9,077,497	1,443,378	10,520,875
Total comprehensive loss	-	-	-	9,077,497	-	(13,519,236)	(4,441,739)	845,611	(3,596,128)
Issue of convertible note			4,010,000				4,010,000		4,010,000
Share based payment		1,011,688					1,011,688		1,011,688
At 31 December 2014	409,071,476	24,732,885	16,710,000	22,989,085	(11,160,000)	(220,506,303)	241,837,143	(6,135,546)	235,701,597
<i>At 1 July 2015</i>	409,026,056	24,345,883	16,710,000	14,069,390	(11,160,000)	(279,400,263)	173,591,066	(12,895,992)	160,695,074
Loss for the period						(91,666,038)	(91,666,038)	(11,820,206)	(103,486,244)
Foreign currency gain				5,845,677			5,845,677	1,483,262	(7,328,939)
Total comprehensive loss	-	-	-	5,845,677	-	(91,666,038)	(85,820,361)	(10,336,944)	(96,157,305)
Issue of shares	2,500,000						2,500,000		2,500,000
Issue of convertible note			5,942,500				5,942,500		5,942,500
Share based payment		(1,287,687)					(1,287,687)		(1,287,687)
At 31 December 2015	411,526,056	23,058,196	22,652,500	19,915,067	(11,160,000)	(371,066,301)	94,925,518	(23,232,936)	71,692,582

The accompanying notes form part of this financial report on pages 16 to 33



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Reporting entity

Sundance Resources Limited is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2015 comprises the Company and its subsidiaries ('**Consolidated Entity**') and the Consolidated Entity's interests in associates and jointly controlled entities.

The statutory annual financial report of the Consolidated Entity for the year ended 30 June 2015 can be downloaded from the Company's website www.sundanceresources.com.au.

Statement of compliance

The half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The half-year report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Consolidated Entity as at and for the year ended 30 June 2015.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed by the Consolidated Entity in the consolidated financial report as at and for the year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
- AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australia Groups with a Foreign Parent'

Impact of the application of AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'

Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations.

Impact of the application of AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'

The amendments to AASB 128 align the relief available in AASB 10 and AASB 128 in respect of the financial reporting requirements for Australian groups with a foreign parent. The amendments require that the ultimate Australian entity shall apply the equity method in accounting for interests in associates and joint ventures if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONTINUED)

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Consolidated Entity's accounting policies and has no effect on the amounts reported for the current or prior half-years.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 31 December 2015, the Consolidated Entity had net working capital deficiency of \$9.4million after including a liability of \$11.5 million for the settlement reached with Mr Porter. This liability of \$11.5 million was extinguished in full after the end of the reporting period by a cash payment of \$553,402 plus the issue of \$10.96 million worth of fully paid ordinary shares in Sundance to Mr Porter pursuant to Mr Porter's underwriting of the Entitlement Issue that was completed in March 2016.

As set out in Note 11 – "*Events Occurring After the Reporting Period*", the Company has:

- Undertaken a partially underwritten rights issue that raised \$2.25 million (before costs) in working capital;
- Entered into a Settlement Agreement with David Porter and associated parties that has been finalised with no ongoing liability or obligation to David Porter and associated parties; and
- Implemented further cost cutting after the postponement of the signing of the rail and port EPC contract.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that the Consolidated Entity will have sufficient funds to meet their obligations as and when they fall due over the next 12 months, and are of the opinion that the use of the going concern basis remains appropriate. The ability of the Consolidated Entity to continue as a going concern is dependent on the continued monitoring and management by the Directors of the quantum and timing of all discretionary expenditures including exploration and development costs and wherever necessary these costs will be minimised or deferred to suit the Consolidated Entity's cash flow forecast or that the funding shortfall can be met through traditional sources of equity or debt funding.

Critical accounting judgements and the key sources of estimation uncertainty

In the application of the Consolidated Entity's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience, external data and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The Directors evaluate the estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

Capitalised mine development expenditure is recognised at cost less accumulated amortisation and any impairments. Where commercial production in an area of interest has commenced, the associated costs, together with any forecast future capital expenditure necessary to develop proved and probable reserves, are amortised over the estimated economic life of the mine on a units-of-production basis. Changes in factors such as estimates of proved and probable reserves that affect unit-of production calculations are dealt with on a prospective basis. The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular,



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONTINUED)

the assessment of whether economic quantities of reserves are found and the future US\$ iron ore price. Any such estimates and assumptions may change as new information becomes available (please refer to the Directors Report – Material Business Risks). If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

In respect of the assessment of the carrying value of the capitalised mine development expenditure as at 31 December 2015 the Directors have concluded that a number of estimates and judgements are required the most critical of which relates to the ability of the Consolidated Entity to obtain the necessary funding for the project. Refer to Note 3 for further details of the specific assumptions and judgements taken into consideration in the assessment as at 31 December 2015.



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 2. PROPERTY, PLANT & EQUIPMENT

	31-Dec-15 \$	30-Jun-15 \$
Buildings – at cost at beginning of period	2,047,238	2,311,315
Effect of movements in exchange rates	70,546	858
Additions	1,441	99,287
Disposals	(1,441)	-
Write-offs	(2,117,784)	(364,222)
Buildings - at cost at end of period	-	2,047,238
Accumulated depreciation at beginning of period	(776,655)	(739,409)
Effect of movements in exchange rates	(25,377)	(954)
Eliminated on asset write-off	873,116	120,657
Depreciation expense	(71,084)	(156,949)
Accumulated depreciation at end of period	-	(776,655)
Buildings - Closing written down value	-	1,270,583
Plant and equipment – at cost at beginning of period	12,247,662	12,733,278
Effect of movements in exchange rates	403,056	13,512
Additions	13,542	459,607
Disposals	(18,926)	(3,843)
Write-offs	(12,645,334)	(954,892)
Plant and equipment - at cost at end of period	-	12,247,662
Accumulated depreciation at beginning of period	(11,164,436)	(11,389,295)
Effect of movements in exchange rates	(363,180)	(13,490)
Disposals	6,664	1,512
Eliminated on asset write-off	11,758,461	901,078
Depreciation expense	(237,509)	(664,241)
Accumulated depreciation at end of period	-	(11,164,436)
Plant and Equipment - Closing written down value	-	1,083,226
TOTAL PROPERTY, PLANT AND EQUIPMENT	-	2,353,809



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 3. MINE DEVELOPMENT

	31-Dec-15	30-Jun-15
	\$	\$
Carrying amount at beginning of period	231,957,060	253,765,112
Effect of movements in exchange rates	7,286,298	443,106
Additions	934,596	25,342,129
Project impairment	(71,757,952)	-
Rail and port costs written off	-	(47,593,287)
TOTAL MINE DEVELOPMENT ASSET	168,420,002	231,957,060

At 31 December 2014, the Company held a 90% interest in Cam Iron S.A. which holds a 100% interest in the Project in Cameroon and an 85% interest in Congo Iron S.A. which holds a 100% interest in the Project in Congo. The mining codes in both Cameroon and Congo entitle the state to take up an equity interest in the Project.

Sundance reviews the carrying value of its assets at each balance date. During the half-year ended 31 December 2015, the following material events occurred which were considered indicators of impairment:

- the benchmark spot price of iron ore, being the Consolidated Entity's sole product, decreased significantly from US\$59.50 per dry metric tonne ('dmt') as at 30 June 2015 to US\$42.50/dmt as at 31 December 2015, a reduction of 28%; and
- as at 31 December 2015, the market capitalisation of the Consolidated Entity was below the net assets.

Consequently, an impairment assessment has been undertaken on the combined Cam Iron and Congo Iron Cash Generating Unit ('CGU'). The Consolidated Entity assessed the recoverable amount of the CGU as at 31 December 2015 using the Fair Value less cost to sell method. The Fair Value less cost to sell is assessed as the present value of future cash flows expected to be derived less costs to sell the CGU.

The following assumptions were used in determining the Fair Value less cost to sell for the CGU:

- Cashflow forecasts for the life of the CGU were derived from a life of mine model based on the following assumptions:
 - The Consolidated Entity achieving funding for the development of the Project;
 - The definitive feasibility study completed in March 2011 for Stage 1 of the Project. The results of which were announced to ASX on 6 April 2011. Operating costs have been adjusted to incorporate an oil price of U\$40 per barrel. Infrastructure EPC price and all other capex costs have been inflated to take account of cost increases through to the end of construction;
 - The mines to be funded, owned and operated by Sundance whilst the rail and port infrastructure is funded, owned and operated by the Government of Cameroon;
 - Construction and development for Stage 1 to commence in the March quarter of 2018;
 - Production from Stage 1 commencing in late 2021, ramping up to annual production of 40Mtpa;
 - The latest JORC code compliant reserves and resource estimates;
 - The receipt of all necessary approvals for the development and operation of the Project; and
 - Financial commitments outlined in the Conventions with both Government of Cameroon and Government of Congo.



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

• NOTE 3. MINE DEVELOPMENT (CONTINUED)

- A range of forecast long term iron ore prices for the 62% Fe/dmt fines CFR price (northern China) provided by leading external economic forecasters was considered. The range considered (expressed in 2021 real terms) was between U\$68/dmt and U\$75/dmt. The Consolidated Entity used U\$69/dmt (2022 real) for the 62% Fe fines CFR price (northern China) as its long term iron ore price; and
- Revenue and cost inflation estimates of 2.5% per year.
- Discount rate of 16.5% (nominal, after tax). The discount rate (nominal after tax) used at 30 June 2015 was 14.5%, however it was decided that an increased rate of 16.5% was more appropriate to take into account the current iron ore price market, investment and financing market and development risks.

Based on these assumptions, an impairment of \$71.7 million has been recognised in the financial report.

The Consolidated Entity considered a number of sensitivities in assessing the recoverable amount as at 31 December 2015. The Consolidated Entity does consider certain assumptions to have a more significant impact on the assessment of the recoverable value and accordingly sensitivities on these assumptions are set out below. The cashflow estimates are most sensitive to changes in iron ore prices and the discount rate. It is estimated that changes in key assumptions, if all other assumptions remain unchanged, would impact recoverable amounts as 30 June 2015 as follows:

- A decrease in the long term benchmark 62% Fe fines CFR iron ore price to US\$65.0/dmt whilst maintaining all other assumptions would, in itself, result in a full impairment of \$168.4 million.
- An increase in the discount rate from 16.5% to 18.25% whilst maintaining all other assumptions would, in itself, result in a full impairment of \$168.4 million.
- A delay in the commencement of construction by 12 months from the March quarter 2018 to the March quarter 2019, whilst maintaining all other assumptions would, in itself, result in an impairment of \$60 million.

The ultimate recoupment of costs capitalised for both Mine Development Assets and Exploration and Evaluation Assets for specific areas of interest is dependent on the successful financing, development and commercial exploitation, or alternatively, sale of the respective areas. As detailed in Note 1, the Consolidated Entity requires significant additional funding in order to develop the Project.

As announced to ASX on 30 June 2015, the Government of the Republic of Cameroon ('**Cameroon Government**') has agreed to seek to fund 100% of the capital requirement for the rail and port infrastructure in Cameroon via a loan from China and possibly other friendly countries. As a consequence, the Cameroon Government will own 98% of the rail and port infrastructure entities and in recognition of the capital invested to date by Sundance's subsidiary Cam Iron and the ongoing support that Sundance will provide towards the development of the rail and port infrastructure, Cam Iron will obtain a 2% free carried interest in these entities until the date of first commercial production. Cam Iron will not be required to provide any equity or debt funding for the construction of the rail and port infrastructure. Sundance subsidiaries, Cam Iron and Congo Iron S.A., will enter into take or pay agreements incorporating a commercial tariff for each tonne transported and loaded using the infrastructure.

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.

To date Sundance had capitalised approximately \$47.6 million of expenditure relating to the feasibility study on the rail and port infrastructure in the Mine Development asset. Sundance has subsequently written off this expenditure.



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 4. FINANCE CHARGES

	31-Dec-15 \$	31-Dec-14 \$
Implied Interest Expense - Convertible Notes	(7,603,033)	(7,758,866)
Option and Conversion Right Valuation Expense - Convertible Note	(1,367,799)	(494,680)
Amortisation of Capitalised Borrowing Costs	(699,968)	(605,647)
	(9,670,800)	(8,859,193)

NOTE 5. BORROWINGS

	31-Dec-15 \$	30 June 15 \$
CURRENT BORROWINGS		
Convertible Note - Debt Liability	2,625,000	45,788,657
Convertible Note - Derivative Liability	-	20,000
Convertible Note - Capitalised Borrowing Costs	-	(310,557)
	2,625,000	45,498,100
NON-CURRENT BORROWINGS		
Convertible Note - Debt Liability	90,163,956	40,447,525
Convertible Note - Derivative Liability	87,500	800
Convertible Note - Capitalised Borrowing Costs	(3,164,393)	(1,253,969)
	87,087,063	39,194,356
TOTAL BORROWINGS	89,712,063	84,692,456



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 5. BORROWINGS (CONTINUED)

The net proceeds received from the issue of the convertible notes have been split between the financial liability element and a derivative component, representing the residual attributable to the option to convert the financial liability into equity of the Company.

CURRENT BORROWINGS

Hanlong Convertible Note:

5 million convertible notes were issued by the Company on 6 February 2013 to Hanlong (Africa) Mining Investment Ltd (**'Hanlong'**) at an issue price of \$1.00 per note with a total face value of \$5 million. On 12 December 2014, Sundance advised that the maturity date had been extended from 31 December 2014 to 31 December 2015, and from 1 January 2015, Sundance will pay interest to Hanlong at the rate of 10% per annum on a quarterly basis on the outstanding convertible notes.

On 30 December 2015, Hanlong converted 2.5 million convertibles notes into 192,307,692 fully paid Sundance shares at \$0.013 per share which was based on the average daily volume weighted average price of Sundance shares traded on the ASX over the five trading days preceding the date of notice of conversion.

On 15 December 2015 Sundance advised that the maturity date for the remaining \$2.5 million convertible notes had been extended from 31 December 2015 to 31 December 2016, and from 1 January 2016, Sundance will continue to pay interest to Hanlong at the rate of 10% per annum on a quarterly basis on the outstanding convertible notes.

Conversion may occur at any time until 31 December 2016 at the election of either Sundance or Hanlong utilising a conversion price of the average daily volume weighted average price of Sundance shares traded on the ASX over the five trading days preceding the date of conversion. If the notes have not been converted into Sundance shares by 31 December 2016, they will be redeemed at \$1.00 per note.

The total outstanding at 31 December 2015 is \$2.5 million.

NON-CURRENT BORROWINGS

Noble Convertible Notes

Following shareholder approval, on 1 December 2015, the Company issued the following to Noble Resources International Pte Ltd (**'Noble'**):

- convertible notes with a face value of \$20 million (200,000 AUD denominated convertible notes at an issue price of \$100 per note) and a conversion price of \$0.06 per share subject to adjustment (**'Noble Notes'**); and
- 200 million free attaching options (**'Noble Options'**).

The Noble Notes and Noble Options are secured.

If the Noble Notes are not converted prior to the maturity date, 23 September 2017, they must be redeemed by the Company at its redemption amount of \$25,156,200. No interest will accrue in respect of the Noble Notes.

The Noble Options have an exercise price of \$0.07 and will lapse on the earlier of:

- 5pm (WST) on 23 September 2019;
- 40 business days after the Company achieves Financial Close; and
 - if a Change of Control Event is announced prior to the expiry of the Options, the date on which the Change of Control Event is completed which:
 - in the case of limb (a) of the definition of Change of Control Event, shall be the day the takeover offer closes;
 - in the case of limb (b) of the definition of Change of Control Event, shall be the implementation date of the scheme;



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 5. BORROWINGS (CONTINUED)

- in the case of limb (c) of the definition of Change of Control Event, shall be the date of completion of the sale; and
- in the case of limb (d) of the definition of Change of Control Event, shall be the date of change in control.

The total outstanding at 31 December 2015 is \$20 million.

For full details of the convertible notes and options issued to Noble refer to the 2015 Notice of Annual General Meeting.

Investor Consortium Notes

Following shareholder approval, on 1 December 2015, the Company issued the following to an investor consortium made up of investment vehicles managed by Blackstone Alternative Solutions, L.L.C., the D. E. Shaw Group and Senrigan Capital (**'Investor Consortium'**):

- convertible notes with a face value of \$24 million (240,000 AUD denominated convertible notes at an issue price of \$100 per note) and a conversion price of \$0.06 per share subject to adjustment (**'Investor Consortium Notes'**); and
- 260 million free attaching options (**'Investor Consortium Options'**).

The Investor Consortium Notes and Investor Consortium Options are secured.

If the Investor Consortium Notes are not converted prior to the maturity date, 23 September 2017, they must be redeemed by the Company at its redemption amount of \$28.8 million. No interest will accrue in respect of the Investor Consortium Notes.

The Investor Consortium Options have an exercise price of \$0.07 and will lapse on the earlier of:

- 5pm (WST) on 23 September 2019;
- 40 business days after the Company achieves Financial Close; and
- if a Change of Control Event is announced prior to the expiry of the Options, the date on which the Change of Control Event is completed which:
 - in the case of limb (a) of the definition of Change of Control Event, shall be the day the takeover offer closes;
 - in the case of limb (b) of the definition of Change of Control Event, shall be the implementation date of the scheme;
 - in the case of limb (c) of the definition of Change of Control Event, shall be the date of completion of the sale; and
 - in the case of limb (d) of the definition of Change of Control Event, shall be the date of change in control.

The total outstanding at 31 December 2015 is \$24 million.

For full details of the convertible notes and options issued to the Investor Consortium refer to the 2015 Notice of Annual General Meeting.

Wafin Notes

On 23 September 2014 Sundance issued 400,000 convertible notes to Wafin Limited (**'Wafin'**) with an issue price of \$100 per convertible note for a total investment of \$40 million, maturing 36 months from the date of issue (23 September 2017) (**'Wafin Note'**). Wafin also received options over 260 million ordinary shares with an exercise price of 12 cents (**'Wafin Options'**).



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 5. BORROWINGS (CONTINUED)

Following shareholder approval, on 1 December 2015, the Company amended the Wafin Note and Wafin Options as follows:

- convertible notes with a face value of \$40 million (400,000 AUD denominated convertible notes at an issue price of \$100 per note) and a conversion price of \$0.06 per share subject to adjustment (**'Wafin Replacement Notes'**); and
- 260 million free attaching options (**'Wafin Replacement Options'**).

The Wafin Replacement Notes and Wafin Replacement Options are secured.

If the Wafin Replacement Notes are not converted prior to the maturity date, 23 September 2017, they must be redeemed by the Company at its redemption amount of \$52 million. No interest will accrue in respect of the Investor Consortium Notes.

The Wafin Replacement Options have an exercise price of \$0.07 and will lapse on the earlier of:

- 5pm (WST) on 23 September 2019;
- 40 business days after the Company achieves Financial Close; and
- if a Change of Control Event is announced prior to the expiry of the Options, the date on which the Change of Control Event is completed which:
 - in the case of limb (a) of the definition of Change of Control Event, shall be the day the takeover offer closes;
 - in the case of limb (b) of the definition of Change of Control Event, shall be the implementation date of the scheme;
 - in the case of limb (c) of the definition of Change of Control Event, shall be the date of completion of the sale; and
 - in the case of limb (d) of the definition of Change of Control Event, shall be the date of change in control.

The total outstanding at 31 December 2015 is \$40 million.

For full details of the convertible notes and options issued to Wafin refer to the 2015 Notice of Annual General Meeting.

2015 Investor Consortium Notes

On 9 November 2015, the Company issued the following to an investor consortium made up of investment vehicles managed by Noble, Wafin, the D. E. Shaw Group and Senrigan Capital (**'2015 Investor Consortium'**):

- convertible notes with a face value of \$7 million (70,000 AUD denominated convertible notes at an issue price of \$100 per note) and a conversion price of \$0.016 per share subject to adjustment (**'2015 Investor Consortium Notes'**)

The 2015 Investor Consortium Notes are secured.

If the 2015 Investor Consortium Notes are not converted prior to the maturity date, 23 September 2017, they must be redeemed by the Company at its redemption amount of \$8.4 million. No interest will accrue in respect of the 2015 Investor Consortium Notes.

The total outstanding at 31 December 2015 is \$7 million.

For full details of the convertible notes issued to the 2015 Investor Consortium refer to the 2015 Notice of Annual General Meeting.



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 6. FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Valuation Technique(s) and key input(s) at 31 December 2015	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 Dec 15 \$	30 Jun 15 \$				
Hanlong Note: — Derivative Component	-	20,000	Level 3	Black Scholes Option Pricing model at 31 December 2016 Key inputs include: - Underlying share price \$0.012 - Risk free rate 2.02% - Volatility 80% - Expected term 1.00 years - Vesting date 31 December 2016	N/A	N/A
Noble Note: — Derivative Component	333,333	nil	Level 3	Black Scholes Option Pricing model at 31 December 2016 Key inputs include: - Underlying share price \$0.012 - Risk free rate 2.02% - Volatility 80% - Expected term of 1.73 years - Vesting date 23 September 2017	Valuation of Market Co is based on the discounted cash flow used to value the Project including these assumptions: - Forecast commodity prices - Estimated start-up date - Estimated commissions payable to Market Co - Estimated production tonnage - Estimated overhead expenses	The higher the value of Market Co, the higher the fair value.
Investor Consortium Note: — Derivative Component	400,000	nil	Level 3	Black Scholes Option Pricing model at 31 December 2016 Key inputs include: - Underlying share price of \$0.012 - Risk free rate 2.02% - Volatility of 80% - Expected term 1.73 years - Vesting date 23 September 2017	N/A	N/A



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NOTE 6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Valuation Technique(s) and key input(s) at 31 December 2015	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 Dec 15 \$	30 Jun 15 \$				
Wafin Note – Derivative Component	666,666	800	Level 3	Black Scholes Option Pricing model at 31 December 2016 Key inputs include: - Underlying share price of \$0.012 - Risk free rate 2.02% - Volatility of 80% - Expected term 1.73 years - Vesting date 23 September 2017	N/A	N/A

The conversion rights attached to the 2015 Investor Consortium in the current period have been valued using the Black Scholes option pricing model and key assumptions including an underlying share price of \$0.012, a volatility of 80%, a risk free rate of 2.02%, an expected term of 1.73 years and vesting date of 23 September 2016. The use of these inputs resulted in a value of \$3,062,500 being recorded in the Convertible Note and Option Reserve.

There were no transfers between any Levels in the period.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values:

Financial Liabilities	31-Dec-15		30-June-2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Convertible note debt liability - Hanlong	2,500,000	2,500,000	4,964,553	4,964,553
Convertible note debt liability - Noble	20,152,247	20,152,247	18,998,402	19,153,681
Convertible note debt liability - Investor Consortium	22,718,144	22,718,144	21,075,078	21,230,356
Convertible note debt liability - Wafin	42,081,284	43,052,495	39,193,556	40,447,525
Convertible note debt liability – 2015 Investor Consortium	3,204,088	4,241,072	-	-

The fair value amounts have been derived from independent valuation at inception, while the carrying amount reflects the fair value less the capitalised borrowing costs incurred in the arrangement of the Noble, Investor Consortium, Wafin and 2015 Investor Consortium convertible notes.



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NOTE 7. ISSUED CAPITAL

	31-Dec-15 \$	30-June-15 \$
Ordinary Shares		
3,302,558,630 fully paid ordinary shares (30 June 2015: 3,110,250,938)	411,524,493	409,026,056
	411,524,493	409,026,056
Movements in ordinary shares	No.	No.
At the beginning of the period	3,110,250,938	3,082,028,456
Shares issued	192,307,692	28,222,482
AT THE END OF THE PERIOD	3,302,558,630	3,110,250,938

NOTE 8. SEGMENT INFORMATION

AASB 8 Operating Segments ('AASB 8') requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information reported to the Consolidated Entity's Chief Executive Officer for the purposes of resource allocation and assessment of performance is specifically focused on the Project being developed. The only project currently under development is the Project which includes the deposits in Cameroon and Congo. The unallocated portion relates to head office and corporate activities.

The Consolidated Entity's reportable segment under AASB 8 is therefore the Project. Information regarding this segment is presented below. The accounting policies of the reportable segment are the same as the Consolidated Entity's accounting policies.

The following is an analysis of the Consolidated Entity's revenue and results by reportable operating segment for the half financial year ended 31 December 2015:



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NOTE 8. SEGMENT INFORMATION (CONTINUED)

	Revenue		Segment Loss	
	Half-year ended		Half-year ended	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	\$	\$	\$	\$
Continuing operations				
Mbalam-Nabeba Iron Ore Project	-	-	(81,199,276)	(5,071,045)
Total segments	-	-	(81,199,276)	(5,071,045)
Interest income			79,593	376,802
Unallocated expenses			(22,366,561)	(9,422,760)
Loss before tax			(103,486,244)	(14,117,003)
Income tax expense			-	-
Consolidated segment loss for the period			(103,486,244)	(14,117,003)

Segment losses represent the expenses of each segment without allocation of central administration costs and Director's salaries and investment revenue. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Consolidated Entity's assets by reportable operating segment

	31-Dec-15	30-Jun-15
	\$	\$
Continuing operations		
Mbalam-Nabeba Iron Ore Project	168,978,832	236,113,390
Total segment assets	168,978,832	236,113,390
Unallocated assets	7,298,316	13,232,144
Total assets	176,277,148	249,345,534

NOTE 9. CONTINGENT LIABILITIES

The Consolidated Entity is aware of the following contingent liabilities as at 31 December 2015:

Hold Co Production Based Compensation

- Sundance is required to pay ongoing production based compensation to Hold Co SARL, Cam Iron's minority shareholder, pursuant to a compensation deed. The obligation to pay this compensation is based on iron ore sold by Congo Iron and is calculated at the rate of US\$0.10 per tonne for iron ore sold at the price of US\$80 per tonne and is subject to a rise and fall of US\$0.005 per tonne for every US\$10 movement in the price (ie at US\$90 per tonne the rate is US\$0.105).



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NOTE 9. CONTINGENT LIABILITIES (CONTINUED)

Use of the Quantm System on the Mbalam Rail Corridor

- In July 2007, Sundance entered into an agreement with Quantm Pty Ltd for the application of the Quantm System on the Mbalam Rail Corridor. This agreement provided for a success fee of US\$1,850,000 which is only payable upon the completion of Financial Close as interpreted under the agreement. The timetable and certainty to achieve Financial Close is not known. As a result, no amount has been recognised as a liability in the financial statements.

Fiscal Compliance

- The Group, including its subsidiaries in Cameroon and Congo are engaged in ongoing discussions with the financial administrations on customs, indirect taxes and other fiscal administrative matters. The ongoing discussions may or may not lead to further costs being incurred by the Group.

NOTE 10. EXPENDITURE COMMITMENTS

Exploration Permit – Republic of Cameroon

- The Cameroon Ministry of Mines (**‘Ministry’**) granted an extension of Exploration Permit No. 92 requiring a total minimum expenditure of XAF1,000,000,000 (approximately AUD\$2,200,000) over the period 29 September 2014 to 24 July 2015. Exploration Permit No. 92 has been further extended for 24 months to 24 July 2017, with minimum expenditure of XAF 1,638,000,000 required over the two year period. Cam Iron has met the minimum expenditure requirements for Exploration Permit No. 92. The expenditure requirements of Exploration Permit No.92 are denoted in Central African CFA franc (XAF).

Exploration Permits and Mining Permit – Republic of Congo

- On 6 February 2013, by Presidential Decree 2013-45, Congo Iron obtained a Mining Permit over the Nabeba – Bamegod exploration permit area for a period of 25 years.
- On 9 August 2013 by Presidential Decree 2013-405, the Ministry granted a second 2 year extension of the Ibanga Exploration Permit, which requires a total minimum expenditure requirement of XAF 3,550,000,000 (approximately AUD\$8,000,000) over the two year period to 8 August 2015. This permit expired in August 2015. Congo Iron made application for a new permit, the Bethel Exploration Permit covering only part of the previous Ibanga permit area containing the most prospective area in August 2015.
- The expenditure requirements of Decree No 2013-45 for the Nabeba – Bamegod permit and Decree No 2013-405 for the Ibanga permit are denoted in Central African CFA franc (XAF).

Mbalam Convention, Cameroon

- On 29 November 2012, Cam Iron agreed the terms of the Convention with the Republic of Cameroon. The Convention underpins the agreement between Cam Iron and the government outlining the fiscal and legal terms and conditions and commitments to be satisfied for the development and operation of the Project in Cameroon.

Nabeba Convention, Republic of Congo

- On 24 July 2014, Congo Iron agreed the terms of the Convention with the Republic of Congo. The Convention underpins the agreement between Congo Iron and the government outlining the fiscal and legal terms and conditions and commitments to be satisfied for the development and operation of the Project in the Republic of Congo.



SUNDANCE RESOURCES LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Other than set out below, no matters or circumstances have arisen since the end of the half-year ended 31 December 2015 which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods:

- 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.
- On 18 January 2016, the Company announced to ASX:
 - That the Company had reached an agreement with the Porter Parties to settle, in full, the 2013 Action and the 2007 Action. The settlement with the Porter Parties totals \$11.5 million and includes a cash payment of \$0.5 million on lodgement of a Prospectus for the pro-rata renounceable rights issue to be undertaken by Sundance and an undertaking by Mr Porter to sub-underwrite an amount of \$11 million of the pro-rata renounceable rights issue;
 - In conjunction with the settlement with Mr Porter, Sundance has appointed Patersons as the Lead Manager for a 1-for-1 pro-rata renounceable rights issue at an issue price of \$0.005 per share to raise up to \$16.5 million. Each new share subscribed will carry an attaching 1-for-1 free option exercisable at \$0.006 per share before 31 August 2017; and
 - Due to the delay to the signing of the EPC contract for the port and rail infrastructure for the Mbalam-Nabeba iron ore project (see announcement on 13 January 2016) and the subsequent delay this will create in finding an equity partner for the mines, the Sundance Board made the decision to immediately implement a number of additional and significant cost reduction measures. These measures will 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.
- On 28 January 2016, the Company announced to ASX:
 - Cost reduction measures including the following:
 - Significant scale-back of employees, overheads and activities in Perth, Cameroon and Congo with a planned 80% reduction from the previous spend;
 - Effective 1 February 2016, approximately 60 personnel across Perth, Cameroon and Congo to be made redundant resulting in less than 10 employees remaining (two in Perth with eight in Cameroon and Congo); and
 - The Company has retained the services of the Cam Iron CEO, Mr Serge Asso'o; the Congo Iron CEO, Mr Emmanuel Yoka; and the Sundance CEO, Mr Giulio Casello.

The retention of these employees enables the organisation to focus on conserving expenditure whilst driving the advancement of the Project. These employees retain knowledge and history of the Project and relationships with each Government. Some of their key tasks will include:

 - Protecting the intellectual property and assets of Sundance;
 - Maintaining relationships with the Governments of Cameroon and Congo;



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NOTE 11. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

- Assisting the Government of Cameroon as required to progress the funding and signing of the EPC contract for the port and rail; and
- Continuing the process of negotiating and then agreeing the terms of an equity investment into the Mine Infrastructure.
- As part of the cost reduction decisions taken, and to align the executive and Board structure with the ongoing focus of Sundance, with effect from 27 January 2016, Robin Marshall, David Southam, Barry Eldridge and Oleg Sheyko resigned as directors of the Company. In addition, Alan Rule stepped down as CFO and was appointed a non-executive director to continue to have access to his corporate knowledge, history and relationships. The new Board comprises Wal King (non-executive Chairman), Giulio Casello (CEO and Managing Director) and Alan Rule (non-executive director);
- On 3 February 2016, the Company announced to ASX:
 - That it had lodged a Prospectus with ASIC and ASX for a partially underwritten pro rata renounceable entitlement offer of 1 new fully paid ordinary Sundance share for every 1 share held to raise up to \$16.5 million (before costs of the offer):
 - The Entitlement Offer will be undertaken at an issue price of \$0.005 each together with one (1) free new option for every one (1) new share subscribed. The options will be exercisable at \$0.006 each on or before 31 August 2017;
 - The Entitlement Offer is partially underwritten by 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 proceeds of the Entitlement 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 Sundance from the Entitlement Offer in accordance with the terms of a deed of release and settlement dated 17 January 2016 between the Company, Mr Porter and Absolute Analogue Inc;
 - 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
 - general working capital purposes.
- On 4 March 2016, the Company announced to ASX that the Entitlement Offer closed on 2 March 2016 with subscriptions received from shareholders totalling \$2.3 million resulting in a shortfall of \$10.94 million that was taken up by Mr Porter pursuant to the underwriting agreement.
- On 8 March 2016, the Company announced to ASX the issue and allotment of:
 - 2,936,750,000 fully paid ordinary shares at an issue price of \$0.005 each; and
 - 2,824,250,000 options exercisable at \$0.006 each on or before 31 August 2017.

The Company currently has the following shares and options on issue:

- 6,239,308,630 fully paid ordinary shares; and
- 2,824,250,000 options exercisable at \$0.006 each on or before 31 August 2017.

As a consequence of the completion of the Entitlement Issue and the underwriting by Mr Porter, the litigation with Mr Porter and his associates has been settled in full. Mr Porter now owns 35.1% of the Company.



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NOTE 12. DIVIDENDS

No dividends have been paid or proposed during the half-year.

Independent Auditor's Review Report to the members of Sundance Resources Limited

We have reviewed the accompanying half-year financial report of Sundance Resources Limited, which comprises the condensed statement of financial position as at 31 December 2015, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 11 to 33.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sundance Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sundance Resources

Deloitte.

Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sundance Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



A T Richards

Partner

Chartered Accountants

Perth, 15 March 2016