Sundance Resources Limited
and subsidiaries

ABN 19 055 719 394

Financial Report
for the Half-Year ended
31 December 2020

This document should be read in conjunction with the annual report of Sundance Resources Limited for the year ended 30 June 2020

Sundance Resources Limited
Corporate Directory

Directors:	David Porter (Chairman & Non-Executive Director) Giulio Casello (Managing Director & Chief Executive Officer till 16 July 2021 and Non-Executive Director thereafter) Brett Fraser (Non-Executive Director)
Company Secretary:	Carol Marinkovich
ABN:	19 055 719 394
Registered Office:	45 Ventnor Avenue West Perth WA 6005
Head Office:	45 Ventnor Avenue West Perth WA 6005 Tel: +61 (8) 9220 2300 Email: info@sundanceresources.com.au Internet: **www.sundanceresources.com.au**
Auditors:	**Hall Chadwick WA Audit Pty Ltd** 283 Rokeby Road Subiaco WA 6008 Tel: +61 (8) 9426 0666
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

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 2020. 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 David Porter	Chairman and Non-Executive Director
Mr Giulio Casello	Managing Director and Chief Executive Officer till 16 July 2021 and Non-Executive Director there after
Mr Brett Fraser	Non-Executive Director

All 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

Overview

Sundance commenced the reporting period with an announcement (6 July 2020) confirming an extension to the agreement it had with AustSino Resources Group Limited ("AustSino") and the noteholders of Sundance ("**Noteholders**") ("**Sundance Agreement**"). The Sundance Agreement would have provided a $29M payment to Sundance resulting in a change of control of Sundance to AustSino and the Noteholders being paid out their convertible note debt with a mixture of cash ($25M), shares and options in Sundance. Full details of the Sundance Agreement can be found in our 2020 Annual Report and other ASX announcements.

After a number of extensions and the shareholders of Sundance approving the Sundance Agreement on 29 July 2020 it was terminated on 12 November 2020. AustSino had failed to progress the Sundance Agreement after more than 2 years by failing to raise the required $29M or provide adequate evidence that it could raise the funds. AustSino could not even get to the point of being able to hold its own general meeting of its shareholders to consider and approve the relevant transaction under the Sundance Agreement. Sundance was also facing delisting from the ASX on 7 December 2020 after being in suspension for over two years.

The alternative development strategy for the Mbalam Nabeba Iron Ore Project ("**Project**") was to re-enliven the legally binding term sheet Sundance had with its Noteholders in which the Noteholders would cancel their Convertible Notes for a combination of equity and a capped production royalty ("**Noteholder Agreement**"). In the Noteholder Agreement the Noteholders would have ended up with approximately 60% of Sundance.

Following the announcement of the cancellation of the Sundance Agreement and the progress to the Noteholder Agreement on 12 November 2020 the ASX extended Sundance's delisting date to 8 March 2021.

Unfortunately, before Sundance and its Noteholders could complete the Noteholder Agreement, it was announced by Sundance on 16 December 2020 and confirmed by a further announcement on 21 December 2020 that the Government of the Republic of Congo ("**Congo**") by a Presidential decree on 30 November 2020 had expropriated the Nabeba Mining Permit and had issued it to an unknown company - Sangha Mining Development Sasu ("**Sangha Mining**"). This expropriation is considered illegal and against the terms of the legally binding Nabeba mining convention ("**Nabeba Convention**") which had been passed into Congolese law in 2018.

Sundance issued to Congo a Notice of Dispute and a Notice of Expropriation on 16 December 2020. Sundance is claiming damages of $US8.76B. Sundance is being represented by magic circle law firm Clifford Chance.

Due to the expropriation resulting in the loss of a key asset Sundance requested that the delisting be brought forward to 21 December 2021.

Under the terms of the Nabeba Convention Sundance gave Congo 60 days' notice before commencing arbitration. After some initial positive feedback this was extended by a further 30 days. On 13 March 2021 Congo signed an operating Agreement with Sangha Mining for the Nabeba deposit and two other nearby deposits (Avima and Badondo) that it had removed from their owners and also given to Sangha Mining on the same day – 30 November 2020.

In response to this Sundance announced on 25 March 2021 that it had commenced arbitration against Congo under the rules of the International Chamber of Commerce ("**ICC**") in London.

In parallel with the Congo activities Sundance also issued a Notice of dispute with the Government of the Republic of Cameroon ("**Cameroon**") as announced on 16 December 2021 to reinforce its legal rights to have a mining permit via a Presidential implementation decree issued to Cam Iron. Negotiations with Cameroon were progressing but following a visit to Cameroon by the Minister of Mines, Congo Pierre Oba and reporting on meetings that he had with senior Cameroon officials and the President of Cameroon Sundance decided to commence international arbitration via ICC (Paris) against Cameroon. This was announced on 2 June 2021.

The planned legal activities can take a number of years and be expensive. Sundance was pleased to announce on 3 May 2021 that it had signed a binding Capital Provision Agreement ("**CPA**") with Burford Asia Investments Pte Ltd ("**Burford**") to provide Sundance non-recourse funding to cover the legal fees and other costs of arbitration against Congo and if needed Cameroon. Together with the obligation in the CPA to provide operating funding for Sundance during the proceedings and the $1M funding announced on 12 April 2021 Sundance is in an excellent position to fight for justice.

Sundance announce on 10 August 2021 that it had reached an agreement with Senrigan Master Fund, Noble Resources International Pte Ltd, D. E. Shaw Composite Holdings International, Ltd, Wafin Limited and BSOF Master Fund L.P. (together the "**Noteholders**") to restructure the company's existing debt (Convertible Notes to a redemption value of $132.6M) ("**Noteholder Waterfall Deed**") and security arrangements.

Under the new arrangements, the Noteholders have agreed to indefinitely forbear on their Convertible Notes for the duration of the proceedings which are currently underway against the Governments of the Republic of the Congo and the Republic of Cameroon. If Sundance is successful in any of these proceedings and receives an award of damages, the Noteholders will be entitled to receive an agreed portion of any damages recovered as compensation for agreeing to the forbearance of their Convertible Notes. Any amounts due to the Noteholders under the new arrangements will be paid after Burford has recovered its entitlements as the litigation funder under the Capital Provision Agreement (as announced by the Company on 3 May 2021).

After these payments are made to the litigation funder and the Noteholders, Sundance will be able to use the net proceeds of any damages awarded in the arbitration proceedings in its absolute discretion.

Summaries of the Mbalam Nabeba Iron Ore Project and the terminated Sundance Agreement are covered in the Background section below.

Background:

Prior to the expropriation of the Nabeba mining permit the assets of Sundance was defined as:

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 mining permit application in the Republic of Cameroon and the mining permit in the Republic of Congo which rights comprise the Mbalam-Nabeba Iron Ore Project ('**Project**'). The Project straddles the border of Cameroon and Congo in Central Africa.

- The Project is expected to comprise:
  - The iron ore mine, processing plant and associated infrastructure to be developed on the area covered by the previous Exploration Permit 92 ('**EP92**') which had been 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**').
  - 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 Project plans to produce at least 40Mtpa from the two mines at Mbarga and Nabeba 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.

Sundance believes that the only viable method of exploiting the iron ore in the Sangha region in Congo and in the Mbarga region in Cameroon is through our well defined, costed and feasible Project.

Sundance Agreement

On 25 September 2018, Sundance announced that it had signed an agreement ("**Agreement**") with AustSino and all Noteholders of the Company (other than Wafin Limited (Wafin)) being Senrigan Master Fund, Noble Resources International Pte Ltd, D. E. Shaw Composite Holdings International, Ltd, Wafin Limited, BSOF Master Fund L.P. and David Porter (together the "**Noteholders**"), which will fund Sundance, bring in partners who have the capability and capacity to fund and bring the Mbalam Nabeba Iron Ore Project ("Project") into production and leave Sundance debt free. On 1 October 2018 Wafin also agreed to be bound by the terms of the Agreement.

This Agreement had an end date of 30 June 2019.

On 5 July 2019 Sundance entered into a new agreement with AustSino and the Noteholders of the Company ("**New Agreement**"). Some of the key differences between the Previous Agreement and the New Agreement are as follows:

- The reinstatement of the Mbalam Convention was not a condition to the completion of the New Agreement.

- The cash payable by AustSino on completion of the New Agreement will reduce from $58M (payable on completion of the Previous Agreement) to $29M. Of this, $25M (previously $50M) will be paid to Noteholders and $4M (previously $8M) will be retained by Sundance.
- AustSino will own approximately 50.2% of Sundance following the completion of the New Agreement under which AustSino will receive approximately 11,153,846,154 shares issued at a price of $0.0026 per share (resulting in a change of control of Sundance).
- The number of options to be granted to the Noteholders is to be halved from 10 billion to 5 billion. The terms of those options (having an exercise price of $0.02 and expiry date of five years from the date of issue) are otherwise unchanged.
- AustSino will provide certain financial support to Sundance to part support its working capital requirements until completion of the New Agreement. Sundance may seek support from other parties. The support of AustSino was an initial $200,000 placement of ordinary shares to AustSino at an issue price of $0.00375 per share, resulting in the issue of 53,333,333 shares to AustSino ("**Initial Placement**"). The funds were received by Sundance on 8 July 2019. After the Initial Placement and within 5 business days following a request by Sundance, AustSino is required to pay $100,000 per month to Sundance in return for the issue of ordinary shares in Sundance at an issue price of $0.00375 up to an aggregate of $600,000 (including the initial $200,000) (**Financial Support Arrangement**). The total number of ordinary shares potentially to be issued by Sundance to AustSino under the Financial Support Arrangement is 160,000,000 ordinary shares. In lieu of subscribing for additional Sundance shares, AustSino may instead require that amounts paid under the Financial Support Arrangement be deducted from the $29 Million purchase price payable by AustSino on Placement Completion. Neither the Initial Placement nor any subsequent placement of shares under the Financial Support Arrangement will require Sundance shareholder approval.

  Although the reinstatement of the Mbalam Convention is not a condition precedent for the completion of the New Agreement, Sundance and AustSino agreed to continue to explore the reinstatement of the Mbalam Convention.

  The End Date for the Sundance Agreement was 31 December 2019, AustSino and Sundance agreed by a letter agreement signed on 22 October 2019 ("**Letter Agreement**") that the end date for the completion of the Sundance Agreement be extended to 30 June 2020.

In addition to the extension it was agreed:

- The existing financial support arrangement in the Sundance Agreement will continue until completion. AustSino will continue to pay $100,000 per month to Sundance in return for the issue of ordinary shares in Sundance at an issue price of $0.0045 per share (which would comprise total payments of $1.3 million, $600K at $0.00375 per share and $700K at $0.0045 per share, if completion does not occur until 30 June 2020).
- AustSino will now pay an additional $200,000 per month to Sundance starting on 1 December 2019 in return for the issue of ordinary shares in Sundance at an issue price of $0.0045 per share. However, the shares will not be issued to AustSino unless and until completion occurs (which would comprise total additional payments of $1.4 million to Sundance if completion does not occur until 30 June 2020).

- Sundance and AustSino have agreed to release each other (and their relevant personnel) from any claims or liabilities arising under or in connection with the Second Placement Agreement or the Mbalam-Nabeba Project prior to 22 October 2019 (the date of the SDL Letter Agreement).

These changes were conditional on:

- written agreement of Sundance's Noteholders to the SDL Letter Agreement by 31 December 2019 (but which Sundance and AustSino expect to receive by late November 2019); and
- AustSino and Western Australian Port Rail Construction (Shanghai) Ltd (WAPRC), being parties to an agreement dated on or about 24 September 2018 pursuant to which WAPRC will subscribe for shares in the Investor for $100 million (WAPRC Agreement), agreeing to extend the deadline for completing all conditions precedent under the WAPRC Agreement from 31 December 2019 to 30 June 2020, by 1 December 2019 (which Sundance and AustSino expect to receive by mid November 2019).

Separately, as consideration for Sundance agreeing to extend the end date to completion of the New Agreement, AustSino has agreed to issue 107,692,308 fully paid ordinary AustSino shares to Sundance at a deemed issue price of $0.013 per share but at no cost to Sundance, after receipt of written agreement from all Noteholders of Sundance to the Letter Agreement. These shares were issued on 24 December 2019.

On 2 December 2019 written agreement was received by Sundance from the Noteholders to extend the end date of the New Agreement to 30 June 2020. AustSino has also informed Sundance that WAPRC has also extended the WAPRC Agreement to 30 June 2020. The Letter Agreement is now unconditional.

On 3 June 2020, AustSino announced to the market that it would not be able to satisfy the conditions precedent required under the Sundance Agreement by 30 June 2020. AustSino stated that it was unable to complete the placement agreement with WAPRC because WAPRC was unable to make a proposed $100 million cash injection available as required by 30 June 2020.

As announced on 25 June 2020, Sundance was advised by AustSino that a new investor to replace WAPRC had been identified and a new agreement with them was being finalised. This resulted in Sundance adjourning its Extraordinary General Meeting, which was scheduled for 29 June 2020, until the new investor became certain.

On 2 July 2020 Sundance announced it was in negotiations with AustSino with a view to agreeing a further extension to the New Agreement.

On 7 July 2020, Sundance announced its negotiations with AustSino had progressed to the signing of a new extension letter agreement between AustSino and Sundance to extend the New Agreement to 30 September 2020 ("**Further Extension Letter**"). This Further Extension Letter required approval from the Sundance Noteholders by 17 July 2020 in order for the further extension to be effective.

The Further Extension Letter had a number of conditions:

1. The Agreement was extended to 30 September 2020 subject to:

    (a) by 10 July 2020 AustSino must lodge a draft Notice of Meeting to the Australian Securities Exchange for review; and

    (b) by 17 July 2020 AustSino must demonstrate to the reasonable satisfaction of Sundance that it had progressed the funding (e.g. $29M) for completion of the Sundance Agreement.

2. AustSino will provide a further $450,000 in funding to Sundance (this will be repayable in cash or equity only if the Sundance Agreement completes; otherwise it will be revenue to Sundance). The first payment of $50,000 was payable on 17 July 2020 should all Noteholders have consented to the further extension and AustSino have satisfied or Sundance waived the conditions in (a) and (b) above.

On 9 July 2020, AustSino announced that it had entered into a binding placement agreement with Midwest Resource Finance Group Pty Ltd ("Midwest") pursuant to which Midwest had agreed to subscribe to 7,692,307,693 AustSino shares at an issue price of $0.013 per share to raise $100 million.

On 21 July 2020, Sundance announced that AustSino had submitted its draft Notice of Meeting to the ASX and ASIC on 10 July 2020 to satisfy the first condition. Sundance also announced that it had received consent from the Noteholders as required by 17 July 2020.

Sundance met with AustSino on 17 July 2020 and was presented with a number of documents to support that progress was being made in funding the New Agreement. The Board of Sundance was pleased to view the documents but did not believe there was sufficient progress to enable it to say that the condition precedent of the Further Extension Letter had been satisfied.

Nevertheless, Sundance agreed to waive this condition but has not otherwise released AustSino from further claims and liabilities.

On 27 July 2020, Sundance announced that the required bank processes had commenced but Sundance will continue to monitor the progress before releasing AustSino.

The Sundance Extraordinary General Meeting was reconvened on 29 July 2020 and all resolutions put to the meeting were passed via poll.

Progress by AustSino and Midwest continued to secure funding for the New Agreement but, as of 30 September 2020, the funds had yet to be secured. It became evident that further time was required to complete the New Agreement.

Sundance and AustSino signed a conditional extension of the end date of the New Agreement from 30 September to 30 November 2020 ("**Final Extension Letter**").

The Final Extension Letter is conditional on approval being received for the extension from the Noteholders. Once Noteholder approval has been received, AustSino will provide a further $300K in funding to Sundance (this will be repayable in cash or equity only if the New Agreement completes).

The Final Extension Letter also allows Sundance to cancel the Sundance Agreement with five business days' notice from 2 November 2020 if AustSino, by that date, has not convened a shareholders meeting to approve the transactions contemplated under the Sundance Agreement.

The Sundance Agreement was terminated on 12 November 2020 after AustSino was unable to convene the required general meeting.

Media Allegations

Allegations relating to events that occurred between 2006 and 2008 in the Republic of Congo appeared in articles published by Fairfax Media in August and September 2016.

These allegations arose in evidence given during the Porter case heard in the Supreme Court of Western Australia in September 2015 but were not tested by the court and should not necessarily be considered an independent and accurate portrayal of events.

Sundance is co-operating fully with the Australian Federal Police with its investigation into these events. It is expected to take some time to conclude.

Financial Position

Cash and cash equivalents decreased during the period to $0.46 million at 31 December 2020 from $0.75 million at 30 June 2020.

The consolidated statement of cash flows indicates that payments to suppliers and employees for the half year ended 31 December 2020 were $1.39 million (31 December 2019: $1.09 million).

Net assets of the Consolidated Entity amount to a $132.89 million deficiency (30 June 2020: $131.37 million deficiency). Mine development assets have been fully impaired.

At 31 December 2020, the Consolidated Entity had a net working capital deficiency of $132.81 million (30 June 2020: $132.70 million deficiency). The working capital deficiency is substantially due to the Convertible Note debt liability being recognised at full redemption value, partially offset by a stronger cash position. Following the end of this reporting period this liability has been indefinitely forborne following the signing of the Noteholder Waterfall Deed and amended security arrangements on 9 August 2021.

Refer to Note 1 – "*Going Concern*".

The total loss for the period amounted to $0.12 million compared to $5.27 million for the half-year ended 31 December 2019.

Total comprehensive income amounted to a loss of $0.12 million (2019: $5.27 million) for the half-year ended 31 December 2020, which includes a very small exchange loss on translation of foreign operations. This loss is due to a movement in the Central African CFA francs against the Australian Dollar from 410.2 at 31 December 2019 to 413.2 at 31 December 2020.

Corporate

Sundance Delisting

Following the illegal expropriation of one of its key assets - the Nabeba mining permit, Sundance was delisted on 21 December 2020.

Investments in Sundance

In July 2020 Sundance received $150,000 in funding following the financial arrangements in the Further Extension Letter.

On 31 August 2020 Sundance received $300,000 from AustSino to complete its financial support arrangements in the Further Extension Letter.

On 14 October 2020 Sundance received $300,000 from AustSino as per its funding obligation under the Final Extension Letter

No shares have been issued to AustSino for any of the funds above due to the Sundance Agreement not completing.

As reported on 12 April 2021, after the reporting period, Sundance received $1 million in funding from a current stakeholder. The terms of the funding are on equal terms to the non-recourse funding received from Burford under the CPA. The terms remain commercial in confidence.

Cameroon Customs Dispute

Sundance, through its subsidiary Cam Iron SA ("Cam Iron"), is aware that customs officials in Cameroon conducted an audit that found discrepancies in the paperwork provided by third parties to Cam Iron on the sale of Cam Iron vehicles and the customs records of those transactions. There is no indication at this time that Cam Iron should have been aware of the discrepancies. The impact of these discrepancies on Cam Iron is uncertain and this matter is the subject of further investigation by Cam Iron.

COVID-19

There have been considerable economic disruptions arising from the outbreak of COVID-19 virus. This amongst other impacts has resulted in full lockdowns in Cameroon and Congo and travel restrictions to China. The Group considers this to be a non-adjusting post balance sheet event. At the date of signing the financial report the Group is unable to determine what financial effects the outbreak of the virus could have on the Group in the coming financial period. No financial effects arising from the economic impacts of the virus have been included in the financial results for the half year ended 31 December 2020.

The Group will consider a range of expenditure containment measures designed to deal with prolonged economic and logistical impacts of the COVID-19 outbreak. Measures will be implemented as is deemed necessary. Given the inherent unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the relevant governments and corporate entities, the actual financial impact of the COVID-19 outbreak, if any, on the Group's future financial statements could be significantly different to those disclosed above depending on how the situation evolves.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the *Corporations Act 2001* section 307C the auditors of the Company, Hall Chadwick WA has provided a signed auditors independence declaration to the Directors in relation to the half-year ended 31 December 2020. The auditor's independence declaration has been included in the half-year financial report on page 12.

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

David Porter

David Porter
Director (Chairman)

Giulio Casello
Director

1 September 2021
Perth, Western Australia

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the review of the financial statements of Sundance Resources Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick

Mark Delaurentis

HALL CHADWICK
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 1st day September of 2021

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

David Porter

David Porter
Director (Chairman)

Giulio Casello
Director

1 September 2021
Perth, Western Australia

SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20 $	31-Dec-19 $
CONTINUING OPERATIONS			
Other income	2	352,936	346
Shares and cash forfeited by AustSino	2	2,150,000	-
Gain on revaluation of derivative – Convertible Notes	2	-	316,136
Shares acquired at nil consideration	2	-	1,400,000
Administration expense		(99,245)	(180,035)
Consultants expense		(87,687)	(81,833)
Employee benefits expense		(522,559)	(512,192)
Exchange rate (loss)/gain		-	(631)
Legal fees		(133,552)	(105,736)
Listing and registry fees		(42,716)	(35,294)
Occupancy costs		(52,933)	(58,758)
Professional fees		(58,537)	(119,149)
Travel expenses		(9,108)	(8,271)
Finance charges	3	-	(5,729,880)
Rail project public utility expense		-	(15,325)
Impairment of investment in other entity		(1,400,000)	-
Other expenses		(211,624)	(125,237)
Loss from continuing operations before tax		**(115,025)**	**(5,255,859)**
Income tax expense		-	-
(Loss)/Profit for the period		**(115,025)**	**(5,255,859)**
Loss attributable to:			
- Owners of the parent		993,124	(3,868,409)
- Non-controlling interests		(1,108,149)	(1,387,450)
(Loss)/Profit for the period		**(115,025)**	**(5,255,859)**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(3,583)	(11,936)
Other comprehensive income for the period		**(3,583)**	**(11,936)**
Total comprehensive income		**(118,608)**	**(5,267,795)**
Total comprehensive income attributable to:			
- Owners of the parent		161,342	(4,197,047)
- Non-controlling interests		(279,950)	(1,070,748)
Total comprehensive income attributable to members		**(118,608)**	**(5,267,795)**
Loss per share		¢	¢
From continuing operations			
- Basic (cents per share)		0.011	(0.043)
- Diluted (cents per share)		0.011	(0.043)

The accompanying notes form part of these financial statements

SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31-Dec-20 $	30-Jun-20 $
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents		463,028	753,385
Trade & Other Receivables		61,660	39,572
Inventory		748	1,056
Other Current Assets		156,656	131,857
Total Current Assets		**682,092**	**925,870**
NON-CURRENT ASSETS			
Investment in Other Entities	**12**	-	1,400,000
Total Non-Current Assets		**-**	**1,400,000**
TOTAL ASSETS		**682,092**	**2,325,870**
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	**4**	132,556,198	132,556,198
Trade & Other Payables		793,254	934,123
Provisions		202,400	139,533
Total Current Liabilities		**133,551,852**	**133,629,854**
NON-CURRENT LIABILITIES			
Provisions		19,626	66,794
Total Non-Current Liabilities		**19,626**	**66,794**
TOTAL LIABILITIES		**133,571,478**	**133,696,648**
NET ASSETS		**(132,889,386)**	**(131,370,778)**
EQUITY			
Issued Capital	**6**	432,049,810	432,049,810
Reserves		77,989,730	80,221,512
Accumulated Losses		(581,676,135)	(582,669,259)
Equity attributable to the owners of the parent		**(71,636,595)**	**(70,397,937)**
Non-controlling interest		(61,252,791)	(60,972,841)
TOTAL EQUITY		**(132,889,386)**	**(131,370,778)**

The accompanying notes form part of these financial statements

SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20 $	31-Dec-19 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,391,895)	(1,086,646)
Receipts from customers		1,102,484	32,149
Interest received		452	346
Net Cash (used in) Operating Activities		**(288,959)**	**(1,054,151)**
Cash Flows from Investing Activities			
Net Cash (used in) Investing Activities		**-**	**-**
Cash flows from Financing Activities			
Proceeds from issue of shares		-	1,085,000
Net Cash provided by Financing Activities		**-**	**1,085,000**
Net (Decrease)/Increase in Cash and Cash Equivalents		(288,959)	30,849
Cash and cash equivalents at beginning of period		753,385	139,095
Effect of foreign currency movements on cash and equivalents		(1,398)	(314)
Cash and Cash Equivalents at end of Period		**463,028**	**169,630**

The accompanying notes form part of these financial statements

SUNDANCE RESOURCES LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued Capital $	Other Equity $	Share Trans-actions with Non-Controlling Interests $	Foreign Currency Translation Reserve $	Convertible Note & Option Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Attributable to owners of the parent $	Non-Controlling Interests $	Total Equity $
At 1 July 2020	432,049,810	1,400,000	(11,160,000)	35,787,176	29,191,300	25,003,036	(582,669,259)	**(70,397,937)**	(60,972,841)	**(131,370,778)**
Loss for the period	-	-	-	-	-	-	993,124	**993,124**	(1,108,149)	**(115,025)**
Foreign currency	-	-	-	(831,782)	-	-	-	**(831,782)**	828,199	**(3,583)**
Total comprehensive loss	**-**	**-**	**-**	**(831,782)**	**-**	**-**	**993,124**	**161,342**	**(279,950)**	**(118,608)**
Forfeiture of shares	-	(1,400,000)	-	-	-	-	-	**(1,400,000)**	-	**(1,400,000)**
At 31 December 2020	**432,049,810**	**-**	**(11,160,000)**	**34,955,394**	**29,191,300**	**25,003,036**	**(581,676,135)**	**(71,636,595)**	**(61,252,791)**	**(132,889,386)**
At 1 July 2019	**429,979,810**	**-**	**(11,160,000)**	**35,624,262**	**29,191,300**	**25,003,036**	**(578,551,649)**	**(69,913,241)**	**(58,271,991)**	**(128,185,232)**
Loss for the period	-	-	-	-	-	-	(3,868,409)	**(3,868,409)**	(1,387,450)	**(5,255,859)**
Foreign currency	-	-	-	(328,638)	-	-	-	**(328,638)**	316,702	**(11,936)**
Total comprehensive loss	**-**	**-**	**-**	**(328,638)**	**-**	**-**	**(3,868,409)**	**(4,197,047)**	**(1,070,748)**	**(5,267,795)**
Issue of shares	**1,085,000**	**-**	**-**	**-**	**-**	**-**	**-**	**1,085,000**	**-**	**1,085,000**
At 31 December 2019	**431,064,810**	**-**	**(11,160,000)**	**35,295,624**	**29,191,300**	**25,003,036**	**(582,420,058)**	**(73,025,288)**	**(59,342,739)**	**(132,368,027)**

The accompanying notes form part of this financial report

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 2020 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 2020 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 2020.

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 2020, 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.

Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2020 financial report for the period ended 30 June 2020 except where indicated below.

Change from the Annual Financial Statements

Government responses to the impact of COVID-19

During the half-year, the Group became eligible for certain government support in response to the coronavirus pandemic. The Group's accounting policy for government assistance is explained below.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Application of new and revised Australian Accounting 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 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

In the current half-year, the Group has applied the below amendments to Australian Accounting Standards [and Interpretations] issued by the Australian Accounting Standards Board (the Board) that are effective for the Group's annual reporting period that began on 1 July 2020.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Group.

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

This Standard makes amendments to AASB 1054 Additional Australian Disclosures by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors on the potential effect of an IFRS Standard that has not yet been issued by the AASB. This amendment had no impact on the financial statements of the Group.

Going Concern

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

At 31 December 2020, the Consolidated Entity had a working capital deficiency of $132.9 million (30 June 2020: $132.7 million).

On 9 August 2021 Sundance signed a legally binding deed with Senrigan Master Fund, Noble Resources International Pte Ltd, D. E. Shaw Composite Holdings International, Ltd, Wafin Limited and BSOF Master Fund L.P. (together the "Noteholders") to indefinitely forbear their Convertible Notes in consideration for Sundance assignment of a portion of the proceeds from the proceedings underway against the governments of Cameroon and Congo ("**Noteholder Waterfall Deed**").

During the period the Consolidated Entity incurred a net loss of $0.1 million and incurred net cash outflows from operating activities of $0.3 million for the half year ended 31 December 2020.

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 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 based on:

1. As announced on 3 May 2021 a conditional binding agreement Capital Provision Agreement ("**CPA**") was entered into by the Company and Burford. This agreement will result in $250,000 per quarter being available to Sundance for working capital purposes for at least the next three years. All funds received from Burford are non-recourse and will continue unless the CPA is terminated due to legal advice being received that the proceedings are no longer commercially viable.
2. Following the execution of the Noteholder Waterfall Deed and the modification to the Security Trust and Intercreditor Deed on 9 August 2021 the CPA became unconditional and the Convertible Notes have been forborne indefinitely unless the CPA is terminated. It was also announced on 12 April 2021 that a legally binding term sheet was signed with an investor for $1 million. The funds have been received and are being used to advance the litigation and provide working capital.
3. Litigation costs for the proceedings against the governments of Cameroon and Congo are being funded under the CPA with Burford.

Should the Consolidated Entity be unable to achieve the matters set out above, a material uncertainty would exist as to whether the Consolidated Entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

Significant accounting judgements

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.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black Scholes.

NOTE 2. OTHER INCOME

		31-Dec-20 $	31-Dec-19 $
Insurance premium refunded		248,890	-
Covid 19 Government assistance(i)		87,500	-
AustSino shares held pending forfeited(ii)		2,150,000	-
Gain on revaluation of derivative – Convertible Note		-	316,136
Shares acquired at nil consideration	12	-	1,400,000
Other income		16,094	346
		2,502,484	**1,716,482**

Note:

(i) The Group benefited from the government's temporary Cash Flow Boost support package designed to assist businesses manage cashflow challenges and help retain employees during the economic downturn associated with COVID-19 19. Eligible businesses who employed staff received cash flow boosts delivered as credits via the activity statement system (not as direct payments to the business). The cash flow boost payments were made in two stages. The initial cash flow boost was based on the amount of the Company's PAYG withholding for the period April to June 2020. Eligible businesses that withheld tax on their employees' salary and wages received a credit equal to 100% of the amount withheld to a maximum payment of $50,000. The second payments were made for the July to September 2020 quarter. Eligible businesses received an additional payment equal to the total that they had been paid in the first round of payments to a maximum of $50,000, regardless of the amount of PAYG tax actually paid to the Australian Taxation Office (ATO). Refer Note 2 Accounting Policies.

(ii) AustSino provided $2.15m in funding to Sundance which was repayable in cash or equity on the condition that the Sundance Agreement completed by 30 November 2020. The issue price of the shares was $0.0045 per share and was held pending in an Equity Reserve. Since the agreement did not complete this funding has now been recognised as revenue to Sundance.

NOTE 3. FINANCE CHARGES

	31-Dec-20 $	31-Dec-19 $
Implied Interest Expense - Convertible Notes	-	(4,561,557)
Fair Value Movement – Convertible Notes	-	(1,156,200)
Amortisation of Capitalised Borrowing Costs	-	(12,123)
	-	**(5,729,880)**

NOTE 4. BORROWINGS

Convertible note transactions

The component parts of the convertible notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will remain in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

If the embedded derivative is separated from its host contract (because it is not closely related to the host), then it must be accounted for as if it were a standalone derivative. The embedded derivative should be recognised in the statement of financial position at fair value, with changes in fair value recognised in profit or loss as they arise, unless it is designated as an effective hedging instrument in a cash flow or a net investment hedge.

The Consolidated Entity measures financial assets and liabilities at fair value on a recurring basis. Management uses significant estimates when estimating the fair value of financial instruments.

	31-Dec-20 $	30-Jun-20 $
CURRENT BORROWINGS		
Convertible Note - Debt Liability	132,556,198	132,556,198
Convertible Note - Derivative Liability	-	-
Convertible Note - Capitalised Borrowing Costs	-	-
	132,556,198	132,556,198

NOTE 4. BORROWINGS (CONTINUED)

Sundance and its Noteholders have agreed in principle on a method in which the Convertible Notes will be converted to a waterfall payment system based on litigation proceeds. The agreement was executed on 9 August 2021.

NOTE 5. FINANCIAL INSTRUMENTS

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-20			30-Jun-20	
	Effective Interest Rate	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Convertible note debt liability - Noble	53.08%	29,156,200	29,156,200	29,156,200	29,156,200
Convertible note debt liability - Investor Consortium	89.73%	33,600,000	33,600,000	33,600,000	33,600,000
Convertible note debt liability - Wafin	55.40%	60,000,000	60,000,000	60,000,000	60,000,000
Convertible note debt liability – 2015 Investor Consortium	67.62%	9,800,000	9,800,000	9,800,000	9,800,000
Total		132,556,200	132,556,200	132,556,200	132,556,200

The fair value amounts have been reasonable estimated at balance sheet date, while the carrying amount reflects the fair value less the capitalised borrowing costs incurred in the arrangement of the Noble and Investor Consortium convertible notes.

NOTE 6. ISSUED CAPITAL

	31-Dec-20 $	30-June-20 $
Ordinary Shares		
9,450,021,556 fully paid ordinary shares (30 June 2020: 9,450,021,556)	432,049,810	432,049,810
Movements in ordinary shares	**No.**	**No.**
At the beginning of the period	9,450,021,556	8,945,846,952
Shares issued	-	504,174,604
AT THE END OF THE PERIOD	**9,450,021,556**	**9,450,021,556**

NOTE 6. ISSUED CAPITAL (CONTINUED)

Unlisted Options

At 31 December 2020 there were 789,333,334 (30 June 2020: 789,333,334) unissued ordinary shares for which options were outstanding which were subject to vesting conditions. These comprise the following:

- 100,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 0.30 cents per share vesting on 1 December 2017 and expiring on 1 December 2022.
- 100,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 0.60 cents per share vesting on 1 December 2018 and expiring on 1 December 2023.
- 110,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 0.60 cents per share vesting on 8 January 2019 and expiring on 8 January 2024.
- 400,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 0.60 cents per share vesting on 14 February 2019 and expiring on 13 February 2024.
- 30,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 0.60 cents per share vesting on 25 February 2019 and expiring on 21 February 2024.
- 26,666,667 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 0.60 cents per share vesting on 16 December 2019 and expiring on 28 August 2024.
- 22,666,667 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 0.60 cents per share vesting on 16 December 2019 and expiring on 29 August 2024.

Listed Options

As at 31 December 2020 there were no options outstanding which entitled the holder to subscribe to ordinary shares in the parent entity.

No options expired or were exercised in the period.

NOTE 7. SEGMENT INFORMATION

AASB 8 Operating Segments ('**AASB 8**') requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity's reportable segment under AASB 8 is the Mbalam-Nabeba Iron Ore 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 2020:

There were no intersegment sales during the year recorded in the revenue reported above.

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

NOTE 7. SEGMENT INFORMATION (CONTINUED)

	Segment Loss Half-year ended 31-Dec-20 $	Segment Loss Half-year ended 31-Dec-19 $
Continuing operations		
Segment Revenue	249,342	(454,540)
Segment Loss		
Mbalam-Nabeba Iron Ore Project	(423,228)	(454,540)
Total segments	(173,886)	(454,540)
Interest income	452	346
Unallocated income	2,253,142	1,400,000
Unallocated expenses	(2,194,733)	(6,201,665)
Loss before tax	(115,025)	(5,255,859)
Income tax expense	-	-
Consolidated segment loss for the period	**(115,025)**	**(5,255,859)**

	31-Dec-20 $	30-Jun-20 $
Segment Assets		
Mbalam-Nabeba Iron Ore Project	-	-
Total segment assets	-	-
Unallocated assets	682,092	2,325,870
Total assets	**682,092**	**2,325,870**

	31-Dec-20 $	30-Jun-20 $
Segment Liabilities		
Mbalam-Nabeba Iron Ore Project	335,290	294,156
Total segment liabilities	335,290	294,156
Unallocated liabilities	133,236,188	133,402,492
Total liabilities	**133,571,478**	**133,696,648**

NOTE 8. CONTINGENT LIABILITIES

The Consolidated Entity is aware of the following contingent liabilities as at 31 December 2020:

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 8. CONTINGENT LIABILITIES (CONTINUED)

Legal Services

On or around August 2017, Sundance engaged Clayton Utz to provide legal advice to the company and some of its former and current directors in relation to the investigation by the Australian Federal Police into allegations of Sundance's involvement in foreign bribery and corruption in respect of the Group's African operations during the period 2006 to 2008. A portion of the debt in relation to legal services payable to Clayton Utz remains unpaid. Clayton Utz has agreed to forbear from calling on the debt conditional upon Sundance being successful in its action against the Republic of Congo, either by way of negotiated settlement, award or judgement. Terms of the agreement are yet to be finalised.

NOTE 9. EXPENDITURE COMMITMENTS

With the expiry of EP92 and the expropriation of the Congo mining permit no further minimum expenditure is required.

NOTE 10. 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 2020 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 12 January 2021 Sundance provided an update to shareholders on the delisting of the Company. Sundance's status is now an unlisted disclosing entity and is required to fulfill all of the obligations of the Corporations Act including continuous disclosure obligations. All announcements will be made on the Company's website www.sundanceresources.com.au.

- On the 18 February 2021 Sundance announced that it was advancing preparations for the commencement of international arbitration proceedings against Congo. These proceedings will be conducted under the Rules of Arbitration of the International Chamber of Commerce ("ICC") before a tribunal of three arbitrators seated in London. Congo Iron will seek the payment by Congo of fair compensation for the expropriation of the mining permit and damages for other breaches of the Convention and the applicable law. Sundance will be represented by experienced international dispute resolution counsel Clifford Chance. Sundance decided to extend the negotiation period with Cameroon by a further 30 days. In parallel, Sundance announced that it was making positive progress in discussions with a major litigation funder to secure funding for the arbitration against Congo and, if necessary, Cameroon.

- On the 3 March 2021 Sundance announced that following recent correspondence received from The Government of Congo, Sundance has decided to delay arbitration against Congo for a further 30 days to allow discussions to progress between Sundance and representatives of Congo.

- On the 10 March 2021 provided an update regarding the Congo claim. Sundance become aware of certain statements in the international media that suggest Sundance had withdrawn its claim against the Republic of Congo or is in settlement discussions with the Government of the Republic of Congo or other third parties. Sundance provided the following clarifications:
    1. As announced on 3 March 2021, Sundance and its subsidiary Congo Iron SA agreed to extend the period of negotiations with Congo by 30 days allow discussions to progress with Congo; and

NOTE 10. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

2. As announced on 18 February 2021, Sundance and its subsidiary Cam Iron SA agreed to extend the period of negotiations with the Government of the Republic of Cameroon by 30 days to allow for further discussions with Cameroon.

- On 25 March 2021 Sundance advised that through its subsidiary Congo Iron, it has referred its dispute with the Republic of Congo to arbitration in London under the rules of the International Chamber of Commerce as having extended the negotiation period, there was no meaningful engagement with the Congo Government.

- On 12 April 2021 Sundance provided an update to shareholders regarding litigation funding and short-term funding. Negotiations with an international litigation funder ("Litigation Funder") have been progressing. The funding will cover litigation costs against the Governments of Congo and, if required, Cameroon.

  A legally binding term sheet has been executed between Sundance and a current stakeholder ("Investor") to provide $1 million in short-term funding to Sundance ("Investor Loan"). Funds have been received by Sundance. This will ensure that Sundance can progress litigation while managing its working capital until the litigation funding is complete. This loan will reduce the loan requirements from the Litigation Funder.

- On 3 May 2021 Sundance announced that it has signed a binding Capital Provision Agreement ("CPA") with Burford Asia Investments Pte. Ltd. ("Burford"), an affiliate of Burford Capital Limited, the world's leading global finance and asset management business focused on law.

  Under the CPA, Burford will provide Sundance with non-recourse funding to cover legal fees and other Costs of arbitration against the Government of the Republic of Congo and, if required, the Government of Cameroon. The terms of the CPA need to remain commercial in confidence.

  In parallel with the negotiation of these funding agreements, Sundance has progressed its claim against Congo, which is now the subject of active international arbitration proceedings in London under the rules of the International Chamber of Commerce. In these proceedings, Sundance's subsidiary Congo Iron SA is claiming damages of USD 8.76 billion plus other relief.

- On the 2 June 2021 Sundance advised that it had referred its dispute with the Republic of Cameroon to arbitration at the International Chamber of Commerce in Paris.

  The dispute primarily concerns Cameroon's failure to implement the exploitation permit that was deemed to have been awarded to Sundance's subsidiary, Cam Iron S.A. ("Cam Iron"), in 2010. It is Sundance's position that Cameroon's failure to implement the exploitation permit, along with other acts and omissions, constitutes a breach of the 2015 Transition Agreement between Sundance, Cam Iron and Cameroon (among other parties) and a violation of Cameroon's obligations under international law.

  Sundance and Cam Iron will be represented in the ICC arbitration against Cameroon by Magic Circle law firm, Clifford Chance, which is also representing the Company in its arbitration against Congo.

NOTE 10. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

Sundance also noted its concern over public statements made by the governments of Cameroon and Congo on 31 May 2021 regarding the Mbalam-Nabeba Iron Ore Project, following high-level meetings between the two Governments in Cameroon. It appears that both governments are working together to strip Sundance of its rights to the project. Sundance strongly objects to the baseless and offensive statements which do nothing to advance constructive negotiations and advance a negotiated settlement.

- On 15 July 2021 Sundance announced that its Board has completed a review of its leadership and management structure following the events of the past six months. With the illegal expropriation of our Nabeba iron ore permit in the Republic of the Congo and the litigation that is now ongoing against the Governments of both Congo and Cameroon, Sundance's primary focus is on our legal proceedings in the International Chamber of Commerce in London and Paris. This has resulted in the role of Chief Executive Officer no longer being required on a full-time basis, with the reduced responsibilities to be absorbed by Sundance's Board of Directors.

  As a result, from 16 July 2021, Giulio Casello, the Company's long-serving Chief Executive Officer, become a Non-Executive Director of Sundance and entered into a consultancy agreement that allows Sundance to benefit from Mr Casello's experience and knowledge of the Company and its legal proceedings.

- On 10 of August, Sundance announced that it has reached an agreement with Senrigan Master Fund, Noble Resources International Pte Ltd, D. E. Shaw Composite Holdings International, Ltd, Wafin Limited and BSOF Master Fund L.P. (together the "**Noteholders**") to restructure the company's existing debt and security arrangements.

- Under the new arrangements, the Noteholders have agreed to indefinitely forbear on their Convertible Notes for the duration of the proceedings which are currently underway against the Governments of the Republic of the Congo and the Republic of Cameroon. If Sundance is successful in any of these proceedings and receives an award of damages, the Noteholders will be entitled to receive an agreed portion of any damages recovered as compensation for agreeing to the forbearance of their Convertible Notes. Any amounts due to the Noteholders under the new arrangements will be paid after Burford has recovered its entitlements as the litigation funder under the Capital Provision Agreement (as announced by the Company on 3 May 2021) and the $1M investor (as announced on 12 April 2021) recovers their entitlements.

  After these payments are made to the litigation funder, the $1M investor and the Noteholders, Sundance will be able to use the net proceeds of any damages awarded in the arbitration proceedings in its absolute discretion.

NOTE 11. DIVIDENDS

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

NOTE 12. INVESTMENT IN OTHER ENTITIES

As consideration for Sundance agreeing to extend the end date for completion of the New Agreement[(i)], AustSino agreed to issue 107,692,308 fully paid ordinary AustSino shares to Sundance at a deemed issue price of $0.013 per share at no cost to Sundance.

These shares were issued on 24 December 2019.

NOTE 12. INVESTMENT IN OTHER ENTITIES (CONTINUED)

This investment has now been fully impaired.

Note:

(i) *Refer to the statutory annual financial report of the Consolidated Entity for the year ended 30 June 2020 for full details regarding the end date under extension of the AustSino agreement.*

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SUNDANCE RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Sundance Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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 and Controlled Entities does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Sundance Resources Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $115,025 during the half year ended 31 December 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Sundance Resources Limited 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 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

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.

Hall Chadwick

HALL CHADWICK
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 1st day of September 2021