



30 MAY 2011

ASX / MEDIA RELEASE

**RESPONSE TO AUSTRALIAN FINANCIAL REVIEW ARTICLE OF 30 MAY 2011**

The Australian Financial Review newspaper today reports that Sundance Resources Limited's (ASX Code: SDL) majority shareholder Hanlong Mining is "...exploring a number of potential deals with Sundance, including a full takeover, and that it is keeping all options open as it moves through due diligence."

As previously advised to the market on 21 March 2011 Hanlong indicated that their investment in Sundance is consistent with their strategy to be "a significant investor in quality projects in the iron ore industry" and that Hanlong are a "supportive shareholder assisting the company to fast-track its infrastructure and mine development plans". Sundance continues to consider Hanlong's decision to become a major shareholder a further indication of Chinese interest and recognition in the validity of Sundance's strategy to develop the Mbalam Iron Ore Project.

Consistent with previous announcements Sundance is not currently in discussions regarding a full takeover and continues its ongoing discussions with several prospective Strategic Partners.

**ENDS****Released by:**

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**The Mbalam Iron Ore Project**

The Mbalam Iron Ore Project ('Project') is located in an area that straddles the border of both Cameroon and Congo in central West Africa approximately 485km east of the coastal city of Kribi in south-west of Cameroon. The Project comprises Exploration Permit 92 ('EP92') located in the East Province of the Republic of Cameroon, and Mining Research Permit 362 ('MRP362') and Mining Research Permit 363 ("MRP363"), located in the Sangha Province of the Republic of Congo. EP92 is owned by Cam Iron SA, a company incorporated in the Republic of Cameroon. Cam Iron SA is a 90%-owned subsidiary of Sundance. MRP362 and MRP363 are owned by Congo Iron SA, a company incorporated in the Republic of Congo. Congo Iron SA is an 85%-owned subsidiary of Sundance. The Governments of Cameroon and Congo have enacted modern mining codes to attract mining investment. These mining codes provide for the Governments to take a 10%, free carried, equity stake in the Project upon the granting of Mining Permits. Sundance is currently negotiating Conventions to enable the granting of Mining Permits with both the Cameroon and Congolese Governments. The Convention covers agreements with the Government with respect to land access, tax and royalty regimes amongst other things.

**Forward-Looking Statement**

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of Sundance's operations including the likely commencement of commercial operations of the Mbalam Iron Ore Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's exploration 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, success of business and operating initiatives, changes in the regulatory environment and other Government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to Sundance's most recent annual report and half year report. Sundance undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.