SUNDANCE RESOURCES

Developing a global iron ore business

SUNDANCE RESOURCES LTD

ABN 19 055 719 394

September 2010 Quarterly Report

Wednesday, 27 October 2010

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QUARTERLY ACTIVITIES REPORT
For the period ended 30 September 2010

HIGHLIGHTS

- New Board led by senior mining executive George Jones formally appointed at an EGM on 16 August 2010 and senior resources executive Giulio Casello subsequently appointed as Managing Director and CEO, effective from 8 November 2010.
- Reconstitution of the Sundance Board completed with the additional appointment of experienced mining executive Robin Marshall as an independent non-executive Director and the resignation of Adam Rankine-Wilson after providing invaluable support following the tragic events of earlier this year.
- Substantial increase in the Company's market capitalisation from ~$300 million to approximately ~$800 million following the resumption of trading on 19 July 2010.
- Landmark MOU's signed with China Rail Construction Corporation (CRCC) and China Harbour Engineering Company (CHEC) to establish scope, cost and programme for the development of key Rail and Port Infrastructure to support the Mbalam Project.
- Significant increase in interest from potential Strategic Partners and infrastructure providers during the Quarter, with resource and technical visits being undertaken with several of the world's leading steel mills.
- Substantial progress with the Mbalam Project Definitive Feasibility Study ("DFS") with the completion of rail engineering and resource drilling in Cameroon.
- Four drilling rigs currently on site and all now working at the Nabeba Deposit in the Congo to complete resource definition and geotechnical requirements for the DFS.
- Negotiations commenced in early September with the Cameroon Government to finalise the Mbalam Convention to underpin development of the Mbalam Project.
- Current objective to achieve Mbalam Project Approval and commencement in 2011 following delivery of the DFS and completion of relevant foundation agreements, including Project financing during 2011.
- New independent research reports completed on Sundance Resources with target prices in the range of $0.60-$0.72.
- Cash reserves of ~A$61 million at end of September 2010.

OVERVIEW

The September 2010 Quarter was a pivotal period for Sundance Resources Limited (ASX: SDL – "Sundance" or "the Company") with the Company achieving significant progress on a number of fronts following the reconstitution of its Board and senior management team after the tragic events of June 2010 and re-listing on the Australian Securities Exchange on 19 July 2010.

This together with a number of other important developments has ensured that the Company remains on track to progress the financing and development of its flagship asset, the Mbalam Iron Ore Project in West Africa. The Company's objective is to achieve Mbalam Project Approval and commencement in 2011 following delivery of the DFS and completion of relevant foundation agreements, including Project financing during 2011.

The appointment of the new Board, led by prominent mining industry executive Mr George Jones as Chairman was formally approved by shareholders on 16 August 2010, with the Company subsequently announcing the appointment of highly experienced resources executive Mr Giulio Casello as the Company's new Managing Director, effective from 8 November 2010. Other key roles within the organisation were also filled during the Quarter, including the positions of Company Secretary, Assistant Company Secretary and Investor Relations Manager.

The new Board and senior management will lead the push to complete foundation agreements covering finance, off-take, infrastructure development and strategic partnerships for the Mbalam Project over the next few months, building on the work of the former Board and members of the senior management who were tragically lost in the air-crash in June.

Significant progress has already been achieved in terms of the infrastructure development during the Quarter with the signing of two key Memorandums of Understanding (MOU's) with two of China's largest and successful construction and infrastructure groups to establish scope, cost and programmes to deliver the Rail and Port infrastructure required to support 35Mtpa of iron ore production from the Mbalam Project.

These developments, combined with continued progress with the Definitive Feasibility Study (including the resumption of drilling operations and other engineering and development studies), productive negotiations with the Cameroon Government for the Mbalam Project Convention, and discussions with potential strategic partners provided the foundations for a substantial increase in the Company's market capitalisation during the Quarter.

Since Sundance shares resumed trading on the Australian Securities Exchange on 19 July 2010, the Company's market capitalisation has more than doubled from around $300 million to approximately $800 million at the time of this report. This substantial increase in market value has been further reinforced by the release of several positive independent stockbroking reports on the Company which have set target prices in the range of $0.60-0.72.

The Company is aiming to build on this market momentum during the December Quarter with the following key objectives:

- To complete the Definitive Feasibility Study before the end of the first Quarter of 2011;
- To continue to progress discussions and negotiations with the objective of having all foundation agreements and Government approvals required for development of the Mbalam Project in place by no later than March 2011; and
- To progress discussions with Strategic Partners with a view to securing all required financing, infrastructure development and off-take agreements for Project development.

PROJECT DEVELOPMENT ACTIVITIES

The Sundance Iron Ore Project is based on Exploration Permit 92 ("EP92"), located in the East Province of the Republic of Cameroon, and Mining Research Permits MRP362 and MRP363, located in the Sangha Province of the Republic of Congo (*see Figures 1 and 2*).

EP92 is owned by Cam Iron SA, a company incorporated in the Republic of Cameroon. Cam Iron SA is a 90%-owned subsidiary of Sundance Resources Ltd ("Sundance" or "the Company"). MRP362 and MRP363 are owned by Congo Iron SA, a company incorporated in the Republic of Congo. Congo Iron SA is an 85% owned subsidiary of Sundance.

Sundance commenced a Definitive Feasibility Study ("DFS") of the Mbalam Iron Ore Project in January 2010, based on a capital raising completed by the Company in late 2009. While the DFS is well advanced, it is now expected to be completed prior to the end of the first Quarter of 2011. This is due to delays in resource drilling following the stoppage in June/July 2010 and increased volumes of metallurgical testwork required to complete the Study.

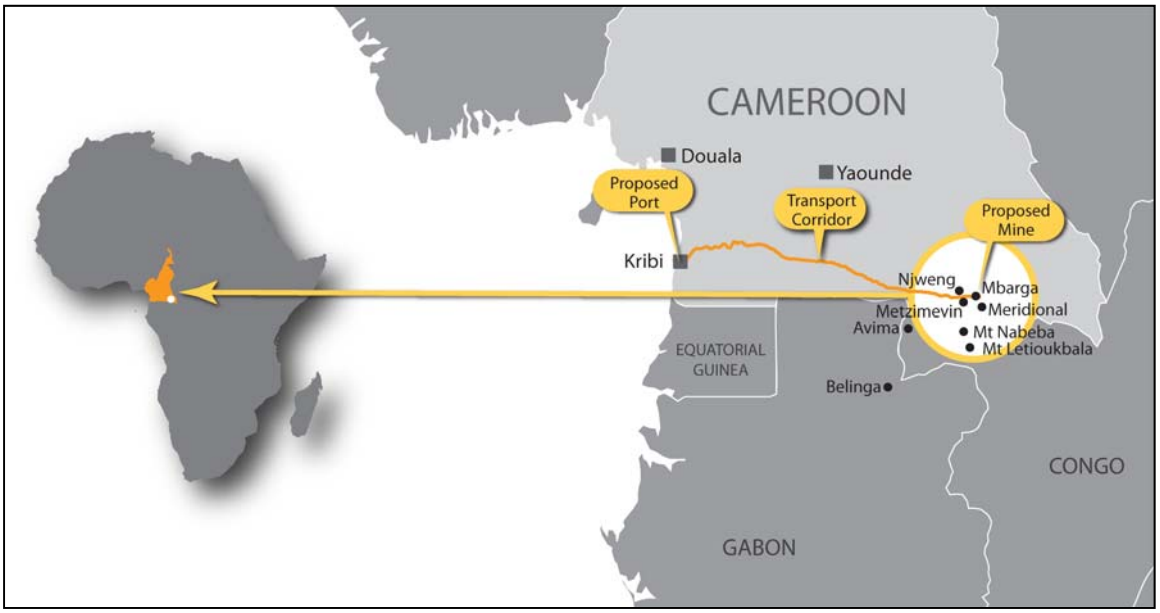

Figure 1: Location of the Mbalam Iron Ore Project

EXPLORATION AND RESOURCE DEFINITION

Exploration during the September 2010 Quarter concentrated on resource definition and metallurgical testwork drilling in Cameroon and Congo. Key activities included:

- in-fill resource definition drilling at the Nabeba Deposit in the Republic of Congo, which was the priority activity carried out during the period;
- completion of diamond drilling on the Mbarga Deposit to collect core samples for metallurgical testwork and process design; and
- receipt of approval received for an extension of the EP92 exploration permit for a further two-year period from 29 September 2010 to 28 September 2012.

Figure 2 below shows the location of the key deposits on the Company's landholdings in the Republic of Cameroon and the Republic of Congo:

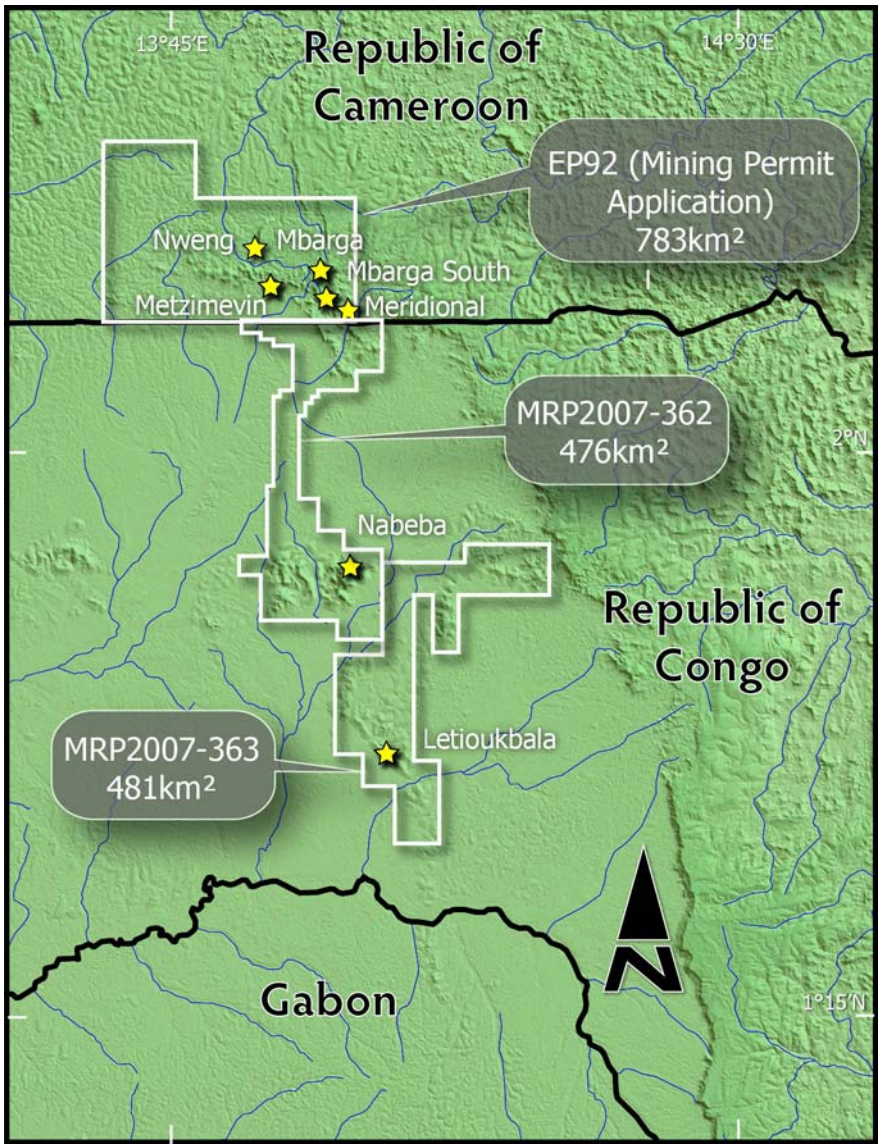

Figure 2: Exploration Permits controlled by Sundance and Location of Key Deposits

The principal objective of the Company's 2010 exploration program was to deliver the overall Project Exploration Target for High Grade Hematite of 315 to 465 million tonnes at 55% to 65% Fe (including the existing 215 million tonne JORC-Code compliant Mineral Resource defined on EP92) (*see Table 1*).

Deposit	Category	Tonnage (Million Tonnes)	Grade (Fe %)
Mbarga/South Mbarga/ Metzimevin	Indicated and Inferred Resource	215.2 Mt	60.2%
Nabeba Deposit	Inferred Resource	200.2 Mt	63.1%
TOTAL PROJECT	**Indicated and Inferred Resources**	**415 Mt**	**61.6%**

Table 1: Reported JORC-Code Compliant Resources for High Grade Hematite

Following the Company's ASX Announcement of 2 June 2010 of the maiden high-grade JORC-Code compliant resource at Nabeba of 200.2Mt @ 63.1% Fe, the high-grade resource inventory for the Mbalam Project is now within the original target range.

The Company has commissioned four drill rigs on site – all of which are fully operational and focused on completing Feasibility Study objectives.

Figure 3: Drilling at the Nabeba Deposit in June 2010

Results from Drilling on MRP362, Republic of Congo

Drilling results and geological modelling have upgraded the Nabeba Deposit from an Exploration Target to a maiden JORC-Code compliant Inferred Resource. Modelling has estimated an Inferred Resource of 200.2 million tonnes at 63.1% Fe over the Nabeba North Ridge. The Company is currently reinterpreting and re-modelling the Nabeba data internally as results are received, with a view to releasing updated JORC-compliant resources in the December 2010 Quarter.

A total of 147 holes have now been completed at Nabeba since start of drilling in January 2010 for a total of 13,855 metres drilled, comprising 26 diamond core holes, two RC diamond holes and 119 RC holes. The drill hole locations are shown below in Figure 4 below:

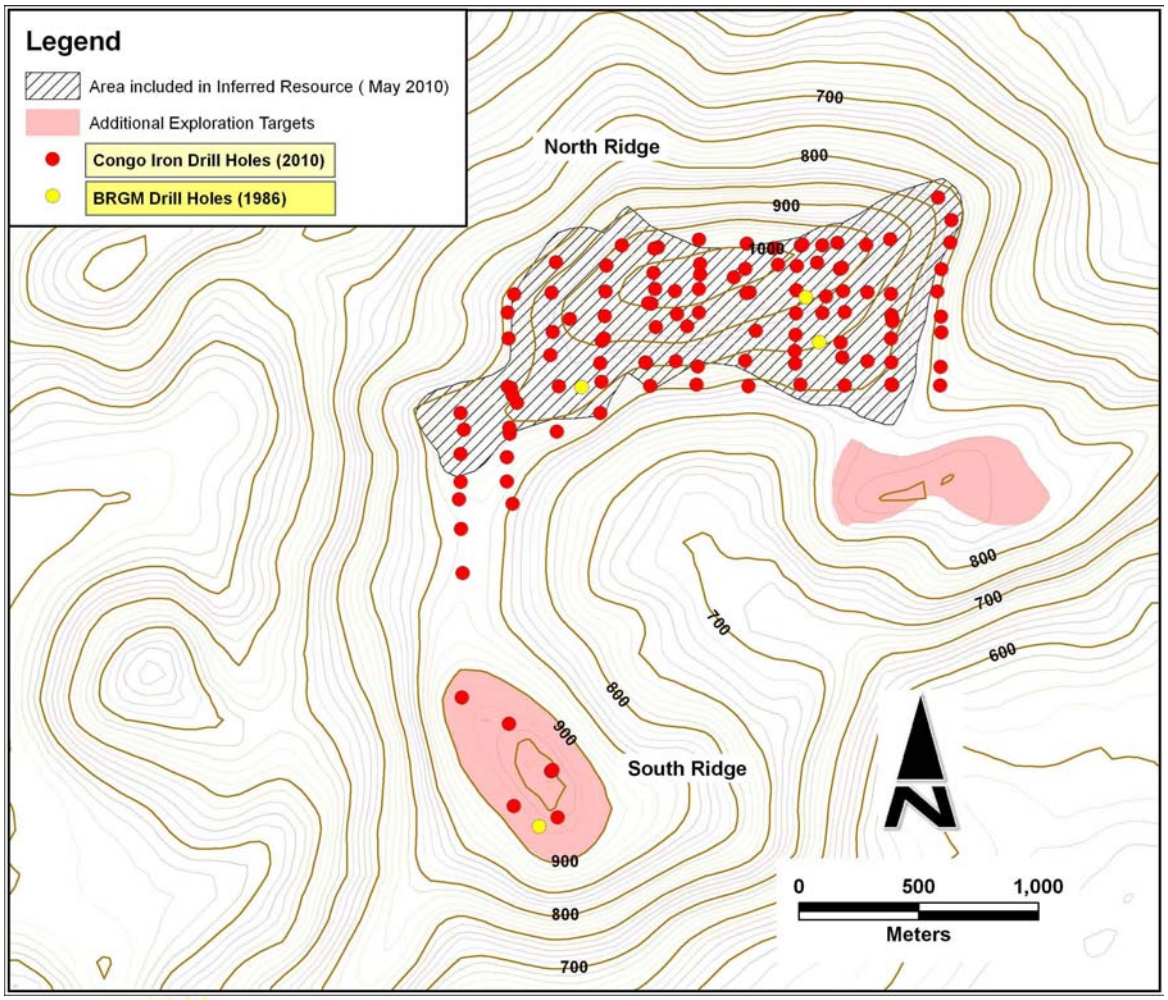

Figure 4: Drillhole Location Plan, Nabeba Deposit (including 4 drill holes reported by BRGM, 1986)

Drilling results to date have revealed a significant depth of High Grade Hematite over a 1-2 km strike length on the northern ridge of the Deposit as shown in Figure 5. The Fe grades are in excess of 60% in most of the significant intersections. Drilling has not yet tested the quality of the underlying Itabirite at Nabeba as the priority remains to deliver the High Grade resource and metallurgical samples at the earliest possible time to enable the Definitive Feasibility Study to be completed.

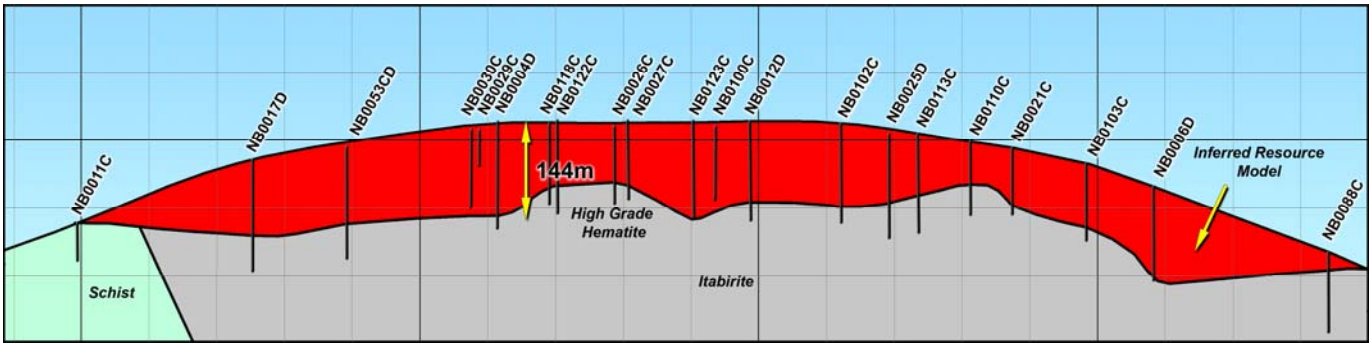

Figure 5: Oblique Section through Nabeba looking north-west showing thickness of up to 144 m of high grade hematite

Results from Drilling on EP92, Republic of Cameroon

A total of 46 diamond drill holes (predominantly PQ diameter) have been drilled at the Mbarga Deposit as part of the 2010 exploration program to:

a) collect High Grade Hematite core samples for metallurgical testing; and

b) advance Resource Definition at the eastern extent of the Mbarga Deposit.

This drilling progam is now complete at Mbarga for the remainder of 2010.

A total of 3,330 metres has been drilled at Mbarga with selected core samples from these holes transported to Australia for metallurgical testing.

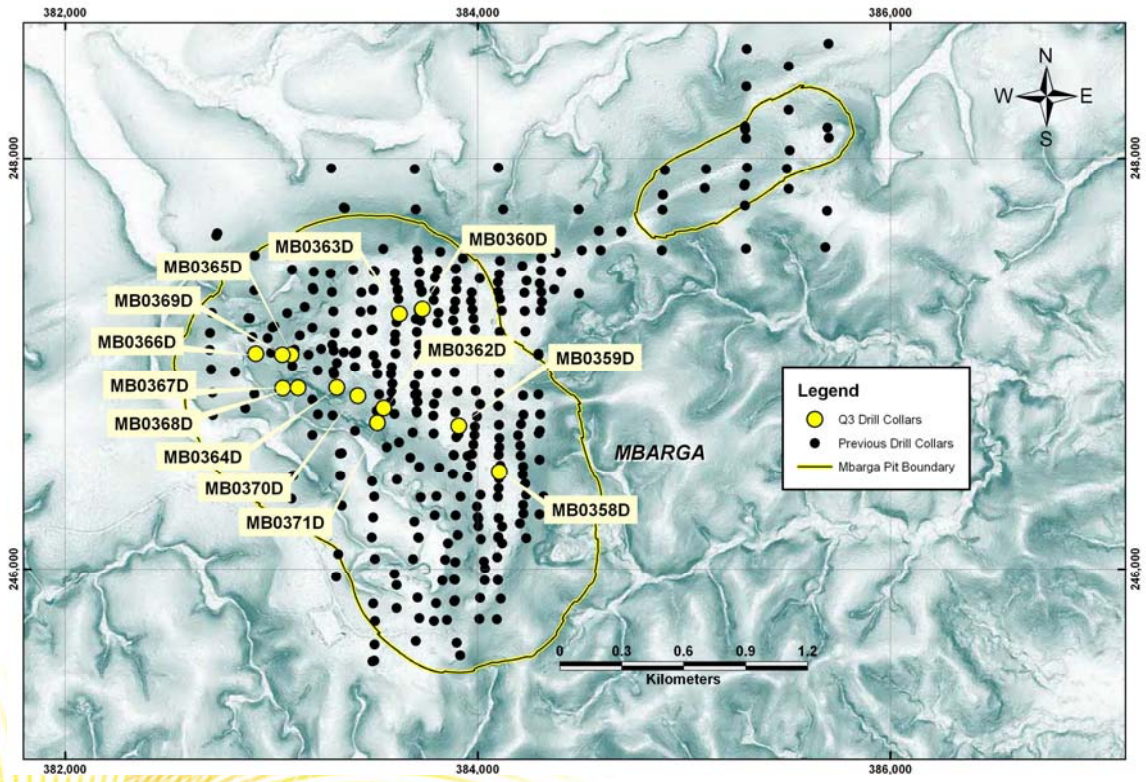

Figure 6: Location of holes drilled on the Mbarga Deposit in the 2010 exploration program, together with the location of holes previously drilled up to the end of 2009

Where drill core has been available, Field Niton XRF analysis from drilling on EP92 as part of the 2010 exploration program has indicated the presence of significant intersections of High Grade Hematite which are comparable to previous results from the Mbarga Deposit.

The Niton instrument provides reasonable accuracy with respect to Fe grades and has been calibrated from previous drill results collected on site. However, all samples must be sent off site for full quantitative analysis ahead of interpretation and resource modelling.

At the South Mbarga deposit, a further 20 holes have been completed as part of the 2010 exploration program to advance resource definition, comprising 8 diamond core holes and 12 RC holes. The drill hole locations are shown below in Figure 7.

The Company is currently re-interpreting the data from South Mbarga with the objective of converting the majority of the current Inferred Resource to Indicated status in the December 2010 Quarter.

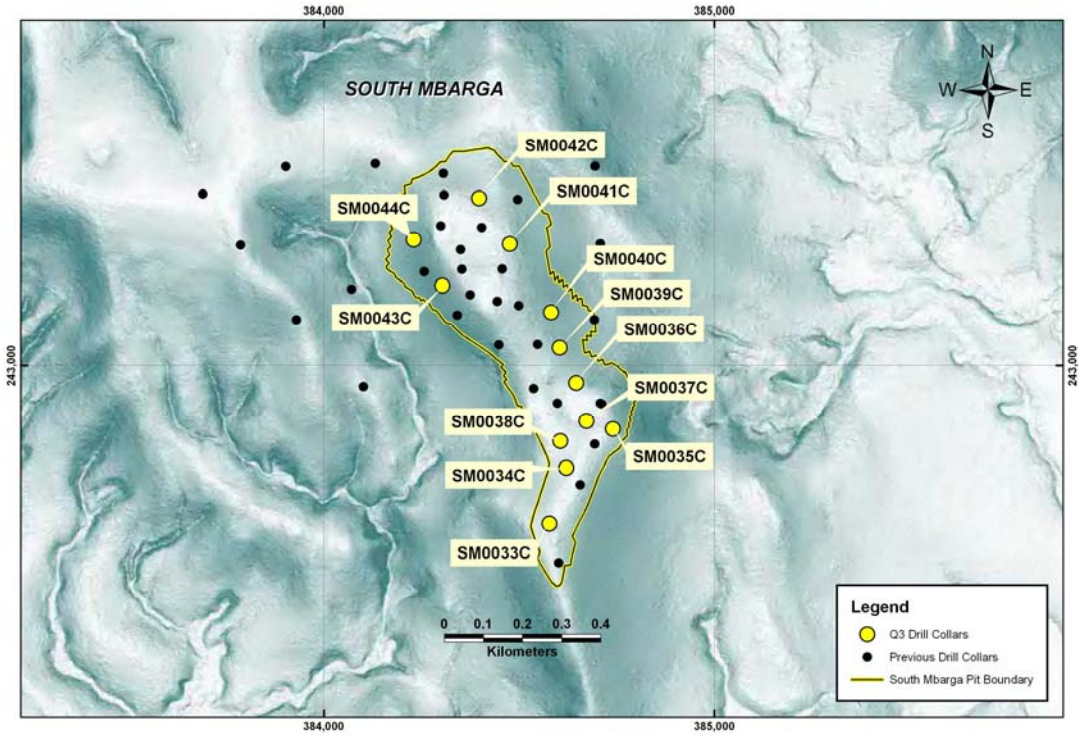

Figure 7: Location of drill holes completed on the South Mbarga deposit

Application for EP92 Extension

The application for a further two-year extension of exploration permit EP92 was approved during the Quarter. The extension period is from 29 September 2010 to 28 September 2012.

Current Resource Inventory

The JORC-Code compliant Indicated and Inferred Mineral Resources for the Project has remained unchanged during the reporting period. These Mineral Resources are summarised below in Tables 2 and 3.

High Grade Hematite Resource

The JORC-Code compliant near-surface High Grade Hematite resource is estimated to contain a total of 415.4 million tonnes hematite at 61.6% Fe (*see Table 2*).

The addition of the Nabeba Deposit Inferred Resource has delivered an additional 200.2 million tonnes of High Grade Hematite at 63.1% Fe.

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Nabeba	Inferred	200.2	63.1	2.5	3.4	0.09	3.2
Mbarga	Indicated	168.7	60.5	9.5	2.1	0.08	1.4
	Inferred	10.4	57.5	13.0	2.7	0.06	1.6
Mbarga South	Inferred	21.8	58.8	9.4	3.0	0.06	2.9
Metzimevin	Inferred	14.3	61.8	10.3	3.6	0.09	1.8
Total Indicated & Inferred Resource		**415.4**	**61.6**	**6.3**	**2.8**	**0.08**	**2.4**

Table 2 – Summary of Indicated and Inferred Resources of High-Grade Hematite

All resources at the Mbarga South and Metzimevin Deposits are classified as Inferred because of the density of drilling to date. Regional mapping and geophysical interpretation is continuing to generate potential High Grade Hematite targets for future drilling.

Itabirite Hematite Resource

The JORC-Code compliant Itabirite Hematite Resource at the Mbarga Deposit remains unchanged and is estimated to contain a total of 2,325 million tonnes of Itabirite at an average grade of 38.0% Fe (*see Table 3*).

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga	Indicated	1,431	38.0	44.5	0.44	0.04	0.32
	Inferred	894	38.0	44.1	0.54	0.05	0.43
Total Indicated & Inferred Resource		**2,325**	**38.0**	**44.4**	**0.48**	**0.04**	**0.36**

Table 3 – Summary of Indicated and Inferred Resources of Itabirite Hematite

The Indicated Resource of Itabirite Hematite at Mbarga is already sufficient to provide the beneficiation feed required for proposed production of high quality Direct Reduction grade and Blast Furnace grade iron concentrate during the first 25 years of Project operations (including initial production of High Grade DSO-quality product). No further exploration is planned in the short term to increase the Itabirite Resource tonnage.

DEFINITIVE FEASIBILITY STUDY

During the September Quarter, work continued on the Definitive Feasibility Study across all areas of the Mbalam Project including mine, process plant, rail and port. Key highlights for the Quarter included:

- continuation of the metallurgical testwork program including transport and preparation of core samples from Cameroon;
- rail consultant delivered draft feasibility study for the rail portion of the Project;
- port marine consultant substantially completed the engineering design for the port;
- continued evaluation of blending and product quality strategies by mine consultants based on updated metallurgical testwork;
- completion of consultant work scopes for mine design, port design, shipping analysis and operations modelling;
- preparation of operating and implementation strategies for the Project commenced; and
- preparation of EPC Contracts for delivery of port and rail infrastructure commenced.

The Project development strategy provides for production of a DSO-quality sinter fines product for the first 10 years of Project operations based on blending of material sourced from the Mbarga, Mbarga South, Metzimevin and Nabeba deposits.

This strategy is aimed at achieving export of the highest margin product during the term of financing of Project infrastructure. Longer term production will then be based on beneficiation of the Itabirite Hematite from the Mbarga Deposit to produce both Blast Furnace and Direct Reduction grade pellet feed concentrates.

The DFS is well advanced and will be substantially completed by early 2011, with final reporting scheduled to occur before the end of the first Quarter of 2011. This revised timetable is due to delays in resource drilling due to the stoppage in June/July and increased metallurgical testwork.

Environmental and Social Assessment (ESA) and Land Tenure

Cameroon

CamIron received a Certificate of Environmental Conformity from the Ministry of Environment and Nature Protection (MINEP) on 25 June 2010. The issue of this Certificate constituted unconditional environmental approval for the Project allowing a Mining Permit Application to proceed but was accompanied by a request from MINEP to upgrade the ESA documentation prior to the commencement of operations.

The process of ESA upgrade commenced during the Quarter with the collection of additional data, inclusion of final engineering design and inclusion of detailed Project implementation plans. The upgrade and submission to MINEP of the ESA documentation will be completed during the December Quarter.

The Declaration of Public Utility allowing the acquisition of Project land did not occur during the Quarter as expected. However, significant engagement did occur with MINDAF and additional information was provided.

The Declaration will authorise the compulsory acquisition of Project land into the private land of the State by MINDAF following completion of a compensation and resettlement program. This land will then be leased to CamIron for the purposes of constructing and operating Project infrastructure. The process is expected to be completed in the first Quarter of 2011. CamIron continued negotiations with the Steering Committee for the government multi-user port for allocation of required Project land at the port site.

Congo

The Terms of Reference for the Congo Environmental and Social Assessment were completed and submitted to the Congo Environment Ministry in August. These terms of reference have been approved by the Congo Environment Ministry in early October authorising the commencement of the baseline study and consultation program that was planned during the Quarter.

This study program is expected to be completed during the December Quarter enabling completion and submission of the Congo ESA documentation to the Environment Ministry. Under the current project plan, the ESA approval in Congo is expected by the end of the first Quarter of 2011.

STRATEGIC ACTIVITIES

Strategic Partners and EPC Contractors

The level of interest in the Mbalam Project from potential Strategic Partners and infrastructure providers increased significantly during the Quarter. Commercial discussions with several international steel mills have commenced together with site tours to Cameroon and Congo planned for the December 2010 Quarter.

The signing of Memorandums of Understanding (MOU's) with CRCC China-Africa Construction Limited ("CAC") and China Harbour Engineering Company Ltd ("CHEC''), as outlined below, provides further strong evidence of support for the Mbalam Project.

The Company is pleased with progress achieved in recent months and is confident of successfully concluding arrangements for the introduction of strategic partner(s) to the Project within the next few months, providing the foundation for project financing and construction to proceed next year.

MOU on Rail Development

On 7 September 2010, Sundance entered into a Memorandum of Understanding with - CAC to establish the scope, cost and delivery program for the railway track and rolling stock needed to support the Mbalam Project.

CAC is a subsidiary of CRCC, the second largest State-owned construction enterprise in the People's Republic of China and is engaged in the businesses of construction contracting, surveying, design, consultation and logistics. It is currently China's largest construction contractor and is dual-listed on both the Hong Kong and Shanghai stock exchanges. CRCC is one of the largest multiple construction companies in the world, currently listed among the top 500 enterprises worldwide with over 200 projects in 35 countries, many of them in Africa.

The MOU commits the Parties to work together to establish:

- *Scope, cost and programme for delivery of track and rolling stock sufficient to support planned output of 35Mtpa of iron ore from Sundance's proposed Cameroon and Congo Mines ("Mine Rail Project"); and*
- *Terms of EPC Contract under which CAC would deliver the Mine Rail Project.*

At the conclusion of that work the Parties may enter into a Delivery Contract for the Mine Rail Project. Neither Party is bound to enter into the Delivery Contract if it is not prudent to do so.

The MOU recognizes that the Mine Rail Project will be integral with the Mine Project itself and the Lolabe Port Development Project. The MOU also recognizes that the Rail, Mine and Port Projects are subject to a range of conditions precedent including government approvals, funding and title requirements for the rail corridor and other assets.

MOU on Port Development

Sundance signed a second MOU with CHEC to establish the scope, cost and delivery programme for the proposed bulk materials port at Lolabe in Cameroon to support development of the Mbalam Project.

CHEC is a world renowned international contractor. It is a subsidiary of China Communications Construction Company Limited ("CCCC"). CHEC has 31 overseas branches and offices.

The MOU commits the Parties to work together to establish:

- *Scope, cost and programme for delivery of the Lolabe Port Project sufficient to support planned output of 35Mtpa. of iron ore from Sundance's proposed Cameroon and Congo Mines ("Port Project"); and*

- *Terms of an EPC Contract under which CHEC would deliver the Port Project.*

At the conclusion of that work the Parties may enter into a Delivery Contract for the Port Project. Neither Party is bound to enter into the Delivery Contract if it is not prudent to do so.

The MOU recognizes that the Lolabe Port Project will be integral with the Mine Project itself and the Mine Rail Project. The MOU also recognizes that the Port, Rail and Mine Projects are subject to a range of conditions precedent including government approvals, funding and title requirements for the rail corridor and other assets.

Cameroon Government

Following the submission of the Mbalam Convention to the Republic of Cameroon, negotiations commenced on 6 September 2010 with a negotiating team appointed by the Minister of Mines under direction from the Prime Minister. These negotiations are focussed on the conclusion of the development terms for the Project including fiscal, tax, land, labour, Government equity and legal structure to cover the mining, rail, processing and shipment of 35 million tonnes per year.

These negotiations will continue into the December 2010 Quarter with the objective of finalising fiscal and development terms before the end of 2010.

Congo Government

Following the submission of the draft convention in Cameroon, meetings were held with the Congolese Ministry of Mines on the process for negotiation of the development terms in Congo. A draft of the Nabeba Convention is currently being finalised and initial discussions on the process for negotiating the required agreements in Congo have taken place.

CORPORATE

Appointment of Directors and Business Continuity

At an Extraordinary General Meeting held on 16 August 2010, shareholders approved the appointments of Chairman George Jones and non-executive Directors Michael Blakiston, Fiona Harris, Adam Rankine-Wilson and Barry Eldridge to the Sundance Board.

On 4 October 2010, the Company announced the appointment of experienced mining executive Mr Robin Marshall to the Board as an independent non-executive Director. Mr Marshall, a former Project Director for Vale Inco at its world-class Goro Nickel Project and Vice President – Asset Development Projects for BHP Iron Ore, brings additional technical expertise to the Board in the key areas of mining and project development.

On 8 October 2010, the Company announced the appointment of leading Australian mining executive Mr Giulio Casello as its Managing Director and Chief Executive Officer, effectively completing the reconstitution of the Board and senior management team following the tragic air-crash in June this year. Mr Casello, a highly regarded executive who joins Sundance from a senior position with Western Australian iron ore producer Sinosteel Midwest Corporation, will take up his new position on 8 November 2010.

At the same time as this announcement, Mr Adam Rankine-Wilson, advised of his intention to resign as a Director, effective 14 October 2010. Mr Rankine-Wilson remains a significant shareholder in Sundance.

The Company extends its sincere thanks and appreciation to Mr Rankine-Wilson who, together with other members of the WA business community, came to the support of Sundance immediately following the airline tragedy of 19 June 2010.

Acting CEO Mr Peter Canterbury will resume his role as Chief Financial Officer, having provided strong leadership to the Company during the difficult transition period following the tragic events of 19 June 2010, which resulted in the loss of the entire Board and key members of the Company's management team.

Other key appointments were finalised during the Quarter, including the positions of Company Secretary, Assistant Company Secretary and Investor Relations Manager.

Shareholder Information

As at 30 September 2010, the Company had 19,944 shareholders and 2,709,995,932 ordinary fully paid shares on issue with the top 20 shareholders holding 52% of the total issued capital.

Cash Assets

The Company's cash balance at 30 September 2010 was $60.6 million. These funds will be used to complete the Definitive Feasibility Study of the Mbalam Iron Ore Project and associated Resource and Reserve Definition drilling and testwork.

Expenditure

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

PETER CANTERBURY
Acting Chief Executive Officer

About Sundance Resources Limited

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo in central west Africa. Sundance has commenced Definitive Feasibility Study on its Mbalam Iron Ore Project as the basis for developing a global iron ore business.

Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Project and nearby projects in Congo and Gabon.

WA-based Sundance has been listed on the Australian Stock Exchange since 1993 and is also traded on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.

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.

Resources reported on Exploration Permit 92, Cameroon (Mbarga, South Mbarga and Metzimevin Deposits)

The estimated quantity and grade of DSO 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 the Mbarga Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarga, Mbarga South 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. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <10% Al203; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarga South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value is used for the Mbarga Itabirite hematite.

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 20m x 10m x 10m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.

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.

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 4t/m3 depending on the iron grade. A density of 3.6t/m3 has been used for the majority of the near-surface High Grade Hematite and a value of 2.6 t/m3 applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.

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 Research Permit 362, Congo (Nabeba North Ridge Deposit)

The estimated quantity and grade of near surface, high grade mineralisation for the Inferred Resource has been restricted to an area currently covered by drilling on predominately a 200m x 200m pattern on the northern ridge of the horseshoe-shaped Nabeba Deposit. Sundance has completed 38 holes at Nabeba for a total of 3,400m of which 40% has been PQ/HQ core and 60% RC (Reverse circulation) drilling with face-sampling hammers.

The geological model is represented by an area approximately 2.5km (east-west) x 1km (north-south). Grade has been estimated by IDS method (inverse-distance squared) 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, analytical results for 32 of the 38 holes had been received of which 62% were full XRF analyses from Ultratrace Laboratories (Perth, Western Australia) and the remaining 38% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.

A digital terrain surface (based on a recent aeromagnetic survey) 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. Collar surveys used handheld GPS surveying. A global density of 2.65t/m3 has been used for all of the near-surface High Grade Hematite based on results from an assessment of physical density measurements of current drill core.

At this stage of assessment 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.