Sundance Resources (ASX: SDL)

First mover in the Central African iron ore space

Recommendation: Speculative BUY
Short term price target $0.16-$0.19/share

Breakaway Research

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Company Information

ASX Code	**SDL**
Share Price	A$0.094
Ord Shares	3,073m
Options	17.7m
Performance Rights	9.1m
Market Cap	**A$291m**
Cash (Dec 31, 2013)*	A$34.3m
Total Debt*	A$45m
Enterprise Value	**A$302m**

*includes $40m convertible note facilities as announced October 22, 2013, and February 2013 $5m convertible note issue with Hanlong

Directors

Chairman	George Jones
MD & CEO	Giulio Casello
Non-Exec. Director	Michael Blakiston
Non-Exec. Director	Barry Eldridge
Non-Exec. Director	Fiona Harris
Non-Exec. Director	Robin Marshall
Non-Exec. Director	David Southam

Substantial Share Holders

Hanlong (Africa) Mining Investment Limited	14.1%
Citicorp Nominees	10.3%
CS Fourth Nominees	7.1%
HSBC Custody Nominees	6.6%
JP Morgan Nominees	5.33%

Top 20 hold 55.5%

Company Details

Address	Level 3, 24 Outram Street, West Perth, WA 6005
Phone	+618 9220 2300
Web	www.sundanceresources.com.au

1 Year Price Chart

Key Points

- ***Most advanced iron ore development project in a new world class iron ore province***
- ***Majority of approvals in place and tenders received for the EPC process of critical port and rail infrastructure, with a decision on the successful EPC bidder expected in Q2, 2014***
- ***Feasibility studies have defined an initial 12 year 35mtpa, low opex premium fines DSO iron ore operation, feasible as a standalone project, with JORC DSO reserves of 436.3Mt @ 62.6% Fe***
- ***A proposed second stage operation comprises 20+ year high grade itabirite concentrate production from JORC itabirite resources of 4.07Bt @ 36.3% Fe, capable of being beneficiated to a high quality 66%+ Fe concentrate***
- ***Board and management with a proven track record in project delivery***
- ***Significant potential for short to medium term uplift in share price to $0.16-$19/share, with long term potential uplift to +$0.50/share with successful project execution***

Sundance Resources is a Central African iron ore developer, with high quality projects at the shovel-ready stage that will initially produce a high-grade, low impurity Direct Shipping Ore (DSO) product. The Company envisages a two stage production plan, with an initial phase producing 35Mtpa of DSO for at least 12 years, with a 20+ year, second stage 35Mtpa high-grade itabirite concentrate operation starting in year 11.

Company Overview

Sundance Resources Limited (ASX: SDL) is making steady progress towards development at the Mbalam-Nabeba Iron Ore Project in the Republic of the Congo ("RoC") and Cameroon, in Central Africa. The project is 'shovel-ready', with a positive Definitive Feasibility Study delivered in early 2011 and the majority of Government approvals now in place.

Tenders for the estimated $2.6Bn direct cost rail and port infrastructure have been received, with a decision on the successful bidder expected in Q2, 2014. Negotiations are also underway concerning offtake agreements. These are critical elements in advancing the project, enabling construction of the infrastructure that will unlock the riches of this greenfield, world-class iron ore province.

Sundance's project is the most advanced in this emerging iron ore province. Development of Mbalam-Nabeba represents an excellent 'company making' opportunity, while controlling regional infrastructure should create numerous secondary benefits. The Company will achieve a strong market re-rating as it achieves funding and development milestones.

Investment Thesis

Advanced Player in a World Class Province

Majority owner of the advanced Mbalam-Nabeba iron ore project

Sundance Resources Limited ('Sundance" or the "Company") is majority owner of the Mbalam-Nabeba Iron Ore Project (including the Mbarga and Nabeba groups of deposits, (the "Project"), the most advanced project in the as yet undeveloped world class Central African Iron Ore Province, located in Cameroon, Republic of the Congo ("RoC") and Gabon.

Located in the Cameroon and RoC

The province includes two main groups of identified deposits; one group (including Mbalam-Nabeba) is located in the northern RoC, Gabon, and southern Cameroon. The second is located in the southern part of the RoC, as shown in the figure and table below. These form two distinct provinces – the northern province contains significant DSO resources in addition to itabirite, whereas the southern Mayoko-Zanaga province is dominated by itabirite, with no significant DSO resources.

Two stage project: 12 years @ 35Mtpa DSO, And 20+ years @ 35Mtpa concentrate

The Company plans for a two stage project, with an initial 12 year, 35Mtpa DSO stage and a second 35Mtpa concentrate production over 20+ years commencing in year 11, with overlapping production in years 11 and 12. Total estimated capex is in the order of US$4.6Bn for Stage One and US$3.1Bn for Stage Two. Stage One direct capex includes US$2.6Bn for dedicated rail and port.

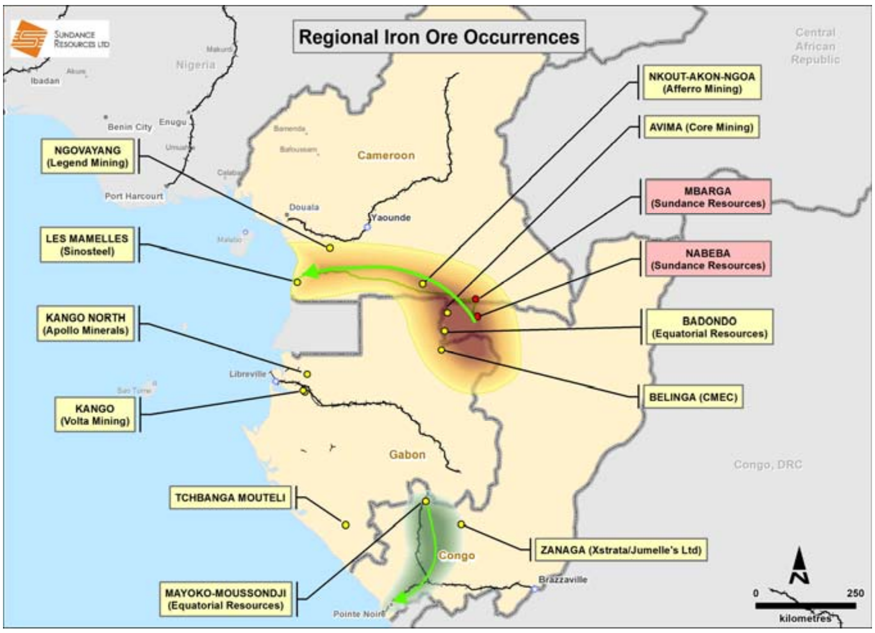
Infrastructure is the key

The key to unlocking the potential wealth of the region is in developing the necessary rail and port infrastructure, a critical component in any bulk commodities project, with Sundance being the prime mover in this regard.

Our view is that providing the infrastructure solution is the key step for the Company and project, in all other respects the project can be classed as "shovel ready".

Two main groups of deposits

Central African Iron Ore Projects and Proposed Infrastructure



Source: Sundance

Following a challenging three years for the Company, ending with the termination of the Hanlong (Africa) Mining Investment Limited ("Hanlong") Scheme Implementation Agreement ("SIA", discussed later) in April 2013, Sundance is now procuring EPC, financing and offtake agreements for its Mbalam-Nabeba Project.

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Infrastructure EPC tenders received and being reviewed

Following intensive negotiations to choose pre-qualifying parties, the Company issued EPC tender documents for the port and 580km of rail infrastructure, with a number of tenders being received in late 2013.

The Company is now reviewing these, and is confident it can finalise an exclusivity agreement with a successful tenderer in Q2, 2014, followed by arranging debt financing. Proposals for debt financing were required conditions for the tenders. As part of the financing requirements Sundance is negotiating with potential equity and take-or-pay offtake partners covering the full 35Mtpa production capacity

Mine site EPC tender in progress

The Company is also in the process of issuing tender documents for the mine-site infrastructure.

Major Occurrence Details

Deposit	Country	Company	Ownership[1]	Tonnage (Mt, MII)	Fe Grade	M&I[4] %	Type
Avima	RoC	Core	100%	690	58.0%	?	Hematite
Avima	RoC	Core	100%	563	41.0%	?	Itabirite
Badondo[2]	RoC	Equatorial	100%	495[2]	52.5%	N/A	Hematite
Badondo[2]	RoC	Equatorial	100%	3160[2]	44.0%	N/A	Itabirite
Belinga[3]	Gabon	Gabon Gov.	100%	566	62.0%	?	Hematite
Mayoko	RoC	Exxaro	92%	685[5]	34.0%	42%[5]	Itabirite
Mayoko-Moussondji	RoC	Equatorial	100%	182	33.2%	25%	Hematite
Mayoko-Moussondji	RoC	Equatorial	100%	735	30.4%	0.3%	Itabirite
Mbalam - Mbarga	Cameroon	Sundance	90%	243	56.8%	89%	Hematite
Mbalam - Mbarga	Cameroon	Sundance	90%	2325	38.0%	0%	Itabirite
Mbalam - Nabeba	RoC	Sundance	85%	532	57.4%	100%	Hematite
Mbalam - Nabeba	RoC	Sundance	85%	1,722	33.9%	0%	Itabirite
Nkout	Cameroon	Afferro	100%	73	53.9%	87%	Hematite
Nkout	Cameroon	Afferro	100%	2,431	31.7%	63%	Itabirite
Ntem	Cameroon	Afferro	100%	116	31.2%	34%	Itabirite
Zanaga	RoC	Zanaga/ Xstrata	49.9/50.1%	6,800	32.0%	69%	Itabirite

1: Company equity ownership not accounting for government interests on developed projects
2: Resources only generally shown, with the exception of Badondo, where no resources are as yet defined, and is a prospect, not a deposit. The target tonnages and grades shown here are the midpoints of the published exploration targets
3: Belinga was held by China Machinery Engineering Corp (“CMEC”), however the agreement is currently under review by the Gabonese Government
4: Lists percentage of total resource tonnages that are in the Measured and Indicated categories. This data could not be ascertained for Avima or Belinga, and is not applicable for Badondo as this is a target only.
5: Exxaro have published a hematite resource of 33Mt @ 59.2% Fe within this, but not the split between the different resource categories.

Project Ownership

The Company holds interests in the Project through its 90% subsidiary Cam Iron (SA) (“Cam Iron”) in the Cameroon, and its 85% subsidiary Congo Iron (SA) (“Congo Iron”) in the RoC. The minority ownerships are owned by local interests, with the subsidiaries holding 100% of the relevant projects. Ultimate project ownership will decrease with the relevant governments taking stakes in the operating subsidiaries. In the Cameroon this will total 15%, and is still undergoing negotiation in the RoC.

Project Time Line

The progress of the project now rests on the successful conclusion of the EPC tendering and financing process, at the completion of which construction (including detailed engineering and procurement) will be able to commence, potentially in late 2014.

Potential to produce first ore by H2, 2018

The Company envisages a 40 month period for the infrastructure and Stage One construction, with the possibility of production commencing in H2, 2018, with a twelve year mine life on current reserves.

The following lists a conceptual timeline for Stage One the Mbalam-Nabeba Project.

- Q1, 2014 – finalisation of tenders for port and rail
- Q1/Q2 2014 – finalisation of tenders for minesite infrastructure
- Q4, 2014 – Completion of financing
- Q1, 2015 to Q2, 2018 – Construction (minimum 40 month period)
- Q3, 2018 – Commencement of Stage One DSO production.

Majority of Approvals in Place

The majority of project approvals are now in place

The Company now has the majority of project approvals in place, including mining concessions, environmental permits and the Cameroon Government Convention, which sets out such parameters as Government ownership, royalties and taxation, and covers transport infrastructure as well as the mining operations. The rail route and port site in the Cameroon are largely permitted, with the infrastructure corridors being declared Land for Public Utility ("LPU"). Sundance is working through the LPU access process for the rail route.

The Company is currently negotiating a Convention with the Congolese Government. Sundance expects that the Congolese Government will negotiate similar terms to those in the Cameroon Convention.

Development Approved, EPC Tenders Received and Off-take Agreements Being Negotiated

Board has approved development

The Company has approved development plans following extensive discussions with potential partners, including Chinese and international steel mills, traders, financiers, financial institutions and infrastructure providers. Steps taken have included issuing tenders for construction and financing of the port and rail infrastructure to potential EPC partners (for which tenders have now been received). Part of the tenders call for interested parties to include a firm proposal for the debt funding of the approximately $3 billion infrastructure cost.

Tendering and financing processes advancing

Various options for the construction and debt funding are being considered, including buyers credit, vendors facilitated debt/project equity and the supply of infrastructure by an independent provider – although there is not a lot of interest in this last option. Sundance expects to finalise agreements with the successful bidder in Q2 2014, at which stage financing will then need to be put in place. It is now issuing tenders for the debt funding and development of the mine plant and associated infrastructure and expects this process to be finalised in April 2014.

The Company is negotiating sale of project equity and take-or-pay offtake agreements with a number of parties and expects to have agreements in place to allow financing to be secured in a time frame in line with the EPC tender process.

Indicative Project Economics

Our view is that the Stage One 35Mtpa DSO project is economically feasible as a standalone project, and can carry the considerable capex required. The table below presents potential ungeared margins of the Stage one project.

Stage One attractive on a standalone basis

Costs have been estimated by inflating the DFS costs by 2.5% per annum. In the case of the direct operating costs we have inflated these to a potential project commencement in 2018. In the case of capital expenditure we have inflated them to 2015, assuming fixed price construction tenders are let and construction commences in 2015. This also assumes an ongoing real iron ore fines price of $86.50/tonne FOB Pilbara.

Indicative Operating Margin

Item	Estimate, 2011 DFS	Inflated Cost @ 2.5% pa	Per Tonne Figures	Notes
Direct operating cost	$21.20/t	$25.20/t (2018)	$25.20	Inflated cost as of 2018
Project direct capex	$3,471M	$3,831 (2015)	$9.12	Capex amortised over 12 years @ 35Mtpa = 420Mt
Project capex Indirects	$1,214M	$1,340 (2015)	$3.19	Capex amortised over 12 years @ 35Mtpa = 420Mt
Sustaining capex @ 3% of FOB revenue			$2.23	
Total project costs/tonne	-	-	**$39.74**	
Pilbara FOB fines price	-	-	$86.50	Similar specs to Pilbara fines. Price based on average BREE 2018 FOB Pilbara forecast of $91/t and Ernst Young 2012 valuation LT Pilbara FOB price of $82/tonne
Shipping differential	-	-	-$10.00	
Revenue – FOB Lolabe	-	-	$76.50	
Government 10% FCI share of revenue			-$7.65	
Company share of revenue			$68.85	
Royalty @ 2.5%			-$1.72	
Realised revenue	-	-	**$67.13**	
Ungeared margin	-	-	**$27.39**	

Healthy indicative ungeared operating margin, with low cash costs

$40 million Funding in Place Through Convertible Notes

The Company has received A$40m through the issue of convertible notes

Sundance recently received A$40 million as the proceeds from convertible note issues with a number of parties. A$20 million was raised through a facility with Noble Resources, a leading global trader of resource commodities with a second A$20 million facility being arranged with a consortium which includes Blackstone, the D.E. Shaw Group and Senrigen Capital (a current investor). The funds will be used for working capital and to progress the project through to the development stage.

Hanlong Scheme Implementation Agreement

Considerable progress has been made following termination of the Hanlong agreement

Following termination of the Hanlong (Africa) Mining Investment Limited ("Hanlong") Scheme Implementation Agreement ("SIA") as announced to the market on April 8, 2013, considerable progress has been to made push forward with the establishment of a funding strategy to develop this project, including both the technical and approvals facets.

Recapping, in July 2011 Sundance received a proposal whereby Hanlong made a conditional offer for all issued capital in Sundance at $0.50/share. Following negotiations, the SIA was agreed to by the parties, with the offer increasing to

A$0.57/share, valuing Sundance at A$1.65 billion. Due to deteriorating markets and a falling iron ore price, the offer was amended to A$0.45/share, at the date of the revised scheme booklet (November 9, 2012) valuing the Company at A$1.37 billion.

The scheme was ultimately terminated by Sundance, once Hanlong advised that it would not be able to provide a credit-approved term sheet underpinning the funding for the acquisition of Sundance due to the detention of its Chairman by Beijing Police. This led to a significant fall in the share price, falling from A$0.21 to A$0.11 on that day.

Northern Players – Potential For Infrastructure Value Add

The table below lists those companies with interests in the northern group of projects. Note that Equatorial's key and most advanced asset is the Mayoko-Moussondji Project in the southern group – most value for Equatorial would be ascribed to this project.

Sundance is the most advanced of its peers in the Central African iron ore space

Significant potential for other projects to piggy-back off Sundance's infrastructure

Northern Peer Comparison Table

Company	Market Cap FD[1]	Key Projects	JORC-Compliant resources, project status	Infrastructure, notes
Sundance ASX: SDL	A$291M	Mbalam-Nabeba Cameroon & RoC	776Mt @ 57.2% Fe DSO 4,047Mt @ 36.3% BFO BFS complete, currently in EPC tender process	Approved rail corridor (510km and 580km) to new port at Lolabe, near Kribi, Cameroon.
Afferro TSV: AFF AIM: AFF Taken over by IMIC	£131M ~A$250M	Nkout Cameroon	73Mt @ 53.9% Fe DSO 2,431Mt @ 31.7% BFO PEA completed early 2013	The Nkout deposit is close to the planned Sundance rail corridor, and 350km from Lolabe. Completed takeover from International Mining and Infrastructure Corp PLC ("IMIC") for 80p cash (GBP84M) and a 40p, 2 year 8% convertible note (GBP49M inc. coupon).
Core Unlisted	Private	Avima RoC	690Mt @ 58.0% Fe DSO 563Mt @ 41.0% Fe BFO BFS underway on Avima PFS completed on infrastructure	Are looking at two options: -own rail to a new port at Port Gentil in Gabon (500km), -Potential connection to Sundance's proposed Cameroon rail and port (~600km to Lolabe).
Equatorial ASX: EQX	A$74M	Mayoko-Moussondji and Badondo, RoC	Mayoko 182Mt @ 33.2% Fe Hm 735Mt @ 30.4% Fe BFO Badondo (target only) 495Mt @ 52.5% DSO Positive Scoping Study completed at Mayoko. Exploration at Badondo	Have negotiated access for up to 2Mtpa DSO to the state owned rail (440km) from Mayoko to Pointe Noire, and upgrading the port at Pointe Noire. The Government has confirmed that the line and ports will remain multi-user. The Badondo Project has the potential to link into SDL's rail (~650km to Lolabe) and port facilities.

Source: IRESS, Company reports

1. *Given that the projects listed are the prime assets of all companies, the fully diluted market capitalisation can be considered as an approximate proxy for the project EV's. Given that Core is unlisted; the company structure and hence value is not readily available.*

Of these Sundance's Mbalam-Nabeba Project is the most advanced in all facets, including project studies, approvals and infrastructure, and is the only one of these projects that can be considered ready for development.

There is the potential for the other projects to piggy-back off any development by Sundance; given infrastructure is the key consideration in the region. This has the potential to add significant value to Sundance through 3rd party access agreements to the port and rail infrastructure.

Valuation

Short term potential for at least a 50% uplift in price, with a long term potential valuation of +A$0.50share

Based on peers and using an EV/t method, we have a base case valuation for Sundance of A$0.16-A$0.19 per share indicating potential for a short term upside potential in excess of 50% based on a comparison with peers. With successful funding and development we can see a long term potential valuation of +A$0.50 per share, with this dependent on final funding and equity structures of the producing operation.

Key price drivers will be material progress in the EPC process

In the shorter term key drivers of the price will be material progress in the EPC tender and financing processes.

As the final financing and ownership structure is yet to be determined we have not carried out a DCF valuation of Sundance – the potential ownership scenarios give significant uncertainty to a Company value. Instead we have used indicative rule-of-thumb methods to compare Sundance to a suite of comparable companies in West and Central Africa to arrive at a current price target range. Although not located in Central Africa, we have included London Mining and African Minerals in our comparison as they are West African producers, and provide a benchmark for potential valuations. Core has not been included as a market price cannot be ascertained.

Our main method is a comparison of the relevant company's enterprise value per tonne of contained iron (EV/t). This is calculated using the following:

Our valuation methodology is EV/t of contained iron

- Enterprise value is the diluted market capitalisation plus net debt
- All figures have been converted to Australian dollars using the current exchange rate
- Contained iron is the tonnage of each resource multiplied by the grade, weighted by the company's current ownership of each resource.

The results are presented in the table below. It is to be stressed that the method is indicative only, and needs to be treated with caution.

EV/t Valuation Comparison

Company	Location	EV FD[1] (A$m)	Global Resource (Mt)	Cont. Fe 100% basis (Mt)	C^oy Equity Share	EV/t Fe (A$, C^oy share)	M & I %[2] DSO %	Project Stage
African Minerals	Sierra Leone	$1,670	12,751Mt @ 31.4% Fe	3,999	75%	$0.56	49.5% 14.0%	Producing
London Mining	Sierra Leone	$437	1,072Mt @ 31.2% Fe	334	100%	$1.31	80.9% -	Producing
Sundance Resources	Cameroon/ RoC	$302	4,822 @ 39.6% Fe	1,911	88%	$0.17	22.1% 22.9%	EPC Tenders
Afferro Mining	Cameroon	$250	2,619 @ 32.4% Fe	850	100%	$0.30	63.6% 4.6%	PEA Completed
Zanaga	RoC	$45	6,790 @ 32% Fe	2,172	50%	$0.04	70.0% -	DFS Underway
Equatorial Resources	RoC	$26	917 @ 31.5% Fe	289	100%	$0.09	7.7% -	Scoping Completed

Source: IRESS, Company reports

1. *All figures have been converted to Australian dollars at exchange rates as of 25/1/14*
2. *Proportion of companies equity share of total contained iron falling in the M & I and DSO categories*

The general trend is one of increasing EV/t with project advancement, and three groups can be recognised using this metric. The higher value group includes the producers, London Mining and African Minerals (average of A$0.94/t), the second group Sundance and Afferro (average of A$0.24/t), and the third group Zanaga and Equatorial (average of A$0.07/t).

Afferro's takeover by IMIC was completed in December, 2013, we have included this here as it gives a benchmark for valuation. The takeover price was 80p cash and a two year 8% 40p convertible note for each Afferro share, for a potential consideration of 126p/share, or A$2.42/share at current exchange rates. This equates to an implied EV/t of contained iron value of A$0.30/t.

Assuming a 30% control premium in the takeover, a trading value of $0.23/t could reasonable be assumed, compared to Sundance's current value of $0.17/t. Given the relative statuses of Afferro's and Sundance's projects, we would expect that Sundance should trade at a premium to Afferro. Sundance has a significant DSO component, is more advanced, and Afferro's strategy is to hook into Sundance's proposed infrastructure. This however may change with change of ownership. On the other hand Afferro has a larger proportion of M & I resources, albeit in itabirite mineralisation.

Ascertaining a premium is problematic, but in our view this could be in the range of 30-50%. This would value Sundance's current equity share of resources at A$0.30 – A$0.35/t of contained iron, equating to a share price of A$0.16-$0.19.

The table below presents a summary of historic valuations, including those by the Company (DFS and PFS, 2011) and Ernst and Young, as provided in the 2012 Independent Expert's Report for the revised Hanlong SIA.

Historic Project Valuation Summary

Valuation	Valuation	DR, Basis	Assumptions
Ernst and Young, 2012	A$1.5Bn	16.5% nominal, midpoint valuation of SDL 76.5% share of project	After tax, ungeared, long term real Fe price of US117.1c/dmtu FOB Cameroon fines and concentrate, US143.6c/tonne pellets
Company BFS/PFS, 2011	US$4.3Bn 27% IRR	12.5% nominal, 100% of the project	After tax, ungeared, long term real Fe price of US105c/dmtu FOB Cameroon (from 2020)

Note the different valuations given above are expected, largely due to the differing discount rates used and different basis of valuation, including total project value as against Sundance's share of the project. Our view is that these valuations are still valid – they assume an operating (i.e. de-risked) operation, and the assumptions used appear reasonable.

The EY valuation (assuming a de-risked operation) equates to an EV/t contained iron value of A$0.74/t. This is similar to the valuations for London Mining and African Minerals, the two producers in our comparison.

Risk Assessment

With most key approvals in place, a robust and viable resource and positive DFS for Stage One the project is largely de-risked with regards to most risk factors, including technical and sovereign risks.

Key risk is infrastructure funding and implementation

We consider the key risk for implementing Stage One is now infrastructure funding and implementation, and to lessor degree commodity prices and exchange rates.

In relation to sovereign and permitting risk factors, the Company has most key approvals in place, and has good relationships with the governments involved. It appears that both Cameroon and the RoC are keen to see the projects developed, and particularly in the case of Cameroon, the planned infrastructure will be a key asset for the country, and will help develop the region.

There is still some risk in the Congolese Convention being granted, but we consider this as minor, and successful execution will come down to negotiations. In addition, the

Congolese Mining Permit was issued in February 2013.

Sundance will also need to negotiate an extension to (or a waiver of some conditions of) the Cameroon Convention, given that it is unlikely all conditions will be met within the 18 month validity period between signing and providing letters of commitment that project financing is in place. However, given the potential benefits of the project to the country, and Sundance's relations with the Government, we believe that the Government will be fair and reasonable in this regard, having no history of withdrawing permits due to acceptable delays.

The geology and mineralisation is well understood, and similar styles of operations to the ones planned have operated globally for a long period of time.

Given the above we believe the key risks for the company are:

- Financing and execution of infrastructure
- Iron ore pricing

Infrastructure

Successfully completing the tender and financing process for the infrastructure is considered the most immediate and key risk. This includes the tender EPC tender process for the infrastructure, obtaining offtake agreements for the planned 35Mtpa production, and finally getting an appropriate financing package in place.

As part mitigation to this, Sundance has received strong interest in the EPC tender process, with a number of tenders being received which it is now reviewing, and is in advanced negotiations with potential offtake partners. Should the tender and financing process be successful the Company will then head into construction, which brings up its own set of execution risks including potential for cost and time overruns.

Iron Ore Pricing

As for any such proposed operation iron ore pricing will be the key external risk for the project. Given the planned throughput, and resultant relatively low operating costs we feel there is a reasonable cushion against any but the most drastic of price cuts. However current softness in medium term iron ore price forecasts will affect the EPC tender and offtake MoU processes.

Project Review

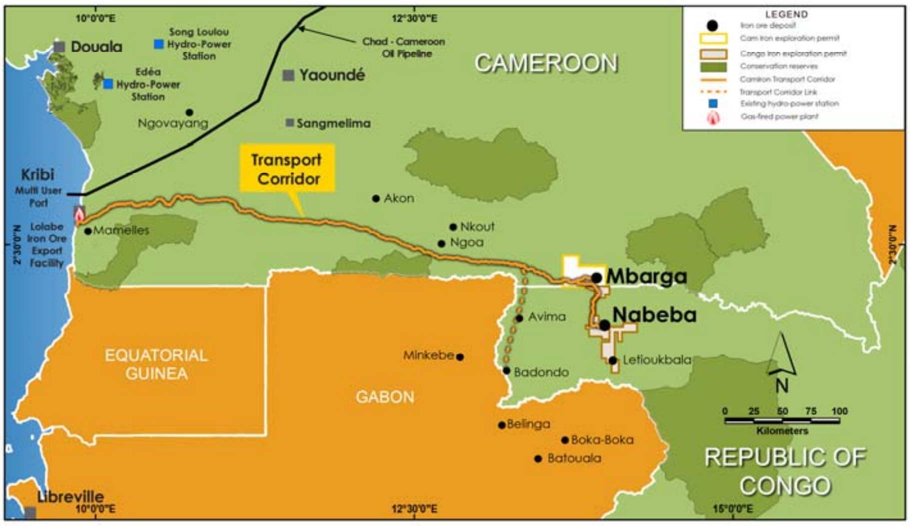
Mbalam-Nabeba Project

Introduction

The Mbalam-Nabeba Project covers three tenements totalling 1,740km^2 in the Cameroon and RoC

The Mbalam-Nabeba Iron Ore Project encompasses three concessions totalling 1,740km^2 straddling the northern RoC and southern Cameroon. The project contains two main groups of iron deposits – Mbarga in the Cameroon and Nabeba in the RoC with the two areas approximately 40km apart, with contiguous concessions. The Mbarga area is approximately 510km on the planned rail route from the proposed port at Lolabe on the Atlantic coast.

Mbalam-Nabeba Project Location



Source: Sundance Resources

Sundance holds 85-90% of the project through local subsidiaries

The Mbarga portion of the project in the Cameroon is currently held 100% by Cam Iron, a 90% owned subsidiary of Sundance, with the Nabeba portion (RoC) being 100% held by Congo Iron SA, an 85% owned subsidiary of Sundance. Local interests hold the balance, with Hold Co SARL (Hold Co") holding 10% of Cam Iron and Congo Mining Investments (SA) ("ComInvest") holding 15% of Congo Iron.

In addition the Government of Cameroon is entitled to a 10% free carried and 5% loan interest in Cam Iron, which will reduce Sundance's interest to 76.5%. Likewise, the RoC Government has the potential right to a 10% free carried interest in Congo Iron, which once exercised will reduce Sundance's share to 76.5%.

Stage One will be a 35Mtpa, 12 year DSO project

The Company's plans are for an initial 12 year, 35Mtpa DSO operation (62.6% Fe), with ore to be transported by a new rail to a new port on the coast at Lolabe. Stage one forms the basis for current offtake and EPC negotiations – the 2011 DFS was based on a 10 year operation, however subsequent reserve upgrades have increased the potential life to 12 years.

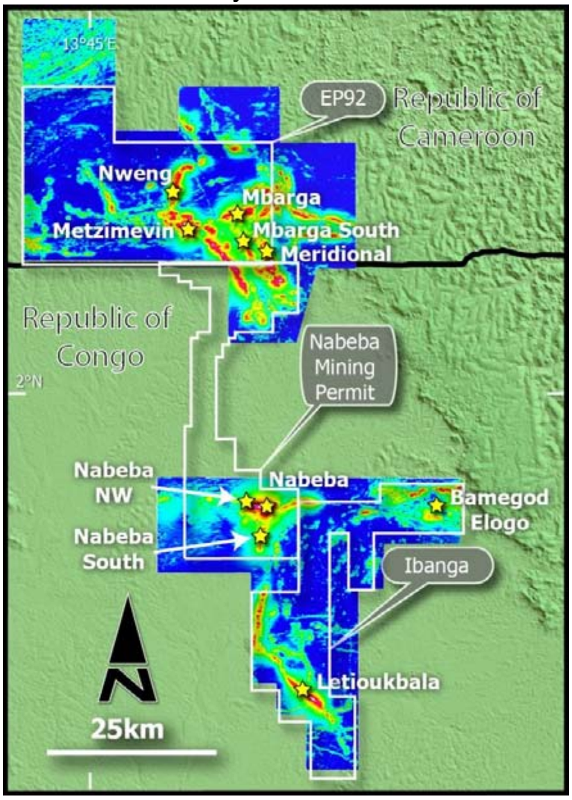
Stage Two will produce 35Mtpa of concentrate over 20+ years

Stage Two, as defined by the 2011 PFS, involves the mining and beneficiation of 75Mtpa of the underlying itabirite mineralisation, with the potential for a 20+ year operation producing 35Mtpa of 66% Fe concentrate, some of which is planned to be pelletised. This will start in year 11, thus there will be a two year period where both DSO and concentrate will be produced.

The Company completed the favourable DFS for Stage One and a Pre-Feasibility Study for

Stage Two in April 2011. The project is now "shovel-ready", with the Company having obtained most permits, approved development and moving on off-take agreements, financing and construction.

Mbalam-Nabeba Project Detail



Geology

The mineralisation is early Proterozoic, with an enriched hematite cap overlying itabirite BIF

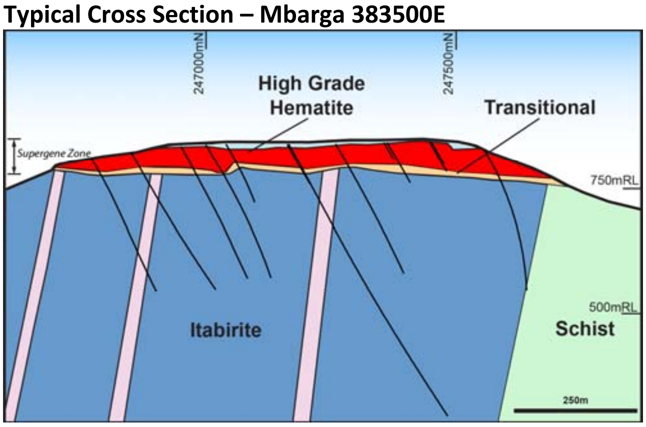
The project is located over units of the Archaean to Early Proterozoic Congo Craton, with the iron deposits generally being considered Early Proterozoic (~2,000Ma) in age, equivalent to the iron ore resources of the Iron Quadrilateral in Brazil. The Sao Francisco Craton, which hosts the Brazilian deposits and the Congo Craton were a contiguous block prior to opening of the Atlantic Ocean.

Mineralisation typical of that found and mined in Brazil…

…there are no surprises here

The deposits are host to two main types of iron mineralisation – an upper, high grade supergene hematite zone (up to 200m thick), formed by the weathering and metasomatic alteration of the underlying banded iron formation ("BIF") itabirite mineralisation. This is typical of the majority of deposits in Central Africa and Brazil, with the BIF's reflecting original greenstones.

Typical Cross Section – Mbarga 383500E



Source: Sundance Resources

Resources and Reserves

The project contains both high grade DSO resources and reserves, and lower grade underlying itabirite, with the itabirite suitable for beneficiation to a high grade, low impurity hematite concentrate.

Mbalam-Nabeba Reserves

Total reserves of 436.3Mt @ 62.6% Fe

Reserves - 24 December 2012	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga and Mbarga South							
DSO Product	Probable	83.9	63.6	4.6	2.3	0.079	1.71
Transition Upgraded Product	Probable	43.05	62.99	8.04	1.18	0.053	1.27
Total Mbarga and Mbarga South	**Probable**	**126.95**	**63.41**	**5.77**	**1.92**	**0.071**	**1.56**
Nabeba, Nabeba North West and Nabeba South							
DSO Product	Probable	249.7	62.76	3.26	2.97	0.096	3.11
Sub-grade Transition Upgraded Product	Probable	59.6	60.13	6.47	2.08	0.082	3.95
Total Nabeba, Nabeba North West and Nabeba South	**Probable**	**309.3**	**62.25**	**3.88**	**2.8**	**0.094**	**3.27**
Total Reserves	**Probable**	**436.3**	**62.6**	**4.43**	**2.55**	**0.087**	**2.78**

Source: Sundance Resources

Mbalam-Nabeba DSO and Itabirite Resources

Total DSO resources of 775Mt @ 57.2% Fe

Itabirite resources of 4,047Mt @ 36.3% Fe

Indicated High Grade Resources						
Deposit	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga Deposit	195.1	56.7	13	3.3	0.081	2.1
South Mbarga Deposit	20.7	57.5	10.4	3.6	0.068	3.2
Nabeba Main Deposit	472	57.9	7.6	4.7	0.107	4.1
Nabeba Northwest Deposit	50.3	52.8	9.2	5.6	0.09	7.9
Nabeba South Deposit	9.9	57.3	6.6	3.8	0.121	6.6
Total Indicated High Grade Resource	**748**	**57.2**	**9.2**	**4.4**	**0.098**	**3.8**
Inferred High Grade Resources						
Deposit	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga Deposit	12.2	54.7	18.2	1.8	0.104	0.9
Metzimevin Deposit	15.2	59.5	12.6	4.1	0.078	2
Total Inferred High Grade Resource	**27.4**	**57.2**	**15.1**	**3**	**0.09**	**1.5**
Global Itabiritic Hematite Resource						
Deposit	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga Deposit	2,325	38	44.4	0.5	0.04	0.4
Nabeba Deposit	1,722	33.9	42.5	2.7	0.05	2.6
Total Itabiritic Hematite Resource	**4,047**	**36.3**	**43.6**	**1.4**	**0.04**	**1.3**

Source: Sundance Resources, includes published reserves

Low contaminant levels, in one of the highest Fe grade undeveloped DSO resources in the world

DSO contaminant levels are generally low, or are such that material from different areas can be blended to produce a premium fines product. The Company considers the product equivalent to that produced in the Pilbara, and represents one of the highest-grade undeveloped DSO systems in the world.

Additional DSO and itabirite exploration targets

In addition to the resources and reserves, Sundance has published exploration targets of 90-150Mt @ 55-65% Fe for high grade hematite and 9.3-13.2Bt @ 30-40% Fe for itabirite over existing tenements.

The reserve figures indicate that Mbarga has relatively higher silica and lower alumina than Nabeba. DSO material from both sites will therefore be blended to meet premium fines product specifications. Other contaminants are well within required specifications.

Mining and Processing

Conventional drill and blast open cut mining

Mining for Stage One will be conventional drill and blast open cut mining, with an overall project strip ratio of 0.81:1. DSO mining is planned from three pits, Mbarga, Mbarga South and Nabeba. DSO crushing plants will be situated at Nabeba and Mbarga, with the fines products from both operations being blended to produce a final sinter fines product.

Simple processing

In addition it is planned to treat transitional and sub-grade ore from both areas using crushing and a wet gravity beneficiation plant, with the upgraded material to be blended with the DSO fines product.

Up to 4Mtpa of pellets in Stage Two

Stage Two will involve the mining of 75Mtpa ROM from Mbarga and Nabeba to produce 35Mtpa of concentrate using a conventional reverse flotation plant. Approximately 4Mtpa of the concentrate will be used to produce pellets, with the pellets and remaining concentrate being railed for export.

Transport and Infrastructure

As with any bulk commodity project infrastructure is a key requirement. Given its location, Sundance will need to provide all infrastructure for the project, including:

580km of heavy haulage rail line to a new port at Lolabe

- A dedicated 510km rail line from Mbaga to the Cameroon coast
- A dedicated 70km spur line from Nabeba to Mbaga
- A deep water port capable of taking 300,000DWT “China-max” bulk ore carriers at Lolabe, 4km south of the current general purpose port development at Kribi.

Initial capacity of 35Mtpa, expandable to 100Mtpa

Initial capacity for both rail and port is planned to be 35Mtpa, with this expandable to 100Mtpa to meet potential 3rd party requirements.

Rail

Six train sets each of 190 wagons

The Company’s plans are for a total of 580km of 32 tonne axle load single dedicated rail from the mine sites to the proposed port at Lolabe on the Atlantic coast in Cameroon. Ore will be transported on six train sets, each comprising three diesel electric locomotives and 190 four axle wagons. Each train is designed to haul 20,330t of ore, with six trains required per day. To enable this capacity the line will include six passing loops, with an estimated train cycle time of 24 hours.

Initial rail capacity is planned to be 35Mtpa, however the line will be expandable to around 100Mtpa to cater for potential demand from neighbouring projects.

Cameroon rail route declared as “Land for Public Utility”

The environmental permits for the proposed route have been issued, and the corridor within the Cameroon has been declared as “Land for Public Utility” by the Cameroon Government. 3rd party access covenants are included with the agreements with the

Cameroon government. The rail in the RoC is wholly within the Company's mining leases.

The 2011 DFS estimated a direct capital cost of US$2,019 million for the rail. The Company is currently seeking infrastructure partners.

Port

Sundance has a 39km^2 port concession at the village of Lolabe, 4km south of Kribi, where China Harbour Engineering Company ("CHEC") is currently developing a multi-user container and general cargo port, capable of handling vessels up to 100,000DWT.

Cameroon is currently serviced by four small ports – the development of the multi-purpose port at Kribi is a vital development for the country and wider region, and has the capability to provide infrastructure to a number of land-locked Central African countries.

Planned port capable of taking 300,000DWT "China-max" bulk ore carriers

Initial plans at Lolabe are for a single berth port of 45Mtpa capacity, initially capable of handling Capesize vessels, and then, following additional dredging 300,000DWT "China-max" bulk ore carriers, which will be the country's sole iron ore terminal. This could be expanded to over 100Mtpa should other regional projects come on stream. The capex estimate for the initial port is US$537 million.

The materials handling area at the port will include an automatic car unloader and stacker/reclaimer. The storage area has an initial storage capacity of 1.6Mt, expandable to 2.4Mt.

The development of this port (and the railway) may well unlock the value of a number of other mineral resources in the region, which to date are uneconomic due to the lack of infrastructure.

Power

Power requirements for Stage One are modest at around 20MW, which will be supplied by an on-site diesel fuelled generator, with diesel brought by rail from the coast.

Modest Stage One diesel fuel power requirements Stage Two will require 350MW of probably hydro-power

Solutions for Stage Two are more challenging, with around 350MW of capacity required. The Company is investigating two potential hydro-electric power options, with estimated capital expenditures of between US$1,700M and US$2,250M. It is envisaged that this would be handled by a third party and accounted for in operating costs.

Definitive Feasibility Study

Sundance released the results of the Definitive Feasibility Study for the Stage One DSO project and Pre-Feasibility Study for Stage Two in April 2011, and based on the outcomes is moving towards development. Key results of the study included:

Project DFS/PFS was positive – NPV $_{12.5}$ of US$4.3Bn, IRR of 27%

Low Stage One cash operating costs of US$21.20/tonne

- Estimated NPV of US$4.3B for the total project (12.5% DR, nominal, post-tax, ungeared)
- IRR of 27% (un-geared)
- Stage One cash operating costs of US$21.20/tonne FOB excluding royalties
- Stage Two cash operating costs of US$42.10/tonne FOB
- Stage One capital cost of US$4.7B, including US$2B for the rail and US$537M for the port
- Stage Two capital cost of US$3.1B.

The study was based on DSO reserves of 251.5Mt @ 63.57% Fe, with these significantly upgraded in December 2012.

Capital Costs

Capital costs for the Stage One and Stage Two projects are given below.

Stage One capex of US$4.7Bn (including rail and port)

Stage Two capex of US$3.1Bn

Mbalam-Nabeba Estimated Capital Costs – April 2011

Phase Years	Stage 1 Years 1-10	Stage 2 Years 11-25
Mine development	203	-
Processing	633	-
Mine Infrastructure	78	-
Beneficiation	-	1,908
Pellet plant	-	400
Rail	**2,019**	**-**
Port materials handling	330	-
Port infrastructure and marine works	207	-
Subtotal of direct costs	**3,471**	**2,308**
EPCM costs	318	263
Owners costs	414	349
Contingency	482	223
Total (US$M, 2011)	**4,685**	**3,143**

The Company has stated that the 2011 capital costs are still realistic and we regard them as comparable to similar projects in a remote location.

Operating Costs

As part of the DFS/PFS, the estimated FOB cash costs were $US21.20/tonne for the Stage One DSO operation and US$42.10/tonne for the Stage Two concentrate/pelletising operation. As part of the August 2012 Independent Expert's Report for the revised Hanlong takeover bid, Optiro presented similar figures as outlined below.

Mbalam-Nabeba Estimated Direct Operating Costs – Optiro, August 2012

Phase Years	Stage 1 Years 1-10 US$/dmt	Stage 2 Years 11-25 US$ dmt
Mining	7.00	13.00
Processing	4.90	19.30
Rail	2.60	2.70
Port	2.90	2.50
General and administrative	1.50	1.80
Subtotal	**18.90**	**39.30**
Contingencies	2.40	2.90
Royalties	1.20	1.00
Total	**22.50**	**43.20**

Permitting

Progress on permitting is close to completion and is as follows:

- RoC Mining Permit – approved December 2012, granted by Presidential Decree in February 2013
- The Mbalam Convention with the Cameroon Government was signed in November 2012, with attractive terms:
    - 5-year tax holiday, 25% income tax and 5% dividend tax thereafter
    - Government ownership of 15%, including 10% free carried and 5% loan carried
    - Flexible labour conditions
    - Strong social commitment
    - 18 month validity from signing to project financing being in place
- The Congo Convention is currently being negotiated – this will cover factors such as taxation, royalties and Government participation, and is expected to be broadly similar to the agreement reached with the Cameroon Government
- All environmental approvals are in place, including those for the mine sites, rail and port, with the Cameroon assets being approved in 2010 and the RoC assets gaining approval in August 2012
- The rail corridor in the Cameroon was declared as "Land for Public Utility" in 2012

Permitting is close to completion

Breakaway's View

Our view is that Phase One is technically viable and economically attractive as a robust standalone operation, with the capacity to carry the cost of the critical infrastructure. A key value add will be the potential for 3rd party access to the infrastructure – there are a number of projects that may become viable with the development of the infrastructure

With the advancing tender process Sundance is now making good progress in mitigating project implementation risk, particularly financing and constructing the transport infrastructure required for opening up an as yet undeveloped province. This is despite the current near term prognosis for iron ore prices, with current supply expansions, including those in the Pilbara likely to keep prices in check.

Stage One viable and attractive as a standalone operation

The quality of the Mbalam-Nabeba ore will mean that it should attract a CFR price in line with or close to that received for premium Pilbara fines, albeit with the additional freight cost reducing the FOB price, and it will be an attractive product for steel mills.

The results of the Phase Two PFS indicate that this too is an attractive project, with the ability to supply high-quality pellets and concentrate to the market. The main hurdles are the capital required and the need to secure a new 350MW power supply, however this has the potential to significantly add to the Company's value.

Potential value add includes Stage Two and 3rd party infrastructure access

The Company and project have survived two potentially terminal events; firstly the tragic death of the complete Board in the 2010 aircraft crash, and the termination of the Hanlong agreement. The fact that the project has reached the current stage of advancement reflects the vision and quality of all personnel that have been involved from the start. This is also due to the significant support of the Congo and Cameroon governments, and the quality of the deposits.

Quality Board and management, with vision and perseverance

We rate Sundance as a Speculative Buy, with a short term price target of A$0.16-A$0.19. While potential investors need to be aware of the project's funding and execution risks, there is strong interest by potential infrastructure developers, and there is likely to be a strong market re-rating as funding and development milestones are achieved.

Speculative Buy – short term target of A$0.15-A$0.17

Convertible Note Details

As announced to the market on October 22 and November 5, 2013, the Company has received A$40 million as the proceeds from convertible note issues with a number of parties.

A$20m raised through a convertible note issue to Noble Resources

A$20 million was raised through a facility with Noble Resources, a leading global trader of resource commodities. Key components of the Noble agreement include:

- Two year, 10% per annum interest note, convertible either into a 30% stake into a proposed marketing company, and Noble having the first right to offer, and a last right to match the price and terms of sale for 15% of the ore produced from Stage One of the Project
- If the marketing company is not incorporated and Nobel does not hold the marketing rights to product acceptable to them by the maturity date, the note shall convert to 200 million shares at 12 cents/share, plus 200 million options, exercisable at 12 cents.

The second A$20 million facility has been arranged with a consortium which includes Blackstone, the D.E. Shaw Group and Senrigen Capital (a current investor). The terms of this facility include:

An additional A$20m raised through a convertible note issue to a consortium of three groups

- Two year, zero coupon note issue convertible to Sundance shares at 10 cents per share
- The issue of 260 million options (200 million of which require shareholder approval) in three tranches:
    a. 60 million Tranche 1, 10 cent options, issued with the notes
    b. 140 million Tranche 2, 10 cent options, and
    c. 60 million Tranche 3, 12 cent options.
- Should the notes not be otherwise converted or redeemed, the Company must redeem the notes for 120% of the face value upon the earlier of the maturity date or an event of default and the consortium resolving that the Company redeem the notes.

The notes are, at the consortium's election, convertible at any time commencing on the earlier of (and ending on the maturity date):

- 45 days after the notes are issued
- A relevant event
- An event of default

The Company has the option to redeem the notes for cash upon the receipt of a notice from the holder, with the price being the 20 trading day VWAP following receipt of the notice from the holder. Should the Company not give a cash election notice, the notes shall be converted at 10 cents per share.

Cameroon

The Cameroon has enjoyed relatively stable government since independence, with the President keen to attract business investment

Previously known as French Cameroon, the Republic of the Cameroon gained independence in 1960. In the following year, the southern part of the neighbouring British Cameroon voted to merge with the new country to become the Federal Republic of the Cameroon, and in 1972 the constitution was changed with the country becoming the United Republic of the Cameroon.

The country has a population of around 21 million, and is a multiparty presidential regime. The Head of State is President Paul Biya, who has been in power since 1982, and was last elected to a seven year term in 2011. The legislative branch of government is the unicameral Assemblee Nationale of 180 elected members with elections every five years.

The country has enjoyed relative political stability, and a major focus of Paul Biya's time in power has been to attract business investment, and has welcomed various World Bank and IMF programmes to help in this regard.

Crude Oil, petroleum products, cocoa, lumber and aluminium are amongst the country's largest exports; however lack of infrastructure has held back the country's trade capacity. However recently the country has embarked on a number of infrastructure projects, including the port at Kribi, several hydro-electric dams and a natural gas powered power plant.

The country however still faces challenges typical of underdeveloped countries, including inequitable distribution of income and corruption.

Republic of the Congo (Congo-Brazzaville)

The RoC is resources rich, with oil being its main export, and has significant experience in negotiating and approving resources projects

The Republic of the Congo (not be confused with the Democratic Republic of the Congo), with a population of around 4.5 million, obtained independence from France in 1960. Following independence the country was run by a Marxist government until 1990, and a democratically government was elected in 1992. Former Marxist president Denis Sassou-Nguesso was returned to power in 1997, following a brief civil war, and is still the country's chief of state (and head of government), being re-elected to another seven year term in 2009.

The legislative branch includes a bicameral parliament, with a 72 seat senate (indirect vote for five year terms) and a 139 seat National Assembly (popular vote to serve six year terms).

The RoC is resource rich, with oil being the mainstay of the economy. The country has significant experience in negotiating resource projects. China is the country's main export partner, and besides oil, significant exports include timber products, sugar, coffee and diamonds. Recognised mineral commodities include potash, iron ore base and precious metals.

Iron Ore and the Seaborne Market

Demand and outlook for steel and iron ore

World iron ore and steel markets are dominated by China, which in 2012 produced 709 Mt of steel, 46% of the total world production of 1,534Mt. To feed the steel mills China imported significant amounts of iron ore, importing 745Mt in 2012, 66% of the total international trade of 1126Mt, and produced over 400Mt internally.

Declining grades and increased costs of production of domestic iron ore point towards a larger reliance on imports by China, however overall demand growth has reduced to a more sustainable level after the order of magnitude increase through the early 2000's, when Chinese imports grew from 70Mt in 2000 to 687Mt in 2011, an annual average compound growth of 23%. This increase came on the back of the rapid industrialisation and urbanisation of China at this time, a process that is ongoing albeit at a slower pace.

BREE (the Australian Bureau of Resource and Energy Economics, from their September 2013 Quarterly Outlook) forecast an increase of Chinese ore imports from 2011 to 2018 from 687 to 998Mt, an annual average growth of 4.8%.

The largest iron ore exporters are Australia and Brazil, who in 2012 exported 492 and 327Mt respectively, and who between them dominate the seaborne trade market. Seaborne trade currently accounts for around 50% of global demand.

World Steel Consumption and Production (BREE)

	2011	2012	2013 f	2014 f	2015 f	2016 f	2017 f	2018 f
World Steel consumption (Mt)								
China	650	669	703	730	755	780	800	820
EU 27	169	166	165	166	168	170	172	175
US	96	98	99	100	101	102	103	104
Brazil	28	28	29	30	31	32	32	33
Russia	47	49	50	52	53	54	55	55
Japan	70	73	74	74	75	75	75	76
South Korea	59	62	60	62	64	65	67	68
India	74	78	83	88	93	99	104	110
Others	292	303	309	321	323	327	338	348
World steel consumption	**1485**	**1526**	**1572**	**1623**	**1663**	**1704**	**1746**	**1789**
World steel production (Mt)								
China	683	709	762	788	809	829	846	861
EU 27	176	167	167	168	170	172	174	177
US	86	89	87	88	89	91	93	95
Brazil	35	35	35	36	37	38	39	40
Russia	69	71	70	72	74	76	79	83
Japan	108	107	109	110	110	111	112	112
South Korea	68	69	67	69	71	73	74	76
India	72	77	80	85	90	96	103	110
Others	213	210	209	215	218	223	229	234
World steel production	**1510**	**1534**	**1586**	**1631**	**1668**	**1709**	**1749**	**1788**

Iron Ore Trade (BREE)

	2011	2012	2013 f	2014 f	2015 f	2016 f	2017 f	2018 f
Iron ore imports (Mt)								
China	**687**	**745**	**831**	**872**	**908**	**936**	**967**	**998**
Japan	128	131	133	133	134	135	136	136
EU 27	133	128	129	130	132	134	136	137
South Korea	65	65	63	65	67	68	70	71
Others	72	57	60	107	118	131	143	145
Iron ore exports (Mt)								
Australia	438	492	570	669	729	775	828	847
Brazil	331	327	336	371	391	406	423	447
India (net exports)	48	25	12	26	25	19	15	13
Canada	31	35	35	35	30	29	28	26
South Africa	42	47	49	49	50	50	50	50
Others	195	200	214	157	134	125	108	104
World trade	**1085**	**1126**	**1216**	**1307**	**1359**	**1404**	**1452**	**1487**

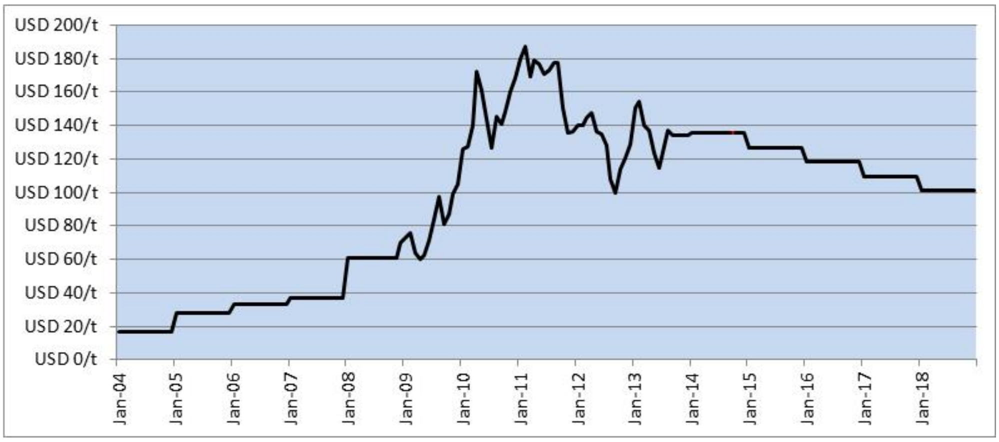
Pricing

The increased demand largely led by China's rapid growth led to significant price rises from 2004 until the peak in early 2011, with these since falling back to around the US$120-$130/tonne mark (CFR, Tianjin). Increasing spot prices during 2009 and into 2010 saw a virtual collapse of the annual contract system, with the major producers now favouring a quarterly index based pricing system.

BREE forecast a gradual fall in price down to a Pilbara FOB price of US$91/tonne in 2018, with this equating to close to a US$100/tonne CFR Tianjin price. BREE quote an increase in seaborne supply as leading to this fall in price, as a number of projects currently under development commence delivery.

The graph below shows historic prices to September 2013 (source- IndexMundi) and forecast prices to 2018 (source – BREE). Forecast prices have been normalised to CFR Tianjin, 62% fines.

Iron Ore Prices, 62% CFR Tianjin (IndexMundi, BREE)



Directors

Non-Executive Chairman

George Jones

Mr George Jones has been involved with the Company for a number of years and has a comprehensive understanding of the Company and its assets. Mr Jones has more than 35 years' experience in the mining, banking and finance industries and has been a Director of a number of private and publicly-listed companies. He has been a Director since July 2, 2010.

Managing Director and CEO

Giulio Casello

Mr Giulio Casello is a highly experienced executive with national and global exposure in manufacturing environments for blue chip organisations. Backed by 30 years of experience, he has a track record of success with operations, business development and corporate strategy. He has previously worked at Sinosteel Midwest as Chief Operating Officer, Century Aluminium Company in the United States of America where as Senior Vice President Business Development he was responsible for developing and implementing a growth plan in aluminium, alumina and critical raw material and managing new projects across the globe. He has also held a number of significant positions in Alcoa including Director of WA Operations, General Manager of Alcoa's World Chemicals and Location Manager of the Kwinana Alumina Refinery. He has been a Director since 8 November 2010.

Non-Executive Director

Michael Blakiston

Mr Michael Blakiston is a solicitor with substantial legal experience in the resources sector. He is a partner of the corporate and resource law firm, Gilbert + Tobin and has over 30 years' experience. Mr Blakiston holds Bachelor of Jurisprudence and Bachelor of Laws degrees from the University of Western Australia. Mr Blakiston has extensive commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. Gilbert + Tobin are currently engaged by Sundance Resources to provide ongoing legal advice. Mr Blakiston has played a leading role in the negotiation and formulation of a number of key agreements relating to Sundance's Mbalam-Nabeba Iron Ore Project, and is currently involved in the progression of the Convention agreements with the Congolese and Cameroon Governments. He has been a Director since 2 July 2010.

Non-Executive Director

Barry Eldridge

Mr Barry Eldridge has over 40 years' experience as a geologist and mining engineer in the resource industry both in Australia and overseas. Following a 20 year career in the coal industry in Queensland and New South Wales, Mr Eldridge moved to Western Australia in 1988 where he has been involved in a number of management roles in the mining industry. Most notable of these have been Project Manager for the Super Pit in Kalgoorlie, Project Manager for the development of the Kanowna Belle gold mine, Managing Director of Forrestania Gold NL, Project Director for Rio Tinto's West Angelas iron ore development, Director – Major Projects for North Ltd, Managing Director of Griffin Coal Pty Ltd, Managing Director, Chief Executive Officer of Portman Ltd and Chairman of SNC-Lavalin Australia Pty Ltd. He has been a Director since 2 July 2010.

Non-Executive Director

Fiona Harris

Ms Fiona Harris has extensive experience as a Non-Executive Director over the past 18 years including with iron ore companies, other companies in the energy and natural resource sector, and companies with overseas operations. She has significant experience in mergers, acquisitions and other corporate activity. Ms Harris was previously a member of the Australian Institute of Company Directors (AICD) National Board and a Western Australian State President. Ms Harris is a former partner of KPMG Chartered Accountants, specialising in financial services and superannuation, capital raising, due diligence, initial public offerings, capital structuring of transactions and litigation support. She has been a Director since 12 July 2010.

Non-Executive Director

Robin Marshall

Mr Robin Marshall is an experienced mining executive with an impressive track record of international experience in positions with several global mining groups including Project Director for Vale Inco at its world-class Goro Nickel Project, Vice-President – Asset Development Projects for BHP Billiton Iron Ore, Project manager for North Limited, Project Director with Iron Ore Company of Canada, Manager Project for Forrestania and Project services for Western Mining Corporation and Nedpac (Signet Engineering). Mr Marshall has also spent a number of years in Africa in senior positions in both project and operational areas. He has been a Director since 14 October 2010.

Non-Executive Director

David Southam

Mr David Southam is a Certified Practicing Accountant with more than 20 years of experience in accounting, banking and finance across the resources and industrial sectors. He is currently an Executive Director at ASX-listed nickel miner, Western Areas Ltd, and was previously the Chief Financial Officer of Gindalbie Metals Ltd and a Director of Karara Mining Ltd. Mr Southam was responsible for completing one of Australia's largest project financing transactions for 2010 and in securing life of mine off-take contracts with consortiums out of China. Mr Southam also spent almost six years with Brambles Industries Limited in a number of finance executive roles,including Chief Financial Officer of Cleanaway Industrial. He has been a Director since 11 September 2013.

**Director CV's extracted from company website, November 20, 2012*

Analyst Verification

We, Grant Craighead and Mark Gordon, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

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