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ASX Announcement
24 August 2012

Sundance accepts revised Hanlong offer of 45¢ a share

The Board of Sundance Resources Limited ("Sundance" or "the Company") (ASX: SDL) has accepted Hanlong (Africa) Mining Investment Limited's ("Hanlong") proposal to revise the price contained in the Scheme Implementation Agreement ("Revised SIA") for the acquisition of 100 per cent of the Company for A$0.45 per share.

Hanlong's proposal and the Board's decision follows the announcement earlier this month that China's National Development and Reform Commission ("NDRC") had granted provisional approval for Hanlong to acquire Sundance. The receipt of NDRC provisional approval is an essential step towards achieving all necessary Chinese regulatory approvals, which in turn are conditions precedent to completion of the Scheme. In providing its provisional approval, the NDRC stipulated certain conditions including Hanlong paying 'a reasonable acquisition price'.

Sundance Chairman George Jones said the Board had decided to accept Hanlong's proposal, which retains the right for the Company's shareholders to vote and ultimately determine whether the revised price is acceptable, following extensive negotiations with Hanlong and after considering a range of factors.

"The Board believes that the revised offer is worthy of putting to shareholders in light of several key considerations," Mr Jones said. "These include the requirements expressed in the NDRC provisional approval and the change in financial markets since the original agreement was struck in October 2011."

"Given these changed circumstances, the Board also took into account the current Sundance share price, the feedback it has received from shareholders, and the opportunity that the Revised SIA offers for the Company to seek alternative offers whilst protecting against a further reduction in price."

"The Board has reviewed in detail all the courses open to it. The Board has concluded that, from those available choices, a revised Scheme Price which maintains the Revised SIA is currently in the best interests of shareholders."

"Consequently, the Board recommends Hanlong's proposal to revise their offer to A$0.45 per share, in the absence of a superior proposal and subject to a conclusion from the Independent Expert that the Scheme is in the best interests of all shareholders. Under the Revised SIA it is now open to the Board to recommend, without penalty, a superior proposal to Sundance shareholders."

Sundance has also stipulated, and Hanlong has agreed, to a number of amendments in the Revised SIA the purpose of which is to provide a greater level of certainty to shareholders that Hanlong will be able to fulfill its obligations and complete the Scheme by the end of the 2012 calendar year.

These include:

- Following discussions with NDRC and CDB, Hanlong has warranted to Sundance that the revised Scheme Price of A$0.45 per share is a "reasonable acquisition price" for NDRC and CDB purposes.

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- Hanlong committing to payment of a break fee equal to 1 per cent of the transaction value (approximately $14 million) in the event that Hanlong seeks to further reduce the Scheme Price and, as a result, Sundance terminates the Revised SIA. Sichuan Hanlong has provided a parent guarantee in respect of Hanlong's break fee obligations.
- All exclusivity provisions have been removed.
- Hanlong, after consultation with CDB, has confirmed that it is confident that a final decision by CDB as to whether to proceed with a facility to Hanlong can made in time to meet a completion date by the end of 2012.

All regulatory approvals, including final NDRC approval, the sign-off of the Mbalam Convention agreed terms by the Cameroon Head of Government, and the issuing of the Congo Mining Permit, will be required by the second court date (approximately 4 December 2012).

The Scheme is now expected to be completed by mid-December 2012.

ENDS

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