SUNDANCE RESOURCES

Developing a global iron ore business

3rd September 2008 **ASX/MEDIA RELEASE**

SUNDANCE INCREASES DSO INFERRED RESOURCE AT MBALAM TO 223MT

Priority Targets Identified to Underpin Exploration Target of 300Mt of DSO Hematite

International iron ore company Sundance Resources Limited (ASX: **SDL** – "Sundance") is pleased to announce a further increase in the JORC-Code compliant **Inferred Mineral Resource of DSO quality hematite** to **222.6 million tonnes at an average grade of 61.6% Fe** at its 90%-owned Mbalam Iron Ore Project in Cameroon, West Africa.

The updated DSO Mineral Resource inventory for the Mbarga and Mbarga South Deposits is summarised below. The update, which increases both tonnage and Fe grade compared with the previous resource announced on 21 July 2008, is based on assay data received from a total of 224 holes, including 20 diamond core holes, for a total of 47,700 metres drilled.

Deposit	Million Tonnes	Fe (%)	SiO_2 (%)	$A1_2O_3$ (%)	P (%)	LOI (%)
Mbarga	**198.3**	**61.9**	**9.1**	**2.7**	**0.08**	**2.0**
Mbarga South	**24.3**	**58.8**	**9.4**	**3.0**	**0.06**	**2.9**
TOTAL	**222.6**	**61.6**	**9.2**	**2.7**	**0.08**	**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 drilling density of 100 to 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

The latest mine pit modelling of the Mbarga Deposit has confirmed the low strip ratio for the DSO resource (approximately 0.2:1) with over 95% of the DSO resource included within the modelled mine pit shell.

The Company's Exploration Target for DSO quality hematite at the Mbalam Project is 300 million tonnes. Sundance's exploration team has identified **three priority targets** with the potential to deliver the additional tonnages required meet this objective, namely:

- **Metzimevin Prospect** – Drilling commenced in August 2008. The United Nations Development Program (UNDP) previously reported a non-JORC-Code compliant tonnage estimate of up to 35 million tonnes of +60% Fe hematite for this prospect based on drilling within outcrop of hematite extending over a 600 metre strike length.

To date, the Company has completed four Reverse Circulation (RC) drill holes at the eastern end of the Metzimevin Prospect with supergene material intersected in each hole at up to 40 metres drill depth from surface. No assay data are yet available from this drilling. The Company has defined an **Exploration Target of 20 to 40 million tonnes** of high Fe grade mineralisation for the Metzimevin Prospect.

- **Western Flank of the Mbarga Deposit** – Drilling has continued throughout August to test high Fe grade hematite mineralisation identified at depth in July this year. The Company has previously announced an **Exploration Target of 40 to 60 million tonnes hematite grading 55-60% Fe** within this zone of the Mbarga Deposit. The most significant intersection reported from recent drilling in this area is from diamond drill hole 114D which included **122m at 62.15%** Fe from surface and **25m at 61.5%** Fe from 150m.

- **Meridional Prospect** – Recent exploration mapping has identified new outcrop of +60% Fe material (based on handheld Niton XRF analysis of selected outcrop samples). Access is currently being established to the Meridional Prospect, with drilling expected to commence early next year.

Commenting on the announcement, Sundance's CEO, Don Lewis, said: "The increase in our JORC-Code compliant Mineral Resource inventory to 223 million tonnes of DSO quality hematite marks the third successive upgrade in our DSO resources at Mbalam since our first announcement this year of an Exploration Target of 80 to 140 million tonnes of DSO at the Mbarga Deposit.

"This upgrade represents another significant step in our broader development plan for the Mbalam Iron Ore Project, where exploration is continuing to build the DSO resources required for start-up operations. Our immediate objective of defining 300 million tonnes of DSO quality resources is now within sight," he said.

"The Mbarga Deposit, which is the first prospect within EP92 which has been drill tested to any extent in our exploration program to date, is a world-scale asset with Inferred Resources of 223 million tonnes of DSO quality hematite and 1,200 million tonnes of itabirite hematite already confirmed," Mr Lewis continued. "The additional exploration targets identified at Mbarga and at the Metzimevin and Meridional prospects reinforce our expectation to further increase the tonnage of both DSO and itabirite mineralisation on EP92. We will shortly provide an update on latest drilling results for the Mbarga itabirite."

ENDS

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About Sundance Resources Limited

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon, on the central west coast of Africa. Sundance has commenced feasibility study on its 90%-owned **Mbalam Iron Ore Project** in Cameroon 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 Iron Ore Project and the nearby Belinga Project in Gabon, under development by the China National Machinery and Equipment Import and Export Corporation.

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.

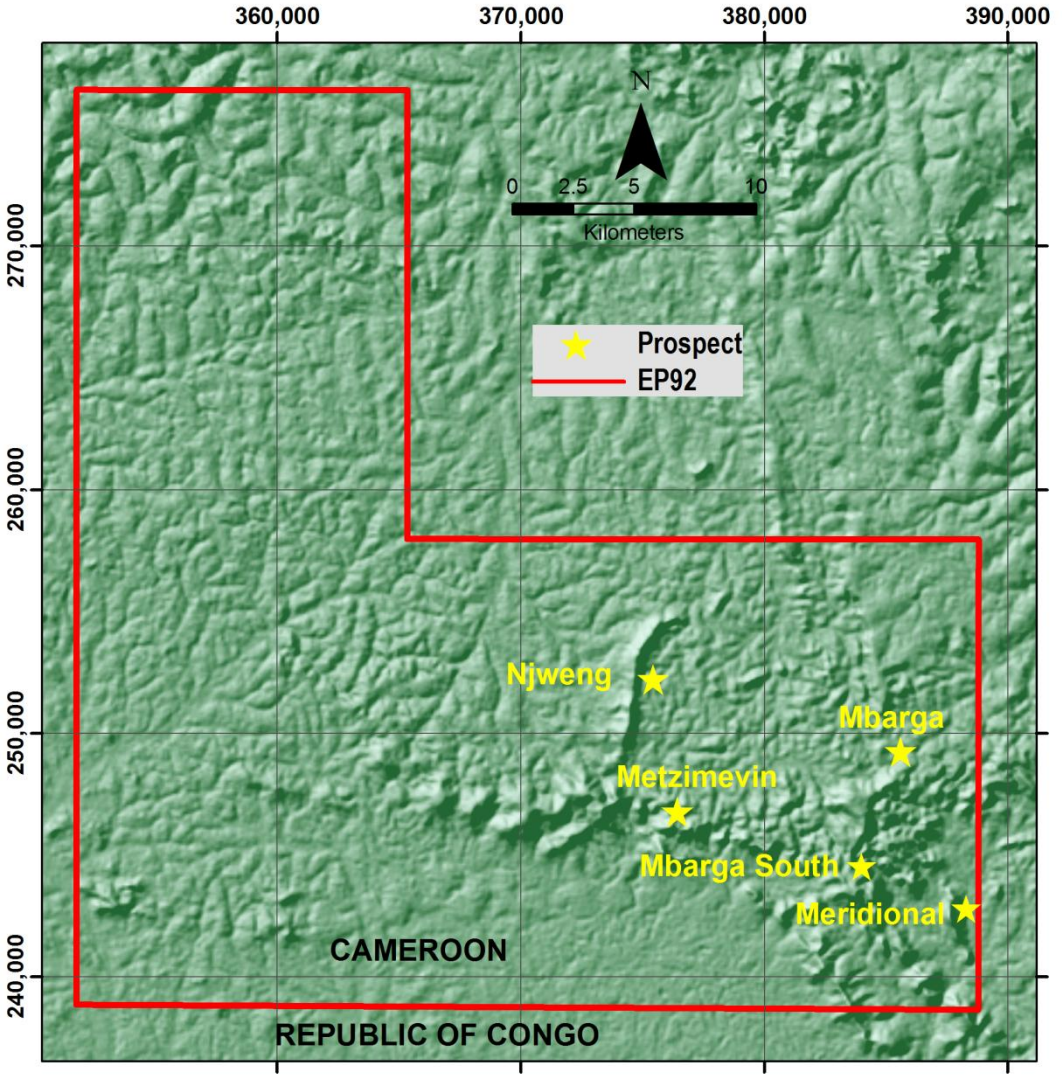
The estimated quantity and grade of near-surface DSO quality supergene mineralisation has been restricted to the area currently covered by drilling on a 200m x 100m pattern at Mbarga, with partial infill to 100m x 100m. This is represented by an area approximately 3km (east-west) x 3km (north-south) 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. 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 zone and surficial cover has been modeled and removed from the quantity estimated as DSO quality mineralisation. Density of 4.0t/m3 has been applied for evaluation of the DSO mineralisation.

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to Exploration Targets, over and above the stated Inferred Resources of is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the Inferred Resource 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.

FIGURE 1: MAP OF EP92 SHOWING LOCATION OF PRINCIPAL DEPOSITS



Sundance Resources Limited
Mbalam Project - Mbarga & Mbarga South Deposits

IDENTIFIED MINERAL RESOURCE – PARAMETERS

Item	Details	Comments
Surveying	Differential GPS	Established survey control by licensed surveyor.
Drilling Techniques	RC and Diamond	5¼" face sampling RC; NQ/HQ/PQ diamond.
Downhole Surveying	North Seeking Gyroscope	Surtron operating downhole gyro and geophysical tools on 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; routine duplicates and lab standards monitored in acQuire QA/QC reports.
Data Spacing	200m x 100m; 2m Sampling	Drilll hole spacing of 200m/100m along strike and 100m across strike of mineralisation; infilling to100m x 100m in progress.
Density	Site Measurements and Lab Confirmation	Conventional weighed suspended in air and water; pycnometer; metallurgical test work confirmation of densities; Supergene 4.00g/cm^3 and Itabirite 3.35g/cm^3.
Database Integrity	acQuire Drill Hole Database	Fully validated drill hole database; independently audited.
Verification of Sampling and Assaying	One (1) twinned RC/DD hole.	Further twinned holes planned.
Auditing	Drilling, Assaying and Database	Independent technical auditors; monitored by internal auditor.
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	20m (X) by 10m (Y) by 105m (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.
Item	Details	Comments
Variables Interpolated	Fe, SiO2, Al2O3, P and LOI	Minor and trace elements in future modelling runs.
Nominal Drill Hole Spacing	200m (E) by 100m (N)	Partial infill to 100m (E) x 100m (N).
Classification	Supergene/DSO – Fully constrained as material type using wireframe Itabirite – Number of Samples > 10 or Number of Holes >1; Within 'Main Itabirite Domain'; Above 500m RL and Excludes Hypergene Mineralisation.	Assessment criteria in addition to sampling, data and estimation criteria as above.
Metallurgical Data	Initial test work on core from geographically dispersed holes.	Results of average feed grade support resource grades. Flotation tests provide viable concentration grade.
Mining Factors	Scoping pit optimisation and scheduling scenarios.	Revenue and cost factors from scoping pit optimisation; mining parameters for large pit.
Cut-Off Parameters	DSO – 50% iron (Fe). Itabirite – 33% iron (Fe).	DSO – maintains 60% Fe head grade. Itabirite – above break-even cut-off grade. Supports average feed grade for metallurgical test work and average resource grade.

Item	Details	Comments
Variables Interpolated	Fe, SiO_2, Al_2O_3, P and LOI	Minor and trace elements in future modelling runs.
Nominal Drill Hole Spacing	400m (N) by 100m (E)	Partial infill to 200m (N) x 100m (E).
Classification	Supergene/DSO – Fully constrained as material type using wireframe Itabirite – Number of Samples > 10 or Number of Holes >1; Within 'Main Itabirite Domain'; Above 500m RL and Excludes Hypergene Mineralisation.	Assessment criteria in addition to sampling, data and estimation criteria as above.
Metallurgical Data	Initial test work on core from geographically dispersed holes.	Results of average feed grade support resource grades. Flotation tests provide viable concentration grade.
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