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ASX / MEDIA RELEASE

## DRILLING UPDATE – MBALAM IRON ORE PROJECT

### *Intersections of up to 144m of High Grade Hematite from Surface achieved at Nabeba Deposit*

International iron ore company Sundance Resources Limited (ASX: SDL – "Sundance") is pleased to report excellent initial drilling results at the Nabeba Deposit, part of its **Mbalam Iron Ore Project** in West Africa.

Sundance's majority-owned subsidiary, Congo Iron SA, is progressing resource definition drilling at the Nabeba Deposit with a total of **19 diamond and RC drill holes completed** to date.

The Nabeba Deposit lies 42km south of Sundance's flagship Mbarga Deposit - refer Figure 1. The location of the holes drilled by Congo Iron SA are shown in Figure 2 (together with the location of 4 holes previously drilled by the Bureau de Recherche Géologiques et Minières (BRGM) in 1986).

**Significant thicknesses of High Grade Hematite** have been intersected in the majority of holes drilled with iron grades in excess of 60% Fe in most of the significant intersections. Table 1 presents all hole intersections reported to date with the best results summarised below. Figure 3 shows sample core photographs from diamond drillhole NB0004D (which reported 143 metres from surface at average 61.7% Fe).

<i>Hole</i>	<i>From</i>	<i>To</i>	<i>Intersection</i>	<i>Grade (% Fe)</i>
NB0003D	13m	72m	59m	62.0%
NB0004D	0m	143m	143m	61.7%
NB0006D	0m	144m	144m	64.4%
NB0007C	0m	58m	58m	58.0%
NB0010C	6m	48m	42m	60.3%
NB0012D	0m	65m	65m	65.3%
NB0018C	0m	68m	68m	61.9%

All reported results are based on site Niton XRF analysis. Samples are being freighted to Perth for laboratory testing and reporting of full assay results.

Sundance CEO, Don Lewis, observed that "these initial results at Nabeba are very encouraging. They are generally consistent with previous results reported by BRGM and support the potential to define a substantial resource at Nabeba in line with our Exploration Target\* of 100 to 250Mt Hematite grading 55% to 65% Fe. On the basis of these results the Board of Sundance has approved the purchase of a fourth drill rig with a Schramm RC rig scheduled to be shipped ex the United States this week".

Drilling has tested a significant area of the mapped hematite on the northern ridge of the Nabeba Deposit, indicating that the mineralisation is extensive. The next phase of drilling will aim to deliver an initial estimate of JORC-Code compliant resources over this northern ridge. Drilling will then progress to the southern ridge of the deposit which shows similar surface mineralisation.

*\*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 in excess of that estimated for the Mbarga, South Mbarga and Metzimevin Deposits and it is uncertain if further exploration will result in determination of a Mineral Resource for the Nabeba Deposit or any other prospects on the Company's landholdings.*

Sundance has updated its Investor Presentation to include these initial results and further outline the Company's integrated development strategy for the Mbarga and Nabeba Deposits. The project production target of 35Mtpa is based on use of High Grade Hematite feed for the first 10 years of operations (this being subject to achievement of the Exploration Target\* referenced above). This strategy aims to maximise margins during the period of rail and port infrastructure financing with production of Itabirite concentrate and pellets for the balance of the +25 year mine life. The updated presentation is attached and can be downloaded from the Company's web site at [www.sundanceresources.com.au](http://www.sundanceresources.com.au).

Mr Lewis noted that "exploration at Nabeba is progressing very well and provides a strong platform for presentation to global investors and potential strategic partners".

"The extent of near-surface High Grade Hematite at Nabeba reinforces the potential scale and quality of this deposit and its role in the Company's integrated development strategy. Nabeba feed is expected to blend well with high-grade feed from the main Mbarga Deposit in Cameroon to deliver a premium sinter fines product, grading +62% Fe. Importantly, the near-surface mineralisation exhibited at Nabeba, like at Mbarga, will also support very low cost mining operations," Mr Lewis said.

"We expect interest in the Company to grow following the recent strong increase in iron ore prices. Our view is that the iron ore market will remain supply-constrained for the foreseeable future, supporting ongoing pricing strength".

"Continuing success in our exploration program will demonstrate that the Mbalam Iron Ore Project can deliver world-scale High Grade and Itabirite hematite resources within an iron ore province similar to the Minas Gerais region in Brazil. This, combined with current market conditions, should support our discussions with potential strategic partners and drive the value of the Mbalam Project," Mr Lewis concluded.

Sundance will commence a roadshow this week in Europe and North America. The roadshow is aimed at increasing awareness of the Company as it progresses its 2010 Exploration Program and Definitive Feasibility Study for development of the world-scale Mbalam Iron Ore Project.

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#### **About Sundance Resources Limited**

Sundance Resources Ltd is an international iron ore company focused on mining interests in the Republic of Cameroon and the Republic of Congo, on the central west coast of Africa. Sundance is progressing 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.

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.

#### **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.*

## Competent Person's 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. 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.

The map boundaries shown in any attached figures are indicative and should not be used for legal purposes. All areas are approximate and maps do not reflect all topographical features.

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 for the Nabeba Deposit or any other prospects on the Company's landholdings.

**Table 1: Summary of Significant Intersections of High Grade Hematite at the Nabeba Deposit**

Hole	From	To	Intersection	Fe Grade (%) <sup>1</sup>
NB0001D	0m	28m	28m	62.2% <sup>2</sup>
NB0002D	0m	41m	41m	62.1% <sup>2</sup>
NB0003D	13m	72m	59m	62.0% <sup>2</sup>
NB0004D	0m	143m	143m	61.7%
NB0005C	0m	8m	8m	56.7%
NB0006D	0m	144m	144m	64.4%
NB0007C	0m	58m	58m	58.0%
NB0008C	68m	80m	12m	58.4%
NB0009C	10m	18m	8m	60.7%
NB0010C	6m	48m	42m	60.3%
NB0011C	4m	18m	14m	57.0%
NB0012D	0m	65m	65m	65.3%
NB0013C	0m	32m	32m	63.7%
	60m	74m	14m	61.3%
NB0014C	0m	18m	18m	65.3%
	34m	50m	16m	63.8%
NB0015C			-	-
NB0016C	0m	51m (EOH)	51m	61.4%
NB0018C	0m	68m	68m	61.9%
NB0019C <sup>3</sup>	0m	48m	38m	63.2%

1. Fe grades based on field Niton XRF analysis & subject to full laboratory assay analysis

2. Poor core recovery in these holes with Fe grades only reported from available core

3. Hole 19C in progress

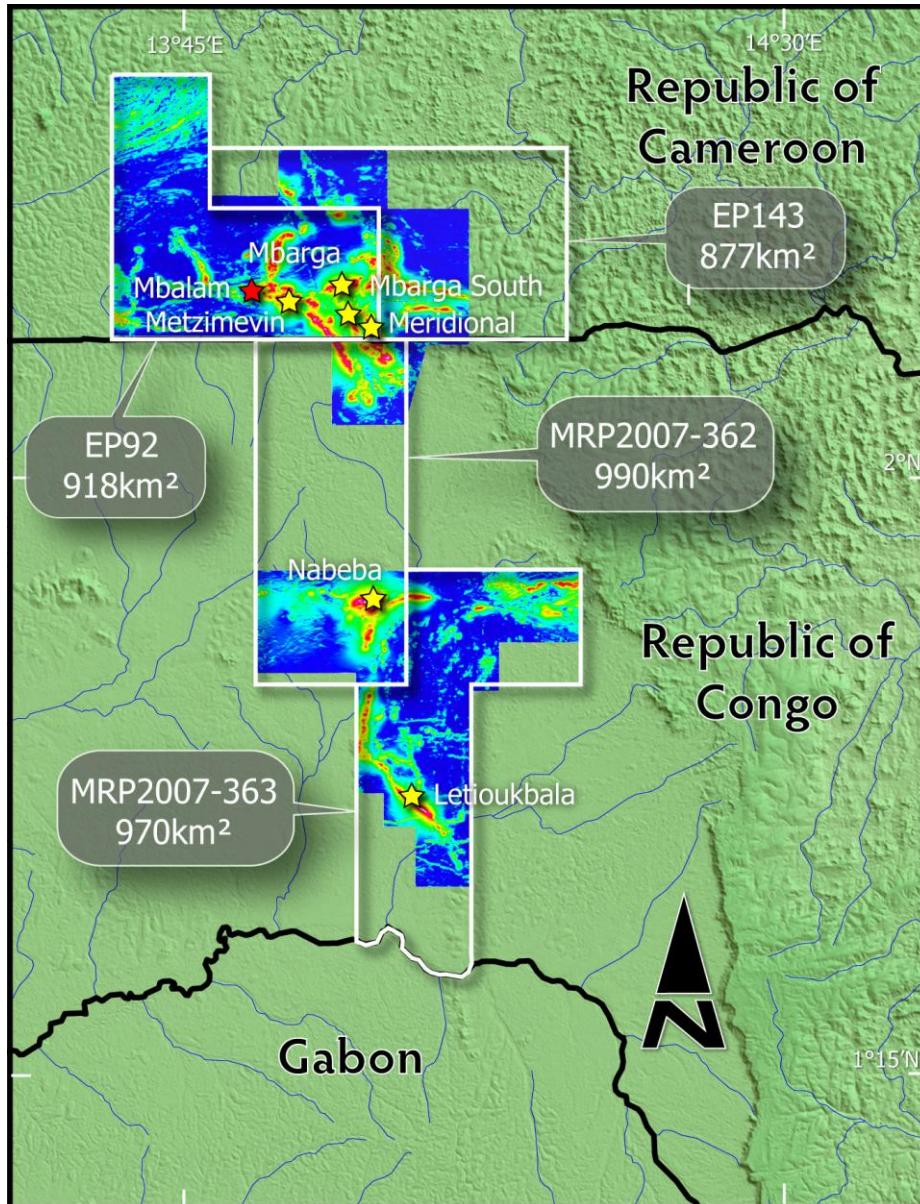
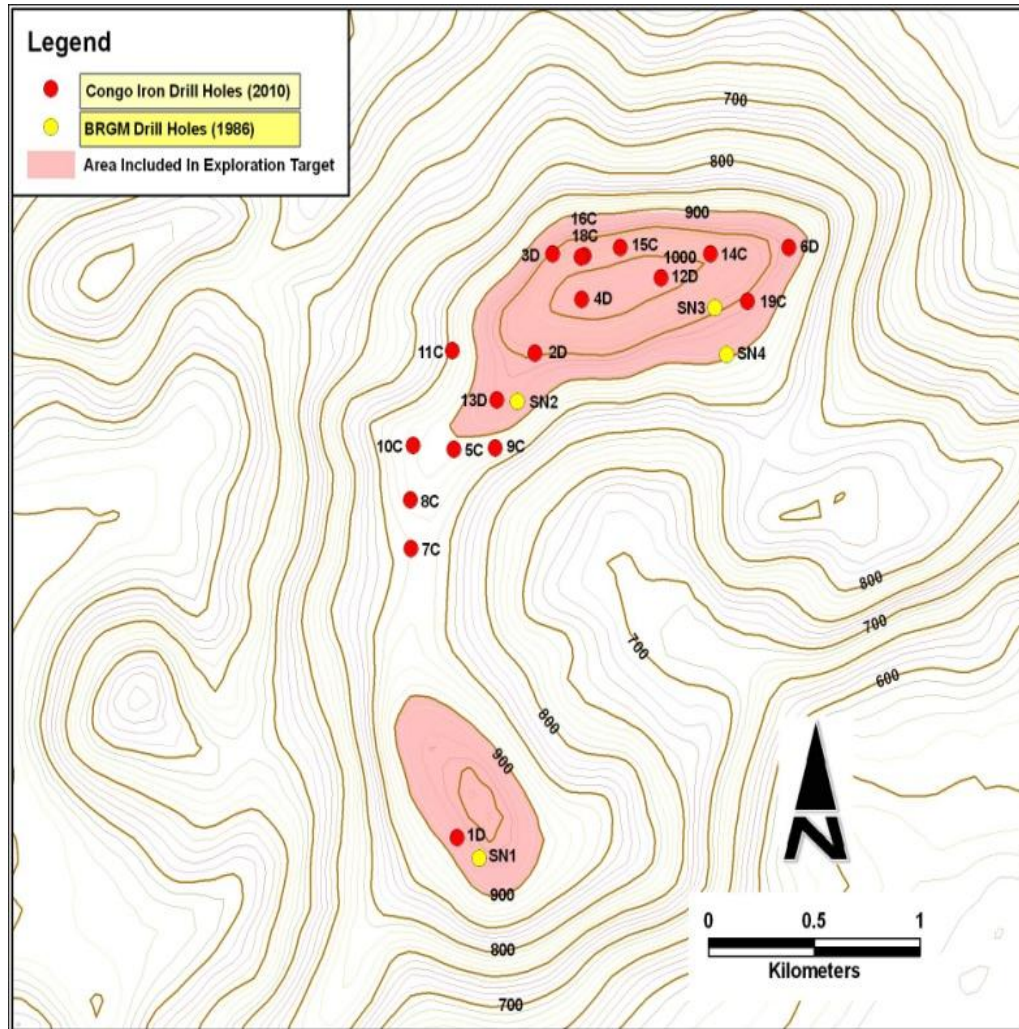


Figure 1: Location of the Nabeba and Mbarga Deposits



**Figure 2: Drill Hole Locations for results reported to date for the Nabeba Deposit**



**Figure 3a: Sample core photographs from Diamond Drill Hole NB0004D (from approximately 28m to 32m)**



**Figure 3b: Sample core photographs from Diamond Drill Hole NB0004D (from approximately 94m to 98m)**