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**ASX Announcement | Media Release**
30 April 2013

# MARCH QUARTERLY REPORT

Sundance Resources Limited ('Sundance' or 'the Company') (ASX: SDL) provides the Activities Report for the quarter ending 31 March 2013.

- **Scheme Implementation Agreement with Hanlong has been terminated;**
- **Sundance reinvigorates alternative strategic partner process; meetings with several international steel makers and infrastructure providers already taken place;**
- **Cameroon and Congo Governments express support for alternative partner strategy;**
- **Republic of Congo Presidential Decree confirms Nabeba Mining Permit for Congo Iron;**
- **Cash balance of $30 million.**

## HANLONG SCHEME OF ARRANGEMENT

Subsequent to the Quarter but material to this report, on 8 April 2013, Sundance announced the termination of the Scheme Implementation Agreement ("SIA") with Hanlong (Africa) Mining Investment Limited ("Hanlong") under which Hanlong was to have acquired 100 per cent of Sundance.

The SIA was terminated as a result of Hanlong's inability to provide, by the due date, the China Development Bank ("CDB") and Everbright Bank Credit Approved Term Sheets ("Term Sheets") under the SIA and following advice from Hanlong that it was unlikely to meet the other required conditions to complete the Scheme of Arrangement.

Last Quarter Hanlong advised the Company that the Term Sheets, which were due by 13 December 2012, would be delayed as a result of CDB wanting to first undertake a review of the signed Mbalam Convention and the Congo Mining Permit prior to issuing the Term Sheets. An amended SIA and new timetable was agreed which reflected a new deadline of 5:00pm on 31 January 2013.

On 29 January 2013, Sundance entered into a trading halt and subsequent voluntary suspension of its securities as the Company sought to clarify Hanlong's ability to meet the funding requirements. Furthermore, as 31 January 2013 was also the expiry of China's National Development and Reform Commission ("NDRC") provisional approval, an extension of the NDRC's provisional approval was necessary for Scheme implementation.

Sundance advised the ASX of a proposed revised timetable for completing the SIA on 4 February 2013 but noted that the receipt of the NDRC extension was a pre-requisite to the adoption of a revised timetable.

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On 7 February 2013, Sundance announced that the NDRC had confirmed a six month extension to Hanlong's provisional approval for the acquisition of Sundance. However in granting that extension, NDRC announced an additional requirement that Hanlong achieve an agreement with a Chinese partner with the capability to undertake the Mbalam-Nabeba Project ("the Project"). Although not part of the original and revised SIA, Sundance understood that satisfying this requirement was now a pre-requisite for the issue of the Term Sheets.

Sundance therefore confirmed a revised date for the delivery of Term Sheets of 5:00pm on 26 March 2013.

In the latter part of March 2013, it was reported that Mr Lui Han, Chairman of the Hanlong group, had been detained by the authorities in China. Hanlong subsequently advised that it would not be able to deliver the Term Sheets by the due date.

As required under the SIA, Sundance undertook good faith consultations with Hanlong during which it was determined that Hanlong would not be able to achieve the SIA requirements. Consequently the Sundance Board concluded that it was in the best interests of shareholders and of in-country stakeholders, to terminate the SIA to pursue alternatives for development of the Project.

During the period of Sundance's engagement with Hanlong, significant advances have been made to the Project with approvals, resource and reserve upgrades and planning for Project delivery. These include:

- Increase in Ore Reserves (Probable) from 352.3 million tonnes to 436.3 million tonnes at 62.6% Fe.
- Increase in High Grade Hematite (Direct Shipping Ore-quality) Resources (Indicated and Inferred) from 521.7 million tonnes to 775.4 million tonnes at 57.2% Fe.
- Increase in Itabirite Resources (Indicated and Inferred) from 2.3 billion tonnes to over 4 billion tonnes at 36.3% Fe.
- Completion of environmental approvals in Cameroon and the Republic of Congo for the mines, port and railway.
- Government Declaration of Land for Public Utility for the rail corridor in Cameroon.
- Signing of the Mbalam Convention in Cameroon including agreement on key financial terms.
- Issuance of the Nabeba Mining Permit by Presidential Decree for the Republic of Congo.

Subsequent to the termination of the SIA, Hanlong made a request for the withdrawal of the NDRC provisional approval granted to Hanlong and extended by NDRC earlier this year. This request was granted by the NDRC. This withdrawal removes Hanlong's exclusivity as proponent of the Mbalam-Nabeba Project in China. Importantly, a significant outcome of Hanlong's exit

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from the SIA and withdrawal from NDRC approval is that Sundance is now free to resume negotiations with other Chinese groups.

Sundance is therefore vigorously pursuing renewed discussions both with Chinese parties other than Hanlong and with interested groups outside China on a number of options for the development of the Mbalam Project.

The Company is looking at all opportunities, including the following options:

Revert to the Company's original strategy to joint venture the development of the Mbalam-Nabeba Project with a Chinese steel mill or another large steel or iron ore producer. The structure of the commercial arrangement would be to joint venture at the asset level with Sundance retaining at least 50 per cent equity in the project.

Low-capital strategies are also being investigated, such as where the port and rail would be provided by an infrastructure provider who is paid a tariff and backed by a guaranteed take or pay off-take contract to a third party. This would reduce Sundance's funding requirements to mine development only.

Sundance is pleased with the progress that has been achieved already and looks forward to successfully concluding arrangements for the introduction of a strategic partner to the Project.

The Company will continue to update the market as appropriate.

## CAMEROON & REPUBLIC OF CONGO GOVERNMENT RELATIONS

The Mbalam Steering Committee met during the Quarter in regard to the implementation of the Mbalam Convention and the supporting documentation. The Government of Cameroon continues to be very supportive of the Project and its partnership with Sundance. It is envisaged that the Convention will be passed by the Cameroon National Assembly in late 2013 and the Mbalam Mining Permit will then be issued.

In April 2013, Sundance CEO and MD Giulio Casello travelled to Cameroon to meet with the Prime Minister of Cameroon, Mr Philémon Yang, and the head of the Interministerial Council for the Project, Minister Motaze. Mr Casello briefed them on developments including Sundance's forward plan to secure funding for the development of the Project.

The Prime Minister expressed the Cameroon Government's ongoing support of the Mbalam Project and Sundance, confirming it was a project of national interest that they are eager to see developed in the near term. Under the agreed terms of the convention, Sundance has 18 months from the date of signing of the Mbalam Convention in which to commence the construction phase of the Project.

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The Council of Ministers of the Republic of Congo approved Congo Iron's application for a mining permit over the Nabeba exploration permit area on 28 December 2012. A Presidential Decree confirming the grant of the mining permit was issued to Congo Iron on 6 February 2013.

Congo Iron has initiated negotiations with the Government of the Republic of Congo for the adoption of an establishment convention to settle the conditions under which the Nabeba mine will be developed and operated, in accordance with the Republic of Congo Mining Code.

## MBALAM-NABEBA PROJECT DEVELOPMENT

During the Quarter, the Project team activities have focussed on the following areas:

- Progressing activities related to the Mbalam Convention
- Drilling and study activities
- Engagement with the Cameroon and Republic of Congo authorities

As part of the Mbalam Convention, Sundance committed to provide an updated project development report within six months of signing the agreed terms. This report is due in late May 2013 and during the period the Company has substantially progressed the report which includes:

- Updating details of the geology, resources and reserves to reflect the current High Grade Hematite and Itabirite Resources (announced to the ASX in June 2012) and High Grade Ore Reserves (announced to ASX in December 2012).
- Updating of the mining and mine development plans to reflect the recent ore reserve upgrade.
- Undertaking a concept study to investigate the order of magnitude costs and time to develop a dual railway track. The results of this study will be provided to the Cameroon Government who is responsible for providing the funding should they decide to proceed with a dual track for the government's use. Calibre Global (rail division) have been commissioned to undertake the concept study.
- Undertaking a search to identify a consultant to assist with a town planning concept study for the Cameroon south region, in the vicinity of the Mbarga mine site. The Cameroon government envisions developing this area and therefore has asked Sundance to assist with the early planning process given the knowledge Sundance has of the region and strong relationships the Company has established with the local communities.

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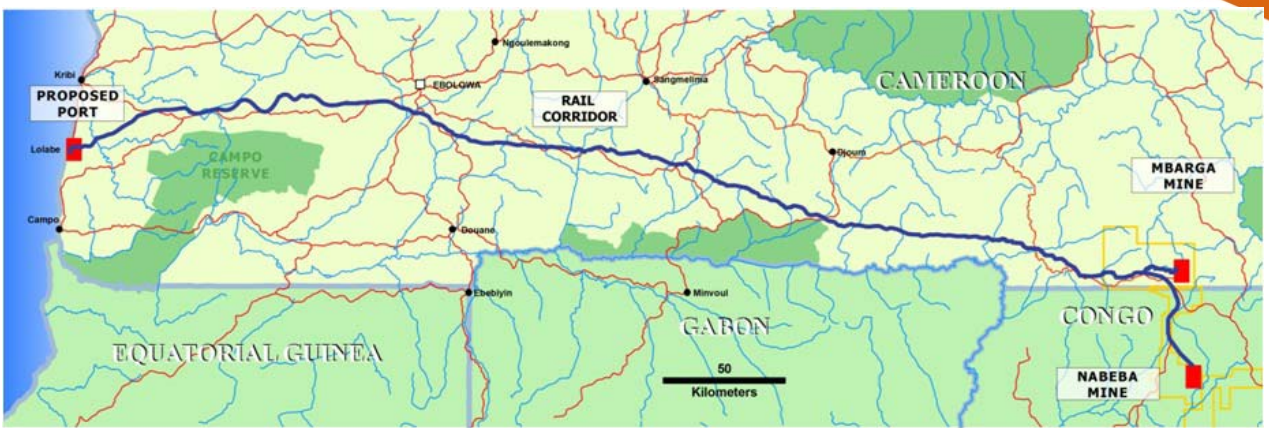


**Figure 1 – Proposed Mbalam Rail Corridor**

In addition to the Project development report, there are numerous operating agreements and protocols required under the Mbalam Convention to allow Sundance to operate its proposed facilities. During the Quarter the Company engaged specialist rail and port consultants to provide the necessary technical expertise to support the drafting of these agreements and protocols.

The Company has continued to progress the development of tender documentation for the Front End Engineering and Design ('FEED') works for the materials handling, processing and associated infrastructure which will be undertaken during the preliminary works phase.

As part of this preparation, Sundance undertook a review of the drilling completed to date and developed a sterilisation drilling programme for the Mbarga and Nabeba pits. In conjunction, Sundance developed a geotechnical drilling programme for the mine site infrastructure including the mine pit walls and the railway corridor.

A concept study has been started to examine alternative short-term low volume and low capital cost start up possibilities for the operation.

The Project team also had significant involvement with the Kribi Port Authority to progress the necessary agreements, as described in the Mbalam Convention, to develop and operate the Company's own deep water iron ore export terminal which is part of the Kribi Multi User Port Area currently under construction.

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## EXPLORATION ACTIVITIES

Exploration activities in the March 2013 Quarter were focused on advancing exploration targets by searching for potential extension areas of Supergene and Itabirite mineralisation on the Company's existing Exploration and Mining Permits in Cameroon and Republic of Congo.

In addition to the Exploration Target[1] of **90-150Mt for DSO** style mineralisation (Table 1), the Project also has an Exploration Target of **9.2Bt to 13.2Bt for additional Itabirite (30%-40% Fe)**.

This demonstrates that Sundance's Permit areas (through its subsidiaries Cam Iron SA and Congo Iron SA) appear to be underlain by enriched Itabirite mineralisation. Mapping and sampling are underway at many of the satellite Prospects (Figure 2) adjacent to the Flagship Mbarga and Nabeba Deposits. Details of individual Itabirite Prospect Exploration Targets estimates ranges are provided in Table 2 on page 8.

**Table 1 - DSO Exploration Targets**

| DSO EXPLORATION TARGET SIZE | | |
|---|---|---|
| **Deposit/Prospect** | **Range Mt** | **Comments** |
| Metzimevin Deposit | 5-10 | Extensions |
| Mbarga South Deposit | 10-20 | Extensions |
| Meridional Prospect | 5-10 | Extensions |
| Mbarga Southwest Prospect | 5-10 | New Prospect |
| Cabosse South Prospect | 15-25 | In Congo |
| Bidoumou Hills Prospect | 50-75 | In Congo |
| **Total** | **90-150 Mt** | |
| | | |

1 It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

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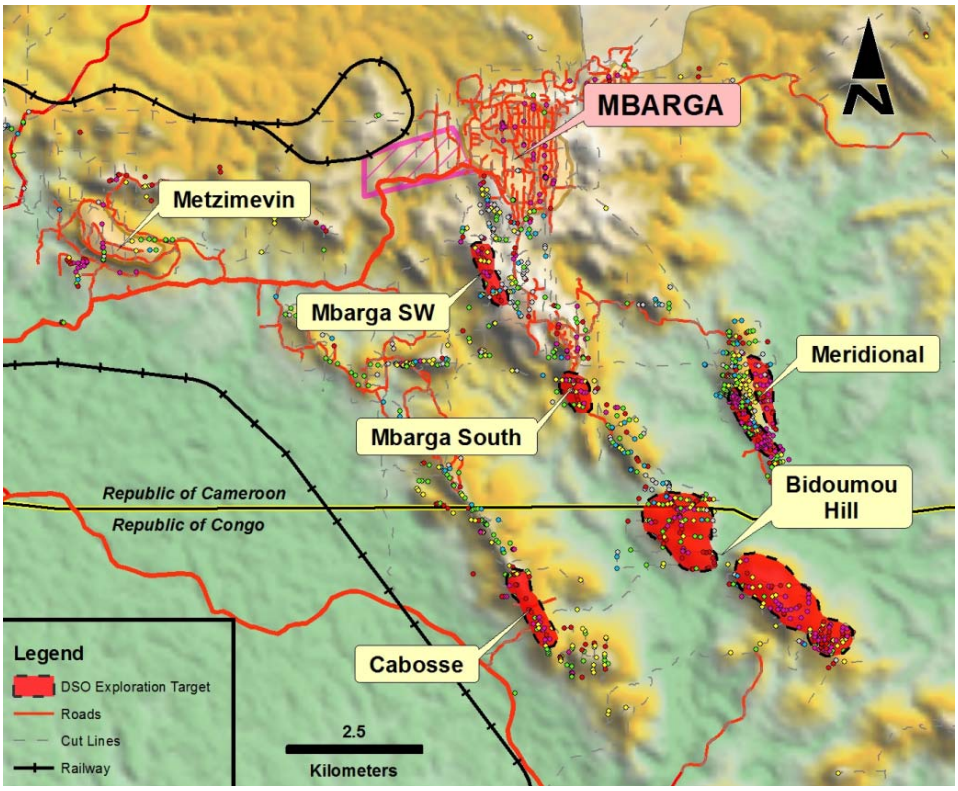


**Figure 2 – DSO Exploration Targets at Mbarga**

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| Table 2 – Itabirite Exploration Targets | | |
|---|---|---|
| **ITABIRITE EXPLORATION TARGET SIZE** | | |
| **Location** | **Range Mt** | **Comments** |
| Mbarga Deposit | 250-300 | In addition to existing 2.3 Bt Resource |
| Metzimevin Deposit | 750-1250 | |
| Mbarga South Deposit | 900-1100 | |
| Meridional Prospect | 800-1000 | |
| Mbarga Southwest Prospect | 750-1250 | |
| Cabosse Hills Prospect * | 800-1000 | *This ridge straddles the border |
| Njweng Prospect | 750-1200 | |
| ***Sub-Total Itabirite Target; Cameroon Permit*** | **5.00-7.10Bt** | |
| Nabeba Deposit | 250-300 | In addition to existing 1.7 Bt Resource |
| Nabeba NW Deposit | 150-250 | |
| Nabeba South Deposit | 250-300 | |
| Mt Letioukbala Prospect | 800-1000 | |
| Elogo Prospect | 750-1250 | |
| Cabosse Hills Prospect* | 400-500 | *This ridge straddles the border |
| Bidoumou Hills Prospect | 450-650 | |
| Other Unnamed Itabirite Prospects | 1200-1800 | Hills immediately adjacent to Nabeba |
| ***Sub-Total Itabirite Target; Congo Permits*** | **4.25-6.05Bt** | |
| ***Total Itabirite Exploration Target*** | **9.25-13.15 Bt** | **Grading 30-40% Fe** |

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Various unexplored areas within Sundance's Exploration and Mining Permits which were previously identified from airborne magnetic survey as potential targets for iron mineralisation were covered by field mapping traverses and surface geochemistry sampling.

Areas covered during this quarter were Ntam, Metzimevin and areas around the main Mbarga Hill on EP 92, as well as Elogo and Bethel on the Ibanga Permit (Figure 3).

**Mbarga**

Surface samples for Niton geochemistry were collected at the Ntam ridge where enriched Banded Iron Formation ("BIF") extends along the length of the ridge for more than 4km, with an approximate surface area of 8km$^2$. The BIF is essentially magnetic and it was concluded that DSO occurs as pockets or caps at the tops of those ridges. The saddle portions between these ridges contained schist-rich material with some recording elevated nickel and magnesium concentrations.

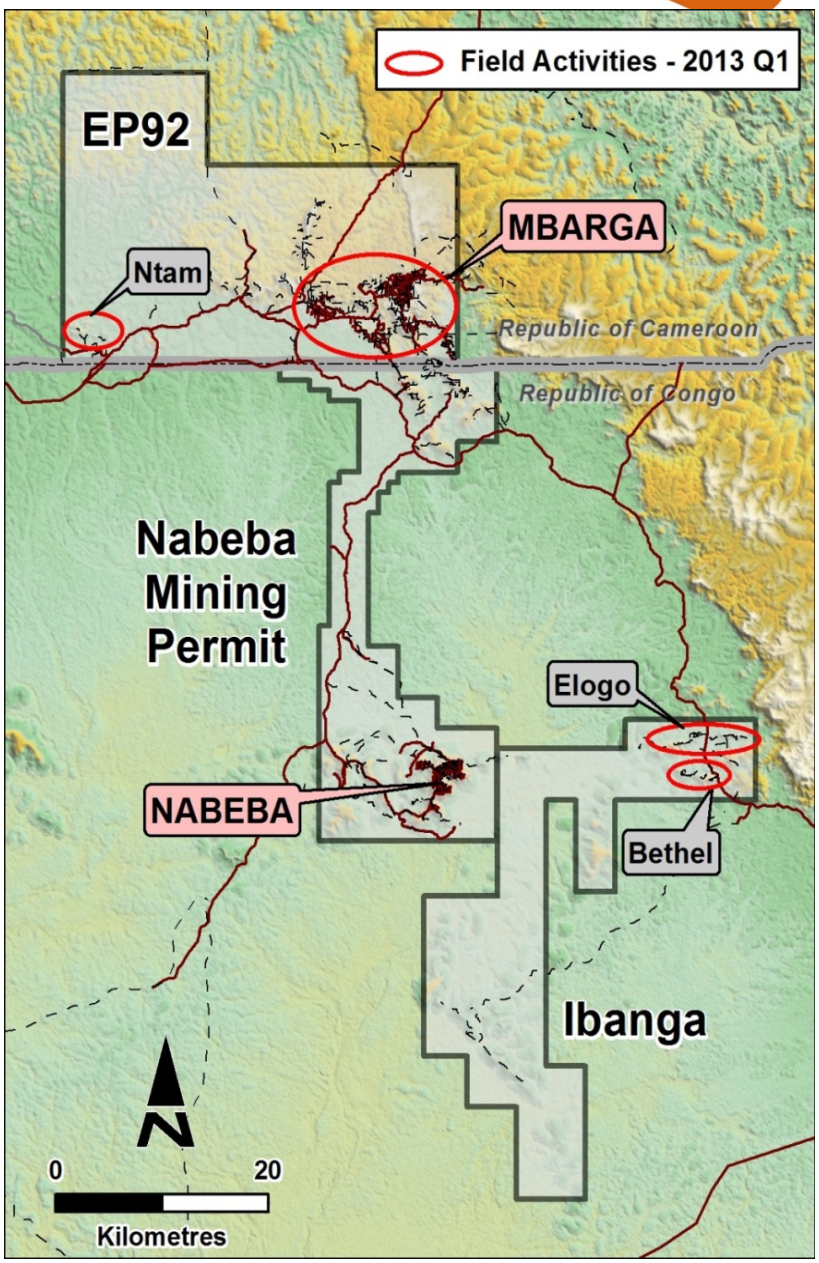


**Figure 3 - Areas Covered for Field Mapping Traverses and Geochemistry Surface Sampling**

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In total, 38 grab samples were collected at the Ntam area (Figure 5). Outcrop observation is difficult in the area, but large BIF boulders are present. This area shows potential for Itabirite mineralisation with a possibility of a few meters of supergene cap. At the Mbarga main ridge, BIF float was observed and collected near the proposed location of the Mbarga Rail Loop. This area is notable for BIF with Niton Fe values above 50% Fe. Most of the samples were highly oxidised float with some schist substrate. This leads to a conclusion that the high iron content is related to high goethite-limonite presence.

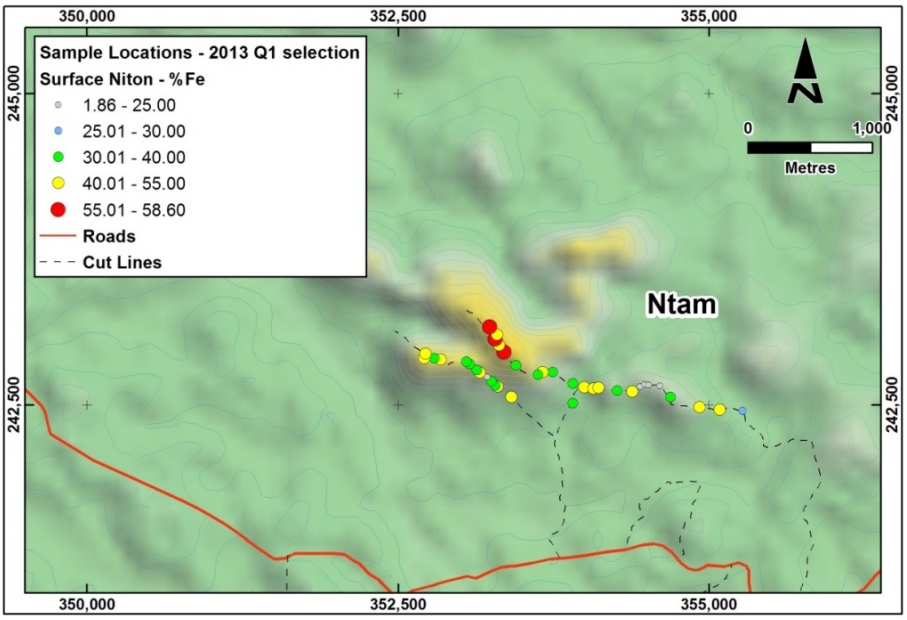


**Figure 4 - Ntam (Mbarga) Niton Geochemistry Samples**

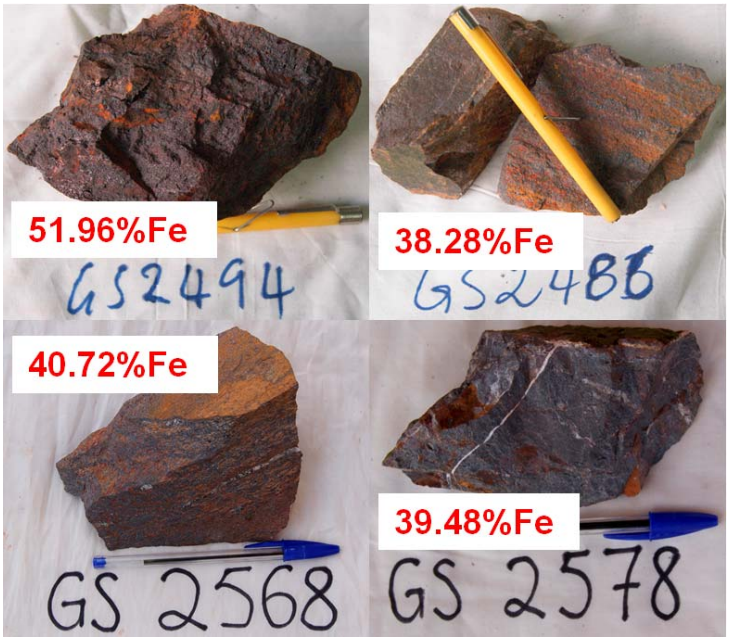


**Figure 5 - Grab Samples from Ntam (Mbarga) with Niton Fe Values Greater than 35% Fe**

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Mineralisation in this area could possibly be deep seated, but that can only be confirmed by scout drilling. These observations were consistent around Mbarga Hill and at the Metzimevin ridges. One hundred and sixty three Niton geochemistry samples were collected in this area.

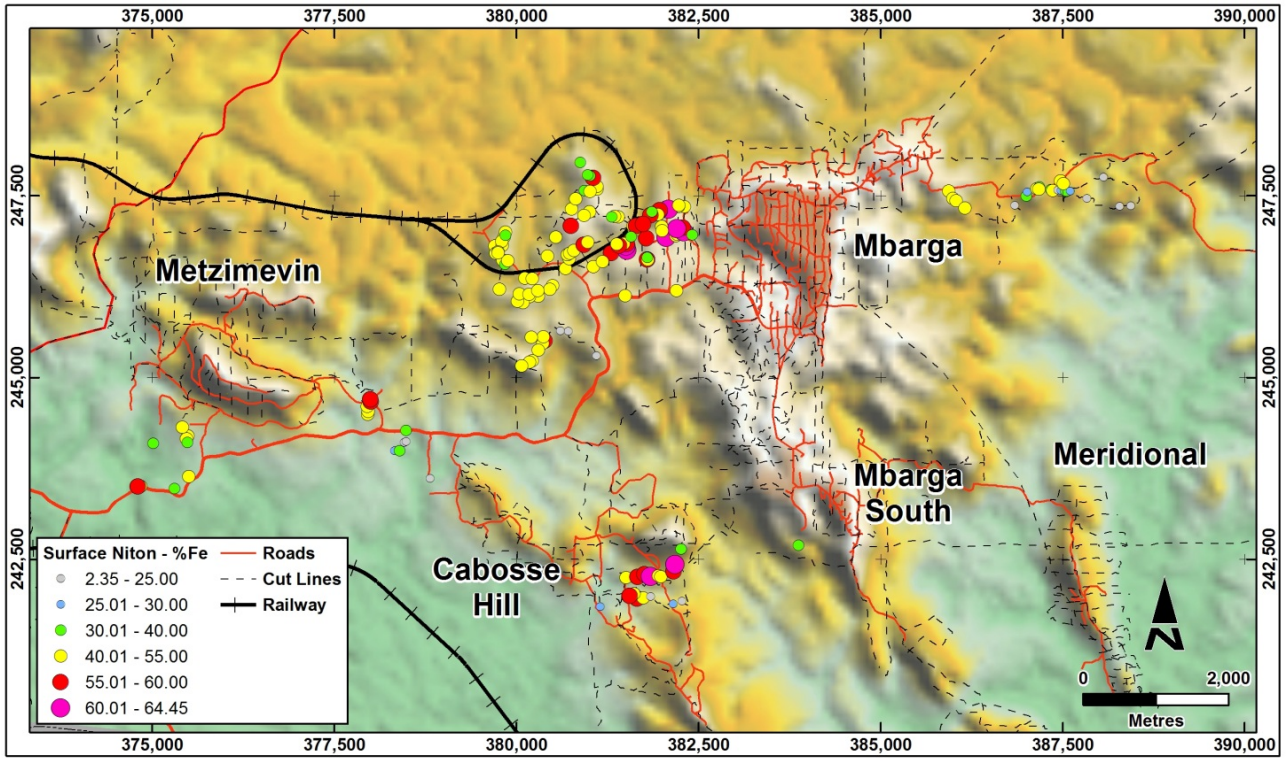


**Figure 6 - Mbarga Niton Geochemistry Surface Samples Revealing Niton Values Over 50% Fe**

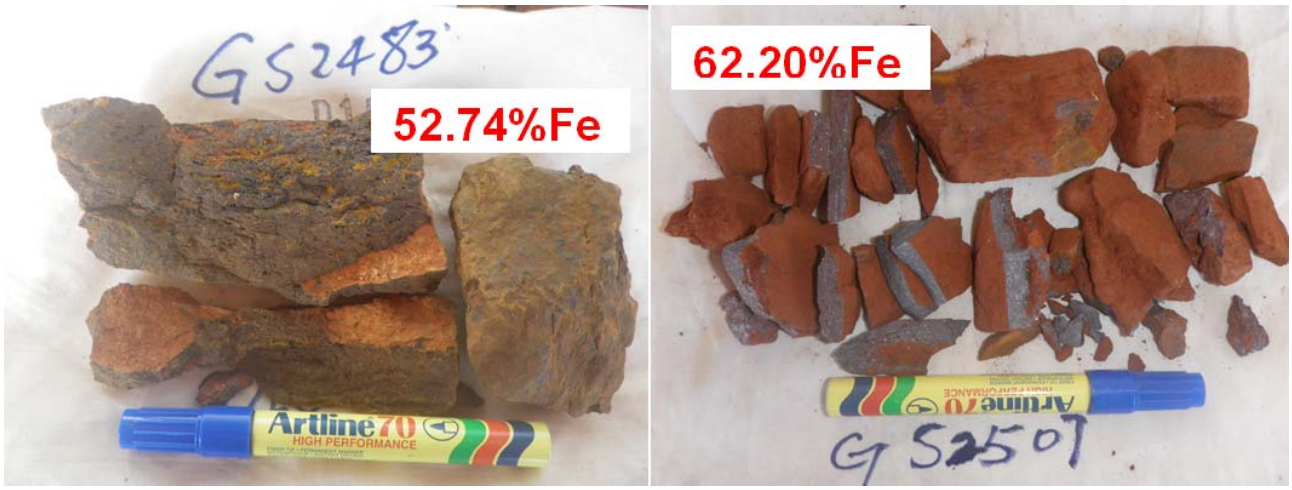


**Figure 7 - Grab Samples from West Mbarga with Niton Values of 52.74%Fe and 62.20% Fe**

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**Ibanga Permit**

At Ibanga Permit, 92 samples were collected at Elogo and Bethel prospect areas. Most of these samples were float of Canga, ferruginous schist and BIF. Rare BIF outcrops encountered at the top of the main ridge had already been investigated in previous mapping campaigns.

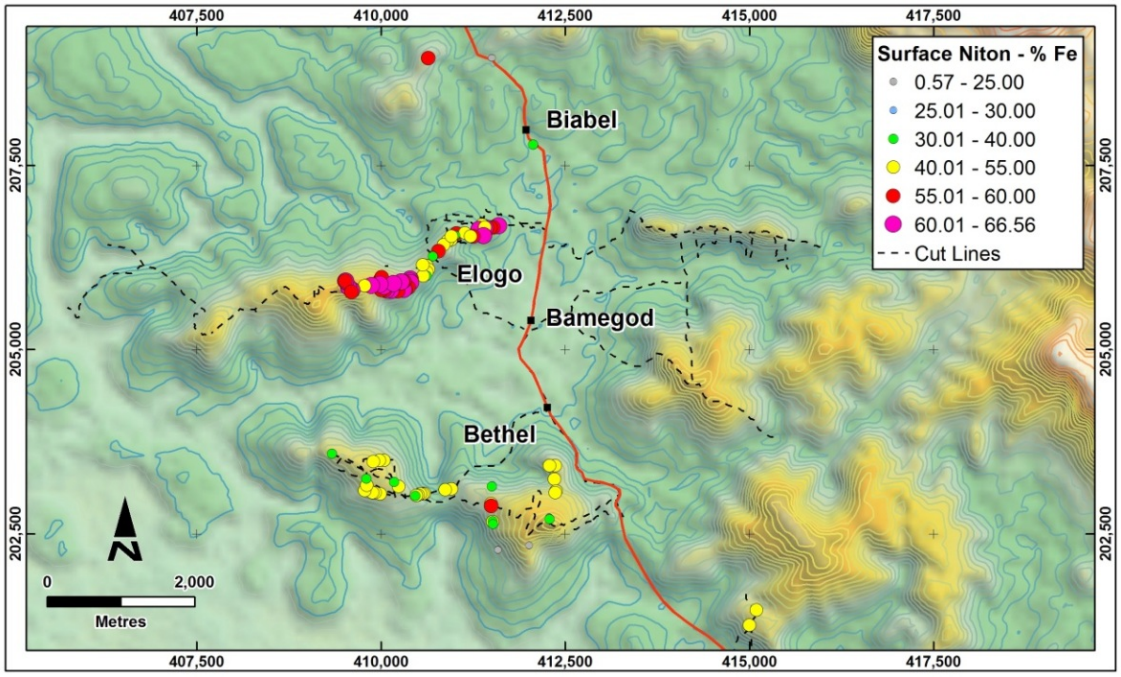


**Figure 8 - Niton Geochemistry Surface Samples at Elogo and Bethel on Ibanga Permit**

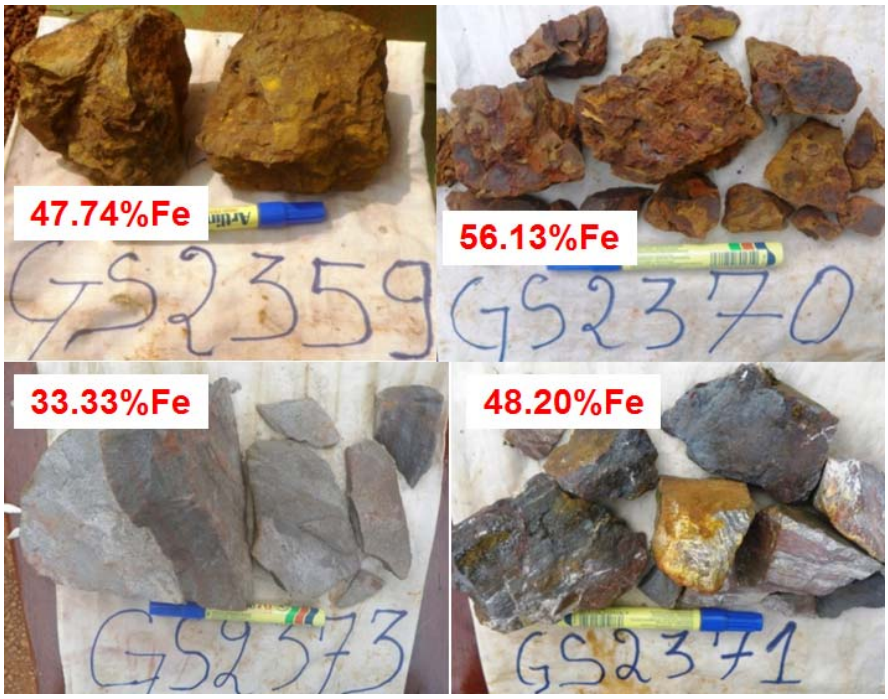


**Figure 9 - Grab Samples from the Ibanga Permit with Niton Values Between 33.33%Fe and 56.13%Fe**

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**Community Development through Training and Internship**

Internship programmes are part of Sundance's corporate commitments with the Cameroon and Republic of Congo Governments. Four geology students from the Marien Ngouabi University, Brazzaville, Congo, have travelled to site facilities and permit areas for training and technology transfer.

The students are exposed to various exploration activities, such as spatial data capture using GPS, sample collection, the use of Niton Portable XRF identification of rock types and their mineral contents, data entry into Field Marshall tough books, production of maps using ArcGIS and other related geological field activities. At the end of the programme, the geology students gain significant experience with practical geological knowledge and skills in mineral exploration.

**Figure 10 - Marien Ngouabi University Students Training with Sundance Geologist (centre) at Sundance/Congo Iron facilities**

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## HEALTH, SAFETY, ENVIRONMENT, COMMUNITY & SECURITY (HSECS)

The 12-month Moving Average Lost Time Injury Frequency Rate is currently 1.36. A total of 209579 employee/contractor hours were performed with two significant incidents recorded.

| HSECS Statistics for Apr 2013 Quarter | Total Hours Performed | Total Lost Time Incidents | Total High Potential Incidents (no lost time) | Total LostWork Days |
|---|---|---|---|---|
| **Perth, Exploration Projects & Cameroon & Congo Iron** | 209,579 | 0 | 2 | 0 |
| **Lost Time Injury Frequency Rate (LTIFR) for the Quarter** | | | | 0 |
| **Previous annual LTIFR** | | | | 4.5 |
| **Rolling annual LTIFR** | | | | 1.36 |

During the Quarter Sundance introduced its Fitness for Work education and testing programs for all staff, visitors and contractors, where persons reporting to work may be subject to testing for Alcohol and Other Drugs. This program works in cooperation with the Employee Assistance Program (EAP) to support and offer information and assistance relating to Alcohol and Other Drugs, as well as healthy lifestyle topics and options to all employees in Perth and the Cam Iron and Congo Iron offices as well as on-site operations.

The implementation of the Sundance Land Disturbance Review process also began this Quarter. Prior to any land disturbance, a review and survey is conducted of the proposed area to ensure that the Company is meeting its environmental, biodiversity, land tenure and cultural heritage and legal commitments.

Sundance's Environment and Community and Site Geology teams (represented in-country as Cam Iron and Congo Iron) organised community development and information meetings in Cameroon and the Republic of Congo to inform and update local stakeholders on the Project status and works progression.

Local and traditional authorities, parliamentarian, Non-Governmental Organisations, private sector companies and other civil society organisations were represented. The Company continues to enjoy a positive working relationship with all of the various Project stakeholders located in Cameroon and the Republic of Congo.

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**Figure 11 - Eastern region development meeting, Cameroon**

**Figure 12 - Public meeting at Souanke, Republic of Congo**

Along with the advice and assistance from a big cat expert, Sundance recently introduced the use of Camera Traps into the Mbalam Site and Camp locations. Leopards and other fauna have visited the sites on occasion which have resulted in a number of detection and deterrent risk controls being initiated. Camera trapping will assist with monitoring, wildlife research and people protection. Camera traps are extremely useful in that they allow the animals to be observed without disturbing them. Camera traps will also assist Sundance in quantifying the number of different species in the area, the state of wellbeing of animals and can assist in determining behavioural patterns without adding any undue stress on the animals.

Sundance is committed to caring for the environment and working with local communities as it continues the business development and investment process, which is why the Company continues to incorporate sustainable development criteria into all Project development planning and processes.

Sundance's efforts are focusing on the deliverables committed to in the ESA Studies, the Mbalam Convention, and meeting established performance standards and relevant national and international standards that are consistent with the Company's values on Sustainability.

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**Figure 13 - Installation of camera trap on the Mbalam site to capture wildlife presence**

## CORPORATE

In February 2013, the Company announced the resignation of Chief Financial Officer Mr Peter Canterbury. During the quarter Mr Canterbury remained employed by Sundance and continues to perform his role for Sundance until May 2013.

As at 28 March 2013, the Company had 21,867 individual shareholders and 3,072,110,985 ordinary fully paid shares on issue with 10,660,793 performance rights and 22,273,463 unlisted options on issue. The Top 20 shareholders held 60.75% of the total issued capital.

**Cash Assets**

The Company's cash balance at 28 March 2013 was A$30 million.

The Company advised the ASX in an announcement dated 5 December 2012 that Hanlong had agreed to provide a convertible note facility to Sundance on favourable terms for up to A$15 million. The facility would be drawn in three monthly tranche of A$5 million each to support Sundance's working capital requirements. In February 2013 Sundance announced it had received A$5 million from Hanlong representing the Tranche 1 funding under the Convertible Note Facility.

However with the termination of the SIA, the convertible note Subscription Agreement with Hanlong was also terminated effective as of midnight 8 April 2013. Therefore the Tranche 2 and Tranche 3 subscriptions did not proceed. Subject to conditions, the Maturity Date of the

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existing Tranche 1 Convertible Notes has been extended to 30 June 2014. Interest payable to Hanlong on Tranche 1 convertible notes has been waived under the agreement to extend the Maturity Date.

**Expenditure**
The Pro-forma Statement of Consolidated Cash Flows is provided in a separate report.

**ENDS**

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

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# COMPETENT PERSONS STATEMENT

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy. Mr Longley and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".*

*The information in this report that relates to Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".*

*Messrs Longley, Widenbar and Gregory consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.*

*For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: www.sundanceresources.com.au.*

***Itabirite Resources reported at the Mbarga Deposit (Republic of Cameroon) and at the Nabeba Deposit (Republic of Congo)***

*At Mbarga, the estimated quantity and grade of Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource and a 200m x 100m spaced drill pattern applies for the Inferred Resource. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit.*

*At Nabeba, drilling of the Itabirite has been conducted on an approximate 400m x 200m spaced pattern and as such is only categorised at Inferred. Recent drilling of the Itabirite at Nabeba has been by way or re-entering and extending historical holes. However, all deep holes across the Deposit area that intersected Itabirite have been used in the estimation and this covers an area approximately 3km (east-west) x 3km (north-south).*

*Grade has been estimated by Ordinary Kriging on composited sample results. A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The Itabirite resource modelling has used 20m (X) x 10m (Y) x 10m (Z) blocks at the Mbarga Deposit with sub-blocks to honour the constraining surfaces. Nabeba Itabirite modelling has applied 25m (X) x 25m (Y) x 5m (Z) blocks at this Inferred stage of estimation.*

*Drillhole collar survey has utilised DGPS surveying at all Deposits.*

*Down-hole surveys (at Mbarga only) were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation at Mbarga only. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied to apply a density value. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying, with a range of densities adopted from 3 to 4t/m$^3$ depending on the iron grade.*

*Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.*

***High Grade Hematite Resources reported on Exploration Permit 92, Republic of Cameroon (Mbarga, Mbarga South and Metzimevin Deposits)***

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*The estimated quantity and grade of High Grade Hematite quality Supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at Mbarga Deposit and a spacing varying from 200m x 100m to 50m x 50m for the Indicated Resource at the Mbarga South Deposit. A 200m x 100m drill pattern applies for the Inferred Resource at the Mbarga and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results.*

*Note that Cut-off grades for High Grade Hematite at the Mbarga Deposits have been changed since the previous estimation (September, 2011) and while most restrictions have been removed, the following still apply: 'Phosphorus' Domain: >50% Fe and <0.3% P; 'Hypogene' Domains: >51% Fe. Metzimevin Inferred Resources remain unchanged and have a >50% Fe cut-off and density of 2.80 applied.*

*A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used a block size of 10m (X) by 10m (Y) by 2m (Z).*

*Drillhole collar survey has utilised DGPS surveying at all Deposits.*

*Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation.*

*Densities have been assigned from a combination of down hole geophysical and physical measurements of diamond core carried out as part of metallurgical analysis. Densities of 2.40 t/m$^3$ have been assigned for the Surficial Zone, 2.80 t/m$^3$ for the Supergene, 2.80 t/m$^3$ for the Phosphorus, 2.90 t/m$^3$ for the Transition and 3.20 t/m$^3$ for the Hypogene. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying, with a range of densities adopted from 3 to 4 t/m$^3$ depending on the iron grade.*

*Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and internal standards with comprehensive reporting on laboratory precision and accuracy. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.*

***Resources reported on Nabeba-Bamegod Permit, Republic of Congo (Nabeba, Nabeba Northwest and Nabeba South Deposits)***

*The estimated quantity and grade of near-surface, high grade mineralisation for the Nabeba Resources has been restricted to an area currently covered by drilling on predominately a 100m x 100m pattern (with some closer-spaced drilling on selected north-south lines on the northern ridge). Sundance has completed significant drilling at the main Nabeba Deposit of which approximately 20% has been diamond core and 80% RC (Reverse Circulation) drilling with face-sampling hammers.*

*Drilling at the smaller Nabeba Northwest and Nabeba South Deposits has been by predominately RC method although two diamond holes were drilled at Nabeba Northwest to ensure similar physical properties and densities applied.*

*The geological model at the Nabeba Main Deposit is represented by an area approximately 2.5km (east-west) x 3km (north-south). Nabeba Northwest covers a smaller area of approximately 1km x 1km and Nabeba South smaller again at 500m x 500m.*

*Grade has been estimated by Ordinary Kriging on composited sample results. The mineralisation and grade interpolation of drill results has been constrained by a 3-D wireframe which encompasses all of the near-surface contiguous high grade material and as such, no cut-off grades for high grade have been required or applied. At the time of modelling, 92% of drill sample results were full XRF analyses from Ultra Trace Laboratories (Perth, Western Australia) and the remaining 8% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.*

*Cut-off grades for the Nabeba deposits have changed since the previous estimation (September, 2011) and now no cutoff grades have been applied. Resultant grades are simply a result of the grades which lie within carefully defined mineralised domain boundaries.*

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*A digital terrain surface (based on recent Lidar and ground surveys) has been used to limit extrapolation of the mineralisation to the topography of the Nabeba hill. The resource modelling has used 25m x 25m x 5m blocks with sub-blocks to honour the constraining surfaces.*

*Drillhole collar survey has utilised DGPS surveying at all Deposits.*

*A density of 2.65 t/m$^3$ has been used for the 'Supergene' and 'Transition' domains of High Grade Hematite, with a density of 2.50 t/m$^3$ for the 'Sub-Grade' and 'Surficial' zones. All density values are based on results from an assessment of physical density measurements of current drill core and on down-hole density determination by Surtron.*

*Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy.*

*While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of exploration targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these exploration targets and it is uncertain if further exploration will result in determination of a Mineral Resource.*

***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 SDL's operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL 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 SDL's most recent annual report and half year report. SDL 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.*