SUNDANCE RESOURCES

Developing a global iron ore business

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FIRST MINERAL RESOURCE STATEMENT FOR MBALAM PROJECT

190MT INFERRED RESOURCE OF DSO QUALITY HEMATITE

CONFIDENCE INCREASES IN WORLD-SCALE IRON ORE PROJECT

International iron ore company Sundance Resources Limited (ASX: **SDL** – "Sundance") is pleased to announce a maiden JORC-Code compliant Inferred Mineral Resource of **190 million tonnes of Direct Shipping Ore ("DSO") quality hematite mineralisation** (average grade of 60% Fe) at its 90%-owned Mbalam Iron Ore Project in Cameroon, West Africa.

The Mineral Resource estimate is based on the results of resource definition drilling conducted at the Mbarga and Mbarga South Deposits on Exploration Permit No. 92 (refer Figure 1). The tonnage at the Mbarga Deposit has been estimated from drilling over an area measuring 3.0 km by 2.5 km. The tonnage at the Mbarga South Deposit (located 4 km south of Mbarga) has been estimated over an area of 1.0 km by 1.5 km. The areas drilled represent only part of the prospective geology identified on the Exploration Permit (refer Figure 2).

A summary of the initial Inferred Mineral Resource inventory is set out below:

Deposit	Million Tonnes	Fe (%)	SiO_2 (%)	$A1_2O_3$ (%)	P (%)	LOI (%)
Mbarga	163.0	60.1	6.8	2.5	0.06	1.9
Mbarga South	27.2	59.4	7.7	3.5	0.06	3.2
TOTAL	**190.2**	**60.0**	**6.9**	**2.7**	**0.06**	**2.1**

Note: Classification of resources is based on, and meets, the JORC Code (2004) standards of resource classification. Resources have been classified as Inferred based on a minimum drilling density of 200m along strike and 100m across strike of mineralisation. Resource estimation has been carried out using Ordinary Kriging methodology using an assigned density value of 4.0t/m3 and a cut-off value of 50% Fe

Both deposits exhibit near-surface, high grade supergene hematite mineralisation. The Mbarga resource estimate is based on an average depth of supergene enrichment of approximately 50m from surface. The Mbarga South supergene resource estimate is based on an average depth of ~40m from surface. The deposits are characterised by minimal cover with very low stripping ratio, currently estimated to be less than 0.2:1.

The Inferred Mineral Resource of 190 million tonnes is significantly larger than the previously announced tonnage range for DSO quality hematite on the Mbarga Deposit of 100-140 million tonnes. Definition of this initial resource is a significant milestone for the Company, providing a strong foundation for the Mbalam Project. This initial Mineral Resource Statement provides confidence that the project is capable of producing significant DSO product from start-up.

The Mineral Resource estimate is based on 70 Reverse Circulation ("RC") and 17 diamond drill holes at Mbarga for a total of 15,405 metres and 21 RC drill holes and 1 diamond drill hole at Mbarga South for a total of 4,267 metres. Drilling has identified 2 different styles of iron mineralisation (refer Figure 3):

- **High Grade Supergene Hematite:** Enriched soft laminated iron mineralisation from surface related to plateau remnants, averaging 60% Fe; and

- **Enriched Itabirite Hematite**: Itabirite units (metamorphosed banded iron formation) form the underlying sequence and are represented by thick sequences of steeply dipping material containing 'clean' hematite and quartz mineralogy. Within the enriched Itabirite unit, grades range between 35%-45% Fe with a broad mineralised Fe mineralisation envelope averaging ~39% Fe.

Recent evaluation of the Itabirite hematite mineralisation at the Mbarga Deposit has provided increased confidence in the scale and quality of this mineralisation. The estimated range of 1,000 to 1,200 million tonnes of Itabirite (non JORC-Code compliant) at Mbarga is currently subject to an aggressive drilling programme. This Itabirite mineralisation is open at depth and along strike to the west of Mbarga. The Company expects to estimate an initial JORC-Code compliant resource for the Mbarga Itabirite mineralisation in the September 2008 quarter.

Mbarga is developing as a potential world-scale deposit. Drilling of both the DSO and Itabirite mineralisation is continuing with six rigs dedicated to resource definition at Mbarga. Drilling has been operating continuously on site for less than 12 months with little disruption from weather or logistical factors. It is supported by a site workforce of nearly 150 personnel. Drilling of other prospects, including Metzimevin, Njweng and Meridional, will proceed after resource definition at Mbarga. This work will focus on the Company's overall **Exploration Target of 2.0-2.5 billion tonnes of Itabirite mineralisation** for the Mbalam Project.

Commenting on the announcement, Sundance's CEO, Don Lewis, said: "The definition of this large JORC-Code compliant Inferred Mineral Resource for DSO quality mineralisation at the Mbarga and Mbarga South Deposits represents an excellent achievement by our team."

"Exploration is continuing to build confidence in the broader potential of this asset as a world-scale iron ore project based on substantial tonnages of DSO and Itabirite mineralisation," Mr Lewis continued.

"We are on track to complete a JORC-Code compliant resource estimate for the Mbarga Itabirite Deposit within the next few months as we continue to lay the foundations for development of a staged DSO/Itabirite iron ore project," he said. "The nature of the DSO resource at Mbarga will allow large-scale, low cost open pit mining operations with a very low stripping ratio. This operation will ultimately transition to beneficiation of Itabirite feed to produce 35Mtpa high-grade product over the life of the mine."

ENDS

Released by: **On behalf of:**

Nicholas Read **Don Lewis, Managing Director**

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Competent Persons Statement

The information in this release that relates to Exploration Results 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 is a consultant to the Company and 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". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Widenbar is a consultant to the Company and 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". Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The potential quantity and grade of near-surface DSO quality supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 400m x 200m pattern at Mbarga, with partial infill to 200m x 100m. This is represented by an area approximately 3km (east-west) x 2.5km (north-south) on the Mbarga Deposit and by an area approximately 1.5km (east-west) x 1.0km (north-south) on the Mbarga South Deposit. Grade interpolation has been extrapolated using Ordinary Kriging on composited sample results and a nominal 50% Fe cutoff value for DSO and Inverse Distance Squared methodology and 30% cutoff value for Itabirite ore. A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topographic hill at Mbarga. An internal waste zone (schist) cross-cutting the supergene and Itabirite zones and surficial cover has been modeled and removed from the quantity estimated as DSO quality and Itabirite mineralisation. Densities of 4.0t/m3 and 3.35t/m3 have been applied for evaluation of the DSO and Itabirite mineralisation respectively.

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to production targets, resources, reserves or ore over and above the Inferred Resource of 190 million tonnes at 60% Fe is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the Inferred Resource of 190 million tonnes at 60% Fe, and it is uncertain if further exploration will result in determination of a Mineral Resource over and above the Inferred Resource of 190 million tonnes at 60% Fe.

FIGURE 1: MAP OF EP92 SHOWING LOCATION OF PRINCIPAL DEPOSITS

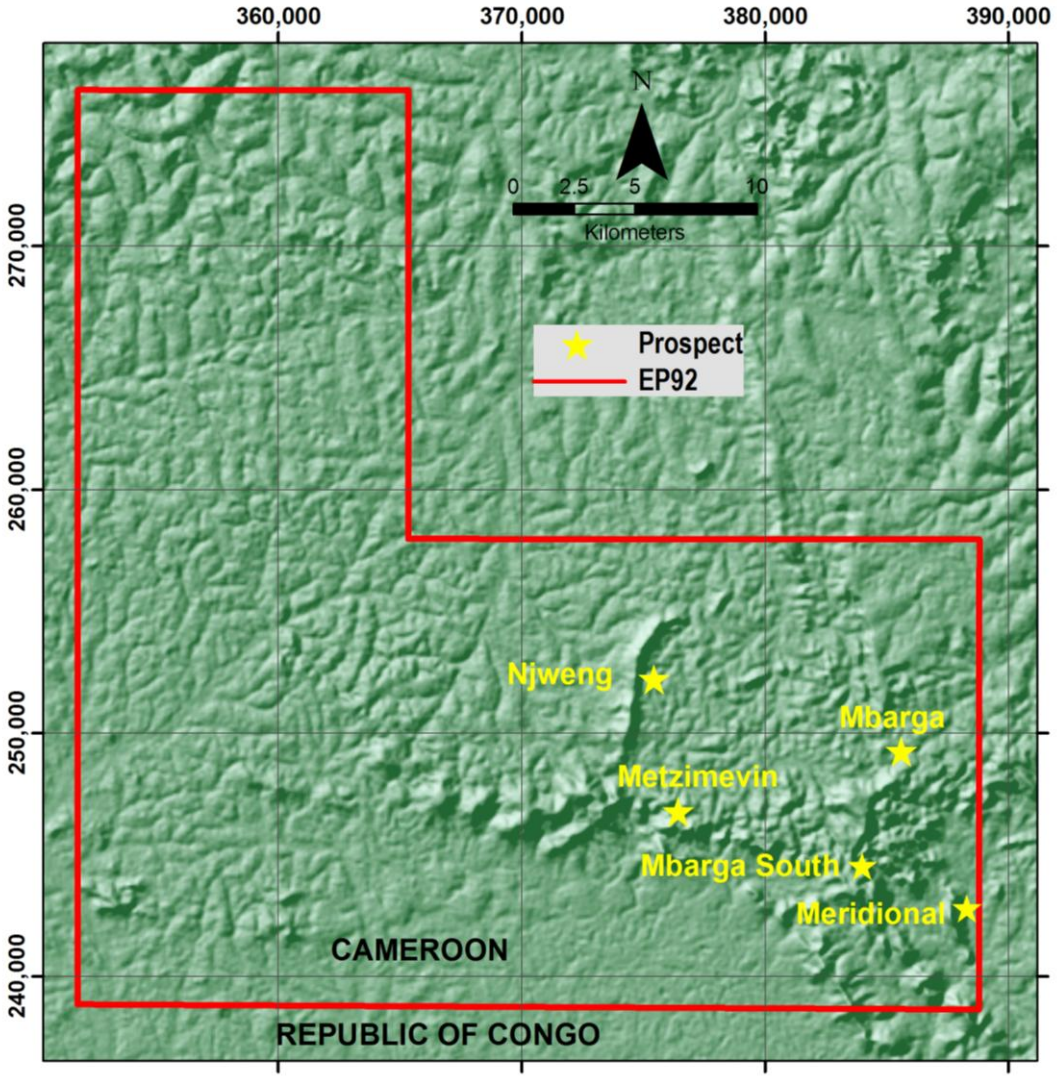

FIGURE 2: SURFACE GEOLOGICAL MAP OVER EP92

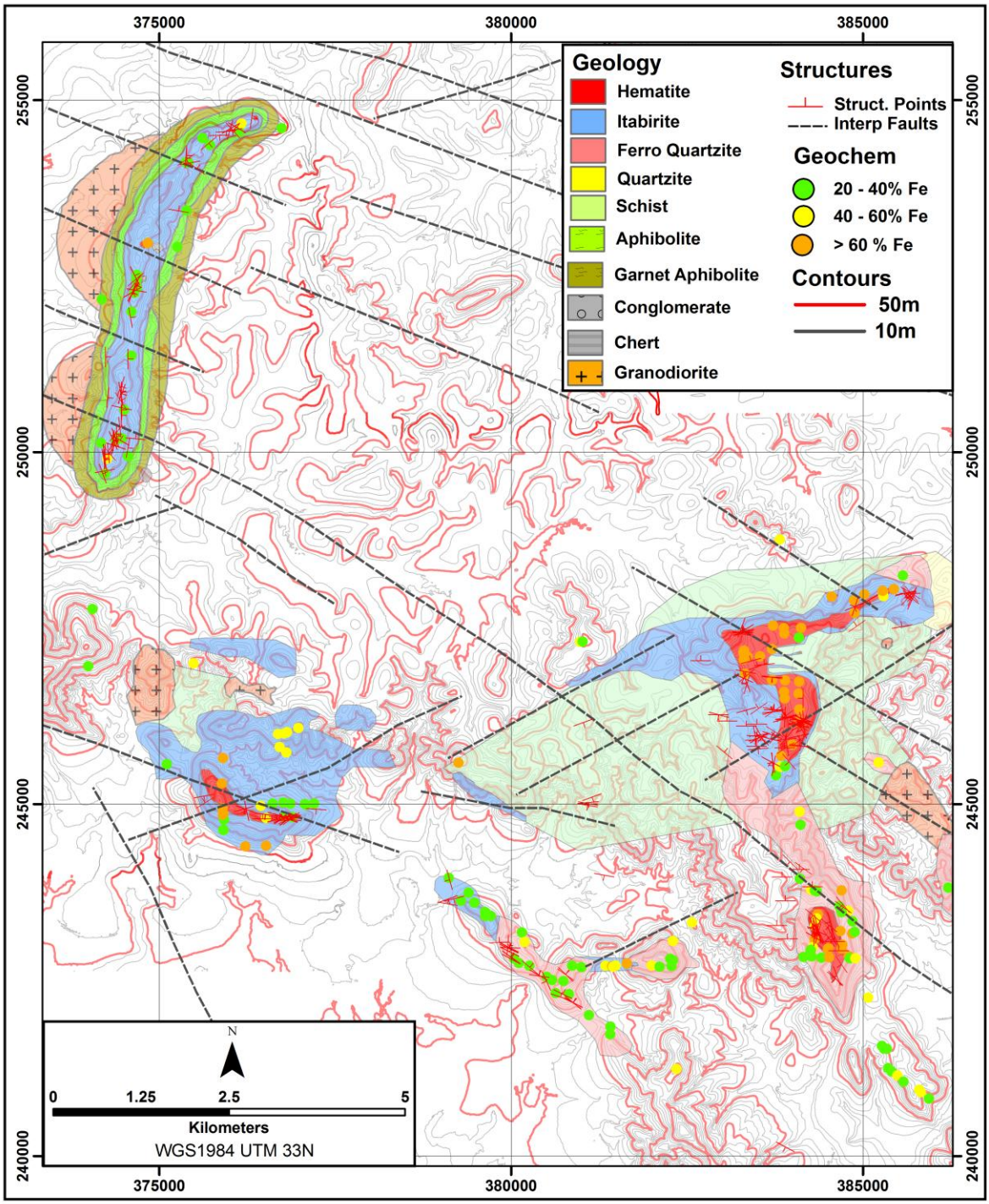

FIGURE 3: TYPICAL SECTIONS OVER THE MBARGA DEPOSIT

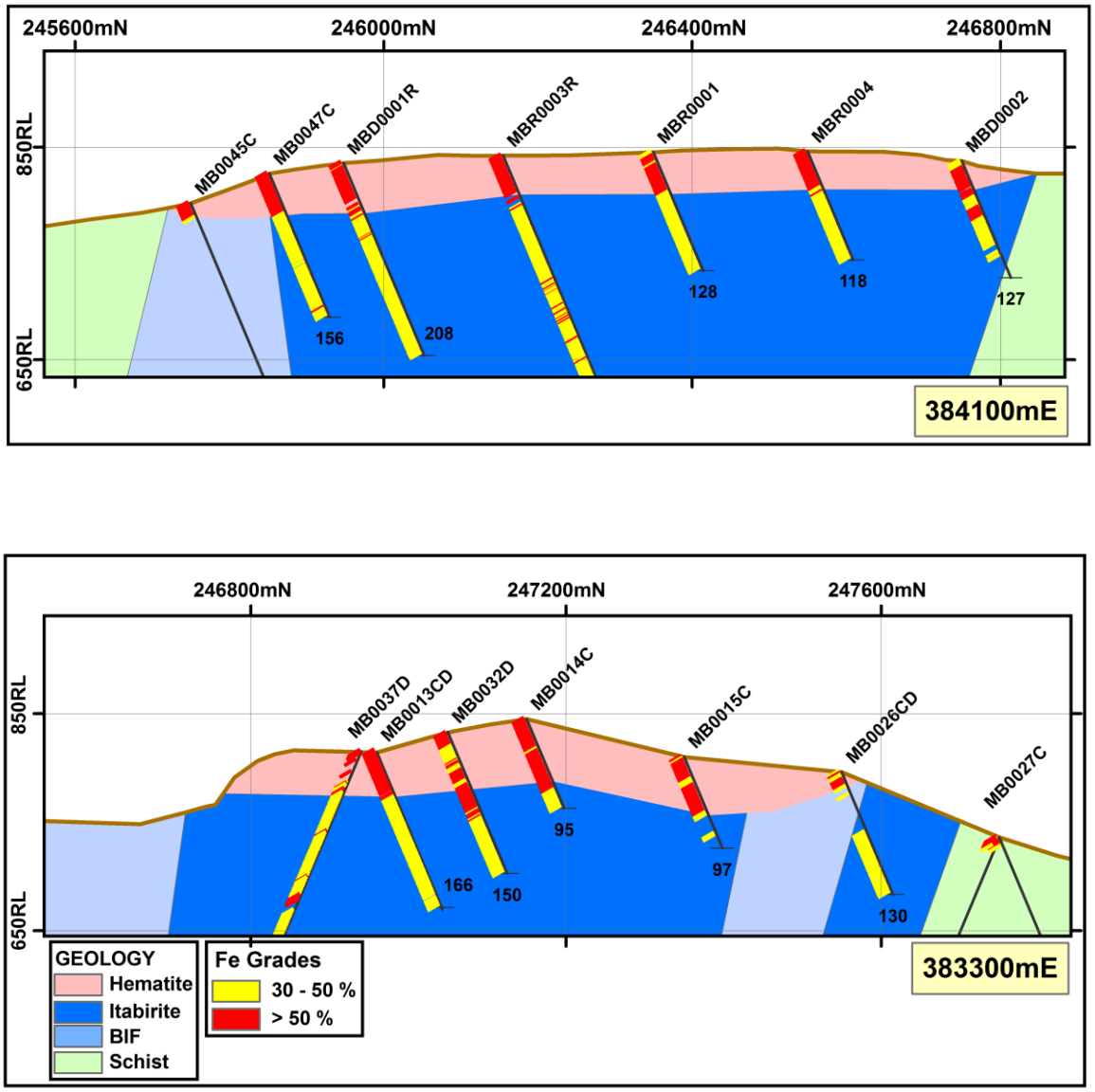

TABLE 1: PARAMETERS USED TO ESTIMATE IDENTIFIED MINERAL RESOURCE

Mbarga and Mbarga South Deposits

Item	Details	Comments
Surveying	Differential GPS	Established survey control by licensed surveyor.
Drilling Techniques	RC and Diamond	5¼" face sampling RC; NQ/HQ diamond.
Downhole Surveying	North Seeking Gyroscope	Surtron being mobilised to site.
Geological Logging	QC Logging Procedures	Field Marshall/acQuire logging system.
Geotechnical/Strutural	Diamond Core Orientated	Geotechnical/structure logging - Field Marshall/acQuire logging system.
Sampling	RC Sub-Sample and Half Core	Multi-tiered splitter; diamond sawing.
Assaying	Niton XRF and XRF	Niton on site; commercial lab in Australia.
Assay QA/QC	Duplicates, Lab Standards	Site specific standards being developed.
Data Spacing	200m x 400m; 2m Sampling	Nominal initial drill hole spacing; infilling proposed.
Density	Site Measurements and Lab Confirmation	Conventional weighed suspended in air and water; pycnometer.
Database Integrity	acQuire Drill Hole Database	Fully validated drill hole database.
Verification of Sampling and Assaying	One (1) twinned RC/DD hole.	Further twinned holes planned.
Auditing	Drilling, Assaying and Database	Independent technical auditors.
Geological Interpretation	Surface Mapping and Drill Holes	Surface mapping used for initial geological framework, modified by drill hole data.
Geological Modelling	3D Surfaces (DTM) and Wireframes	Geological domains based on initial geological mapping and interpretation.
Block Size	25m (X) by 25m (Y) by 5m (Z)	Sub-celled to honour DTM and wireframe shapes.
Interpolation Method	Ordinary Kriging/IDS^2	Supergene Domain - OK and validated by IDS^2 estimate. Itabirite Domain - IDS^2
Search Parameters	Variable by Domain	Search radii and orientation variable, domain and spatially dependent.
Variables Interpolated	Fe, SiO_2, Al_2O_3, P and LOI	Minor and trace elements in future modelling runs.
Nominal Drill Hole Spacing	200m (N) by 400m (E)	Partial infill to 200m (N) x 100m (E).