INVESTOR PRESENTATION RIGHTS ISSUE 2016

3 February 2016

SUNDANCE RESOURCES LTD

CAMIRON SA

CONGOIRON SA

Important information and Disclaimer

*This investor presentation ("**Presentation**") has been prepared by Sundance Resources Limited (ABN 19 055 719 394) ("**Sundance**").*

*This Presentation has been prepared in relation to a partially underwritten pro-rata renounceable entitlement offer of 1 new Sundance share ("**New Share**") for every 1 share held by eligible shareholders of Sundance at an issue price of $0.005 per New Share, together with 1 free new option exercisable at $0.006 per share on or before 31 August 2017 for every 1 New Share subscribed ("**New Option**") to raise up to $16,512,793 ("**Offer**"), to be made under a prospectus to be dated on or about 3 February 2016.*

SUMMARY INFORMATION

This Presentation contains summary information about Sundance, its subsidiaries and its activities, which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information that a prospective investor may require in evaluating a possible investment in Sundance or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth).

*This Presentation should be read in conjunction with Sundance's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au.*

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This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law (including the laws of another jurisdiction). This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The prospectus for the Offer will be available following its lodgement with ASX. Any eligible shareholder of Sundance who wishes to participate in the Offer should consider the prospectus in deciding whether to subscribe for and purchase New Shares (with free attaching New Options) under that offer. Anyone who wishes to subscribe for and purchase New Shares under the Offer will need to apply in accordance with the instructions contained in the prospectus and the entitlement and acceptance form which will accompany it.

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire entitlements, New Shares or New Options and does not and will not form any part of any contract for the acquisition of entitlements, New Shares or New Options.

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An investment in Sundance shares and options is subject to known and unknown risks, some of which are beyond the control of Sundance, including possible loss of income and principal invested. Sundance does not guarantee any particular rate of return or the performance of Sundance nor does it guarantee the repayment or maintenance of capital or any particular tax treatment. Investors should have regard to the risk factors outlined in this Presentation when making their investment decision.

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Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies that may affect future operations of Sundance and the impact that different future outcomes may have on Sundance.

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs, make their own assessment of the information and seek legal, financial, accounting and taxation advice appropriate to their jurisdiction in relation to the information and any action taken on the basis of the information. Sundance is not licensed to provide financial product advice in respect of Sundance shares.

This Presentation does not constitute investment or financial product advice or any recommendation to acquire existing Sundance shares, New Shares or New Options and does not and will not form any part of any contract for the acquisition of New Shares or New Options.

Cooling off rights do not apply to the acquisition of New Shares and New Options.

PAST PERFORMANCE

Investors should note that this presentation contains pro forma financial information. In particular, a pro forma balance sheet has been prepared at 31 December 2015 based on the 30 June 2015 audit position after adjustments for items including the impact of the Offer. The pro-forma statement of financial position is not audited and is not intended to represent the financial position of Sundance upon completion of the Offer. It is provided as an illustration of the effect of the Offer and the adjustments listed. The actual impact on Sundance is dependent on a range of factors, many of which are outside the control of Sundance.

Investors should note that past performance, including past share price performance of Sundance and any pro forma historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Sundance performance including future share price performance. Any pro forma historical information is not represented as being indicative of Sundance's views on its future financial condition and/or performance.

FORWARD LOOKING STATEMENTS

This document has been prepared as a summary only and does not contain all information about Sundance's (and its controlled entities') assets and liabilities, financial position and performance, profits and losses, prospects and the rights and liabilities attaching to Sundance's securities. This presentation does not constitute investment advice and is not intended to represent an investment recommendation. Recipients of this presentation should seek professional advice when deciding if an investment is appropriate.

Certain statements made during or in connection with this presentation, including without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of Sundance's operations including the likely commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's operations, economic performance and financial condition.

Important information and Disclaimer

FORWARD LOOKING STATEMENTS.. CONT

Although Sundance 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*
- *Business and operational risk management*
- *Changes in equipment life, capability or access to infrastructure*
- *Emergence of previously underestimated technical challenges*
- *Environmental or social factors which may affect a license to operate*

The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Sundance, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain general and Sundance specific risk factors that may affect Sundance.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to Sundance as at the date of this Presentation.

This presentation should be read in conjunction with the Sundance Annual Financial Report as at 30 June 2014, the half year financial statements, the quarterly reports along with any other ASX announcements made by Sundance in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

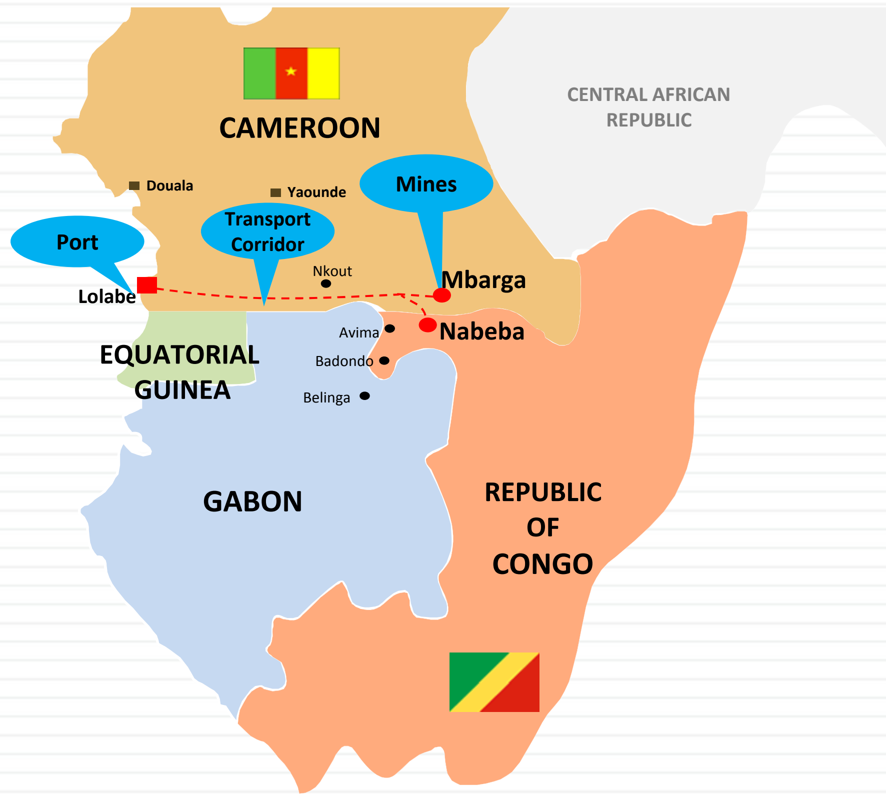
Except for statutory liability which cannot be excluded, Sundance, its officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from. Sundance 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, except as may be required under applicable securities laws.

Sundance Overview

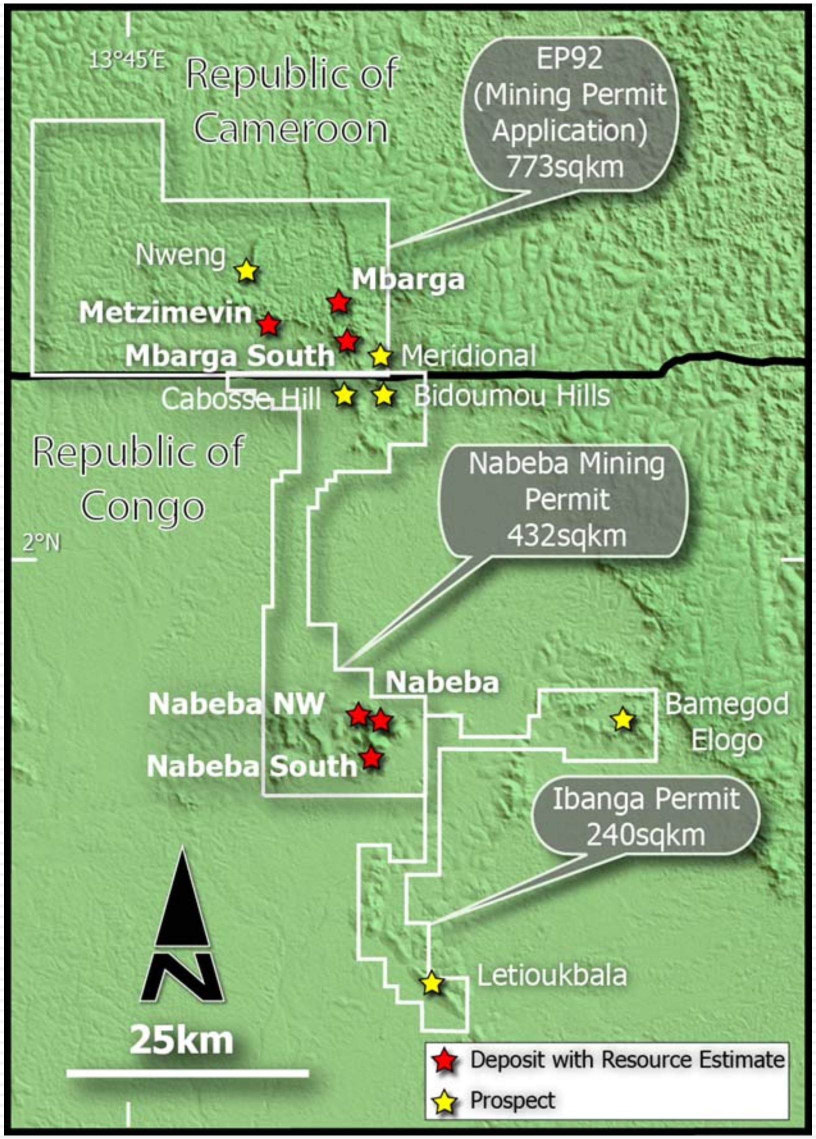
- Sundance Resources Limited ("**Sundance**"), an Australian Securities Exchange ("**ASX**") public-listed company, through its majority owned subsidiaries Cam Iron S.A. ("**Cam Iron**") and Congo Iron S.A. ("**Congo Iron**") is developing the Mbalam-Nabeba Iron Ore Project ("**Project**") in the emerging world-class iron ore region of Central Africa.
- The Project consists of the:
  - Mbarga iron ore mine, processing plant and associated infrastructure in the Republic of Cameroon ("**Cameroon**");and
  - Nabeba iron ore mine, processing plant and associated infrastructure in the Republic of Congo ("**Congo**").
- The Mbalam-Nabeba Iron Ore Project is one of the only iron ore projects worldwide, which features DSO, low production costs, proven reserves and which has government approvals in place
- The 1,740km2 Project area is located in an emerging iron ore province, which extends through the Republics of Cameroon and Congo
- Once in place, planned rail and port infrastructure owned by the Cameroon Government could be upgraded to support regional production of up to 100Mtpa in the longer term

A Pioneering Project for Central Africa

- The Project consists of the:
  - Mbarga and Nabeba iron ore mines, processing plants and associated infrastructure
- The Project will produce at least 40 million tonnes per annum from the two mines for 30+ years in two stages:
  - **Stage 1**: high-grade hematite direct shipping ore ("DSO") for at least 13 years
  - **Stage 2**: 66% - 68% concentrate product from Itabirite for further 20+ years
- The Project will utilise:
  - a new railway (to be constructed) from the Congo, through Cameroon, to the coast with:
    - 540km in Cameroon;
    - 40km spur line in Congo; and
  - a deep water iron ore mineral terminal (to be constructed) in Cameroon
- The infrastructure in Cameroon is to be funded by the Government of Cameroon and be jointly owned by Cam Iron (2%) and the Government of Cameroon (98%)



Stage 1 High Grade Hematite Reserves and Resources



High-grade Hematite

	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Reserves						
Probable	**517**	**62.2**	**4.46**	**2.80**	**0.09**	**3.3**
Resources						
Indicated	776.8	57.3	8.9	4.4	0.10	3.9
Inferred	28.8	56.6	16.4	2.9	0.08	1.3
Total	**805.7**	**57.3**	**9.2**	**4.3**	**0.10**	**3.8**

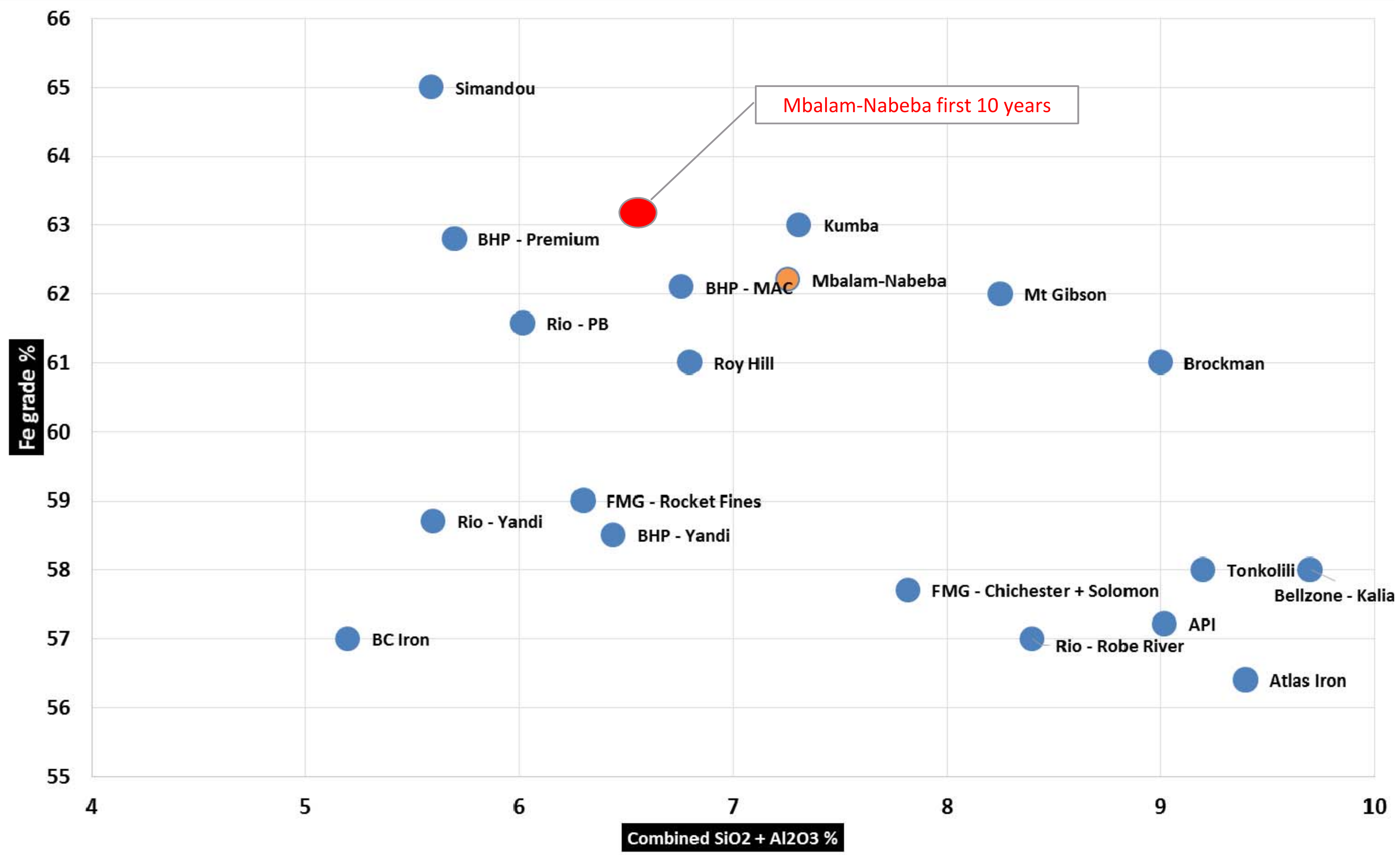
- ASX announcement of 20 May 2015:
  - High grade Hematite Reserves totaling 517Mt at 62.2% FE with low impurities; and
  - First 10 years of production average Product grade 63.1%.
- High Grade Hematite Resources totalling 775.4Mt at a grade of 57.2% Fe.
- Additional Exploration Target of approximately 90 - 150Mt at a grade of 55% to 65% Fe of High Grade Hematite on existing tenements.*

** It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.*

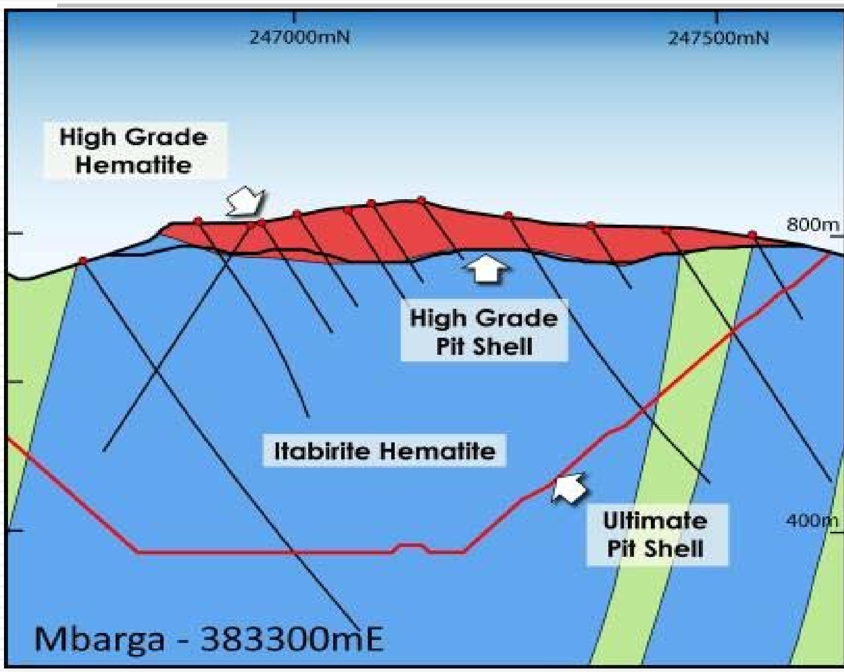
Hematite DSO - High Grade quality product

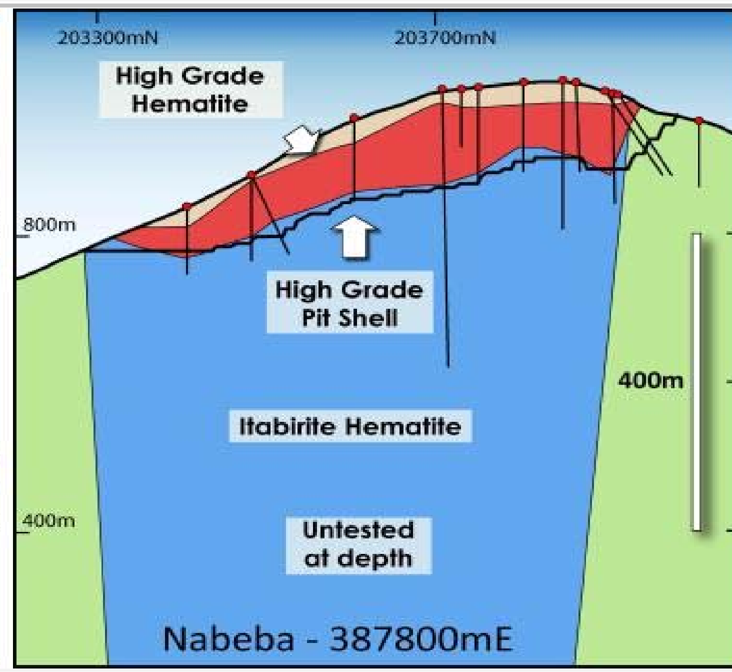
High quality ore comparable to be best ore from the Pilbara

Best quality ore outside of the Australian majors – BHP, RIO



Stage 2 - Itabirite Resources





Exploration target of ~9.3 - 13.2Bt Itabirite at a grade of 30% - 40% Fe on existing tenements*

Deposit	Mineralisation	Resource Category	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga (All Deposits)	Itabirite Hematite	Indicated	1,846	34.6	47.7	1.5	0.04	0.6
		Inferred	2,078	31.8	48.6	2.9	0.05	1.3
Nabeba (All Deposits)		Inferred	1,714	34.1	42.3	2.7	0.05	2.6
Total Itabirite Hematite Resources		**Total**	**5,638**	**33.4**	**46.4**	**2.4**	**0.05**	**1.5**

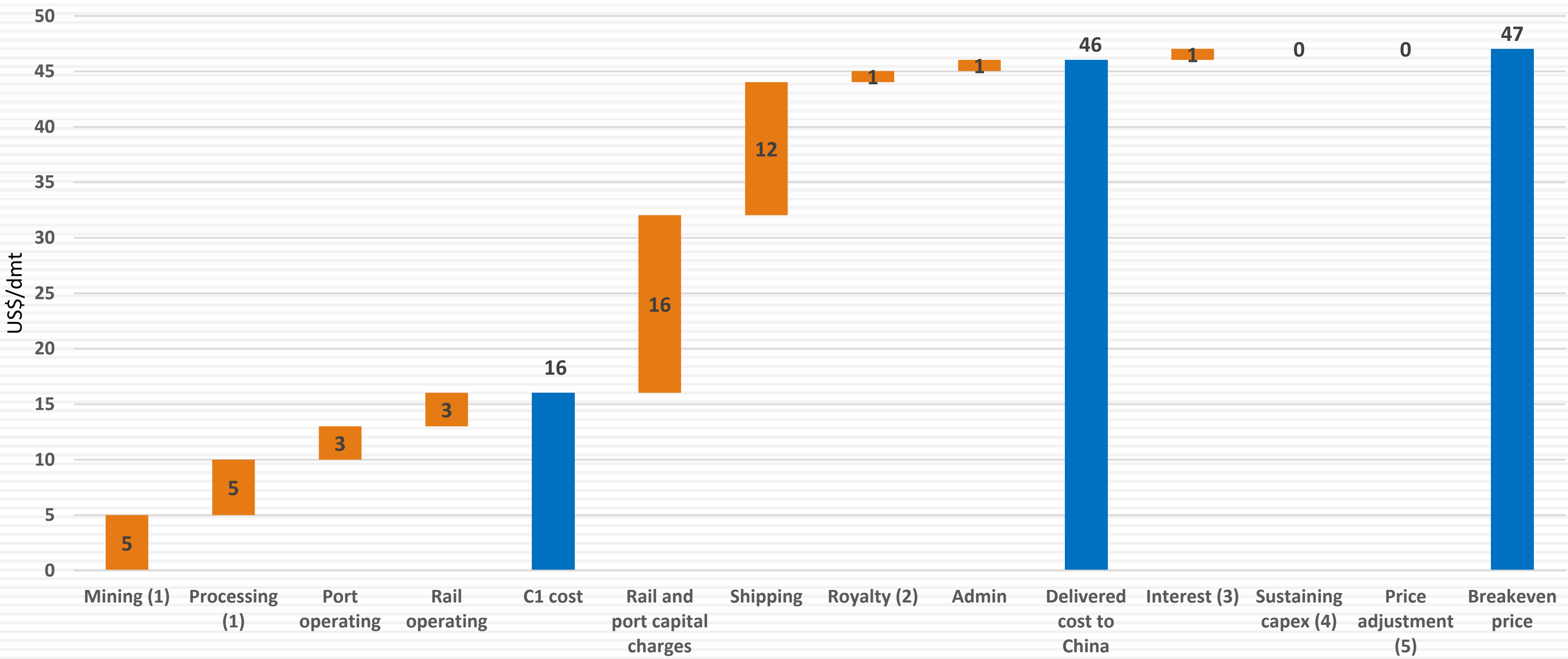
** It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.*

Stage 2 – High quality concentrate product

- Pre-Feasibility Study for Stage 2 at Mbarga only with 35Mtpa concentrate based on standard Brazilian processing of similar material:
  - Using Mbarga Itabirite ore as a feed source to a new beneficiation plant designed for Itabirite ore at a nominal throughput of 75Mtpa;
  - Ore will be crushed and contained hematite concentrated utilising reveres flotation to reject silica; and
  - Concentrate will be thickened and filtered and exported at a rate of 35Mtpa using the rail and port facilities used for Stage 1.
- Product expected to attract a revenue premium of approximately 20%.
- Capex of U$2.71 billion (Dec 2010 real).
- Operating costs of U$42/dmt FOB Lolabe – excludes capital charge on port and rail infrastructure as Stage 1 pays for this in full.

Indicative Itabirite Product Specification	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	GrindSize (P80 microns)	Mass Yield (%)	Fe Recovery (%)
BF concentrate	66.6	3.5	0.3	0.03	53	48	84
DR concentrate	68.0	1.8	0.2	0.03	53	45	81

Breakeven Cost



Notes

(1) Includes 12.5% contingency

(2) Royalty based on $US50/t CFR China

(3) Interest charge on Mine Infrastructure debt

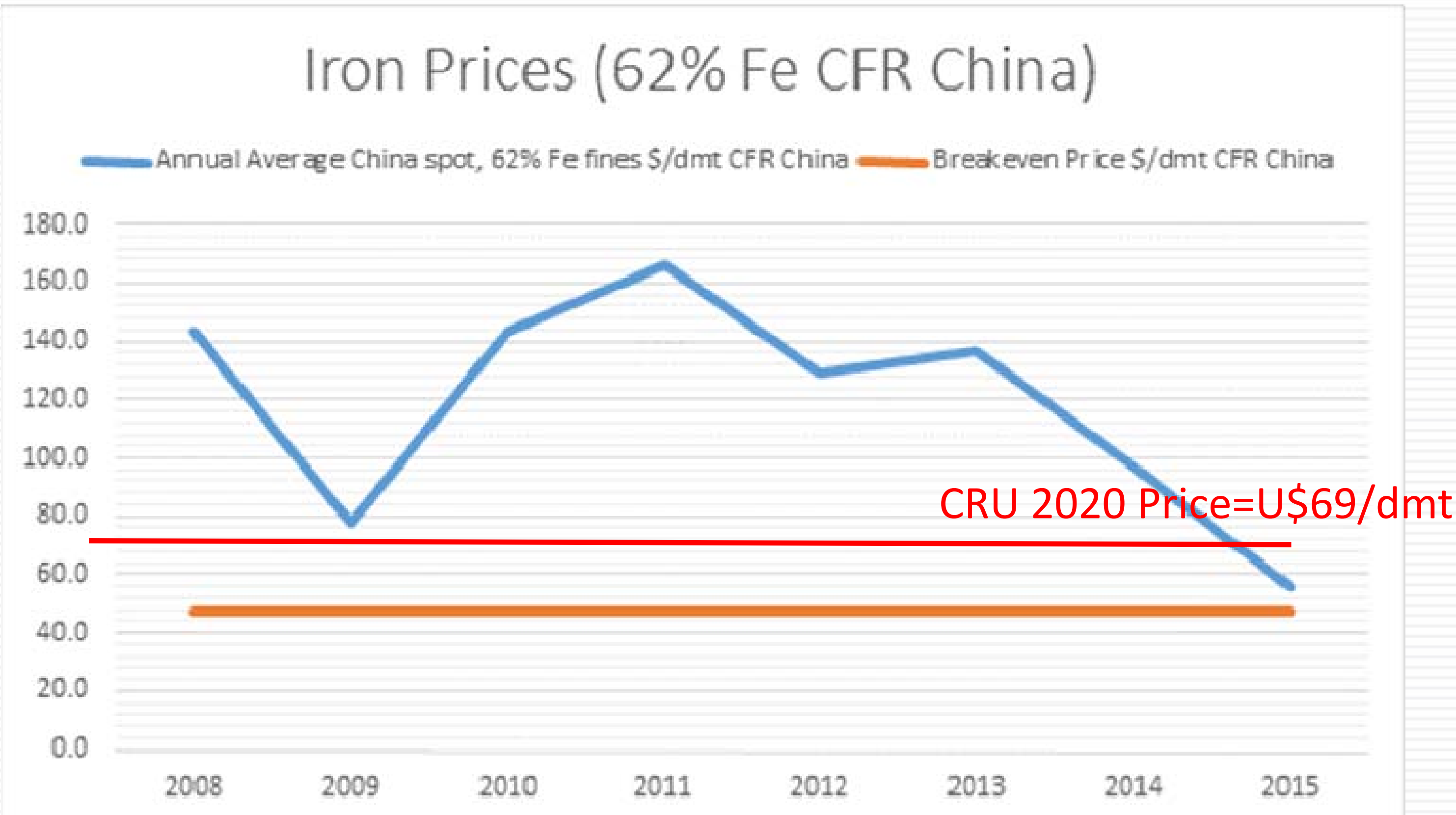
(4) Sustaining capital included in operating costs

(5) No price adjustment over life of Stage 1. First 10 years of production can produce a pricing benefit as average Fe content is over 63%

Substantial future Project value

"By 2020 the market will need new supply to enter the market over and above committed production"

CRU Iron Ore Long Term Market Outlook 2015 Edition



Source: CRU

Freight comparison

The Central Africa iron ore belt is expected to emerge as one of the lowest FOB cash cost globally once the assets commence production and to be competitive in the seaborne iron ore market

	Europe		China	
	US$/t	Days	US$/t	Days
Cameroon	11.5	13	23.1#	30
Brazil	12.9	16	25.0	33
Australia	25.5	34	9.4	10
India	23.9	32	11.1	13
South Africa	14.8	18	18.4	23

 # Freight cost is average of last 5 years. Current cost Cameroon to China (Jan 2016) is approx. US$12/t

Ready for financing

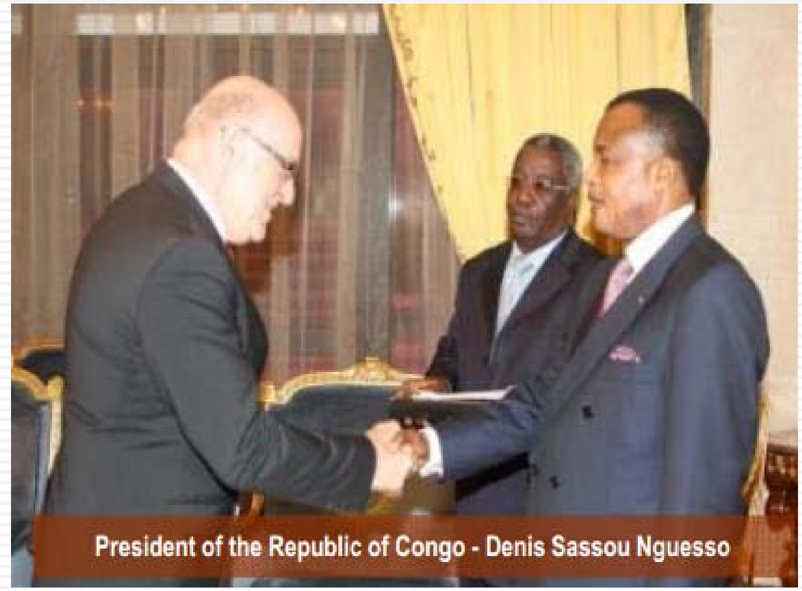
- All studies completed
  - DFS completed in April 2011
  - Updated in 2015 to improve economics
    - Reduced operating costs
    - Increased capacity
- Environmental approvals received in both countries
- Conventions in both Cameroon and Congo incorporating fiscal regimes agreed in both countries (tax holidays, tax rates, royalties etc. Refer Background slides for further details on each Convention)
- Mining permit issued in Congo
- Transition agreement signed with Cameroon government to transfer ownership and funding/construction obligations to Cameroon Government for rail and port

Cameroon and Republic of Congo: Supportive Governments

"Sundance's projects are the most advanced in the region and should be the nucleus around which consolidation of the region's projects would take place."

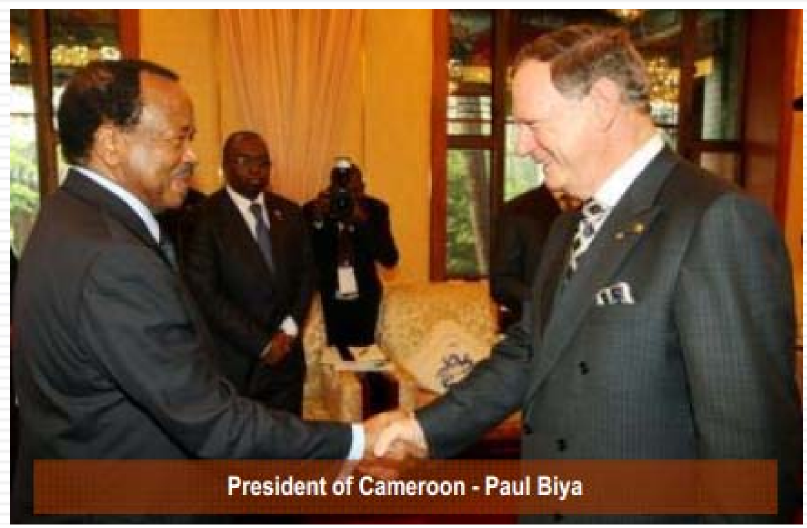
- Investec Securities 30/7/2013

- The Mbalam Convention signed in November 2012 (Cameroon).
- The Nabeba Convention signed on 25 July 2014 (Congo).
- Transition Agreement signed in June 2015.
- The Declaration of Land for Public Utility ("**DUP**") for the rail corridor granted in 2012.
- All Government environmental approvals in place.
- Congo-Cameroon Bilateral Agreement in active discussion with full support from both Presidents



President of the Republic of Congo - Denis Sassou Nguesso

Prime Minister of Cameroon - Philémon Yang

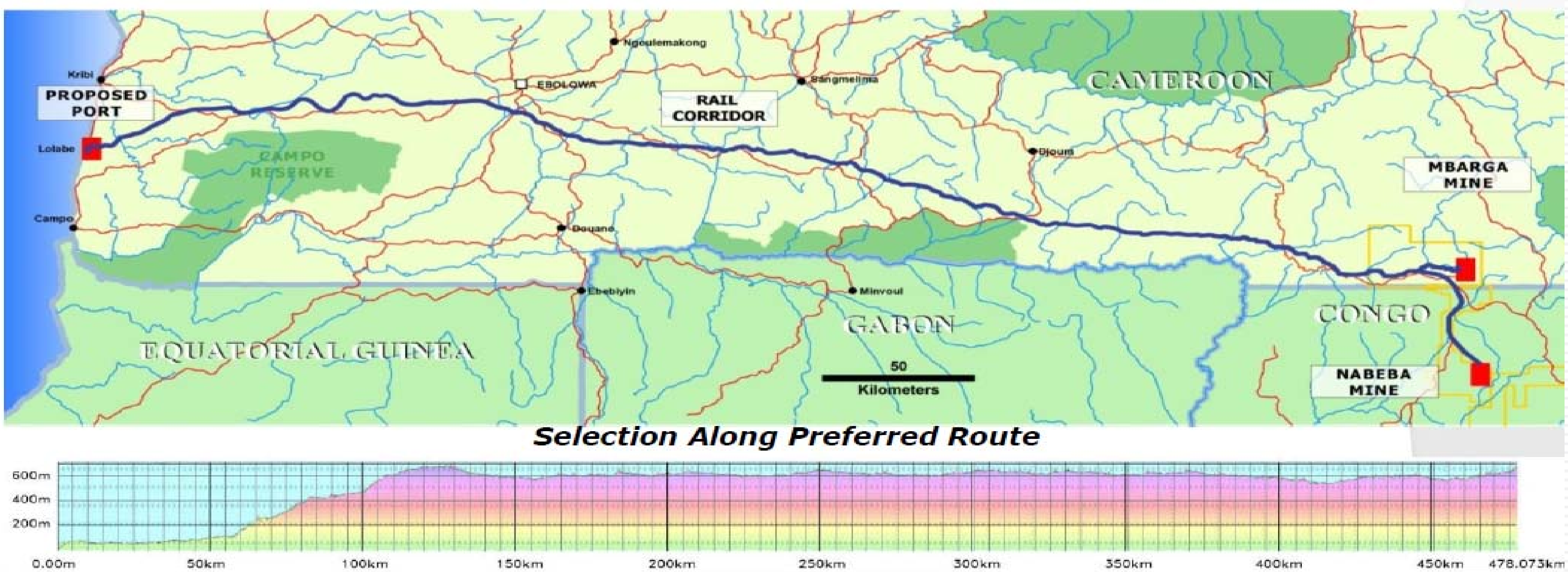


President of Cameroon - Paul Biya

Infrastructure is the key to Unlocking the Region

Rail

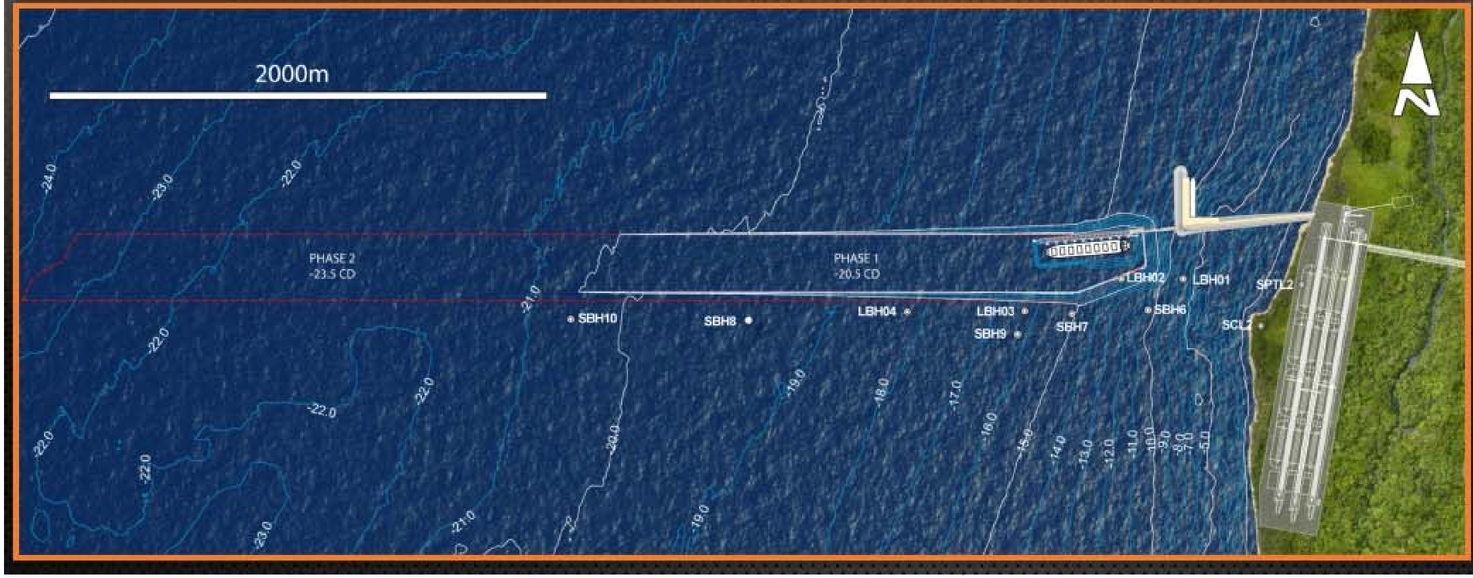
- Construction of a 510km rail line to Mbarga and a 70km spur line to Nabeba.
- It is planned to be standard gauge 32t axle load, and that iron ore will be transported using 6 trains, each comprising 3 locos and 190 wagons.
- The line will be built to transport Sundance's anticipated production of 40Mtpa, but can be expanded to ~100Mtpa via additional passing loops to allow other regional iron ore producers to use the infrastructure
- The terrain over which the line will run is predominantly flat, with only 640m of bridges and no tunnels.

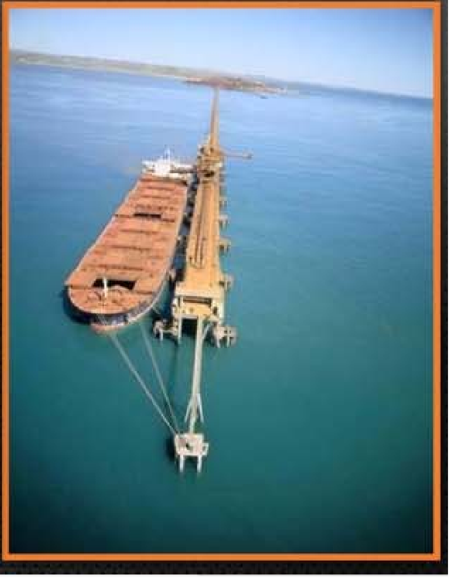


Infrastructure is the key to Unlocking the Region

Deepwater Port

- The new port will be constructed 12km south of the Kribi Multi-User Port Facility.
- It will be a deep water, near shore berth (25m) with a 1km open jetty and no breakwater.
  - The port will have single berth capacity for at least 40Mtpa.
  - It will be constructed for Cape Size 200,000 DWT and with additional dredging and harbor works capable of loading 300,000 DWT China-max bulk ore carriers.





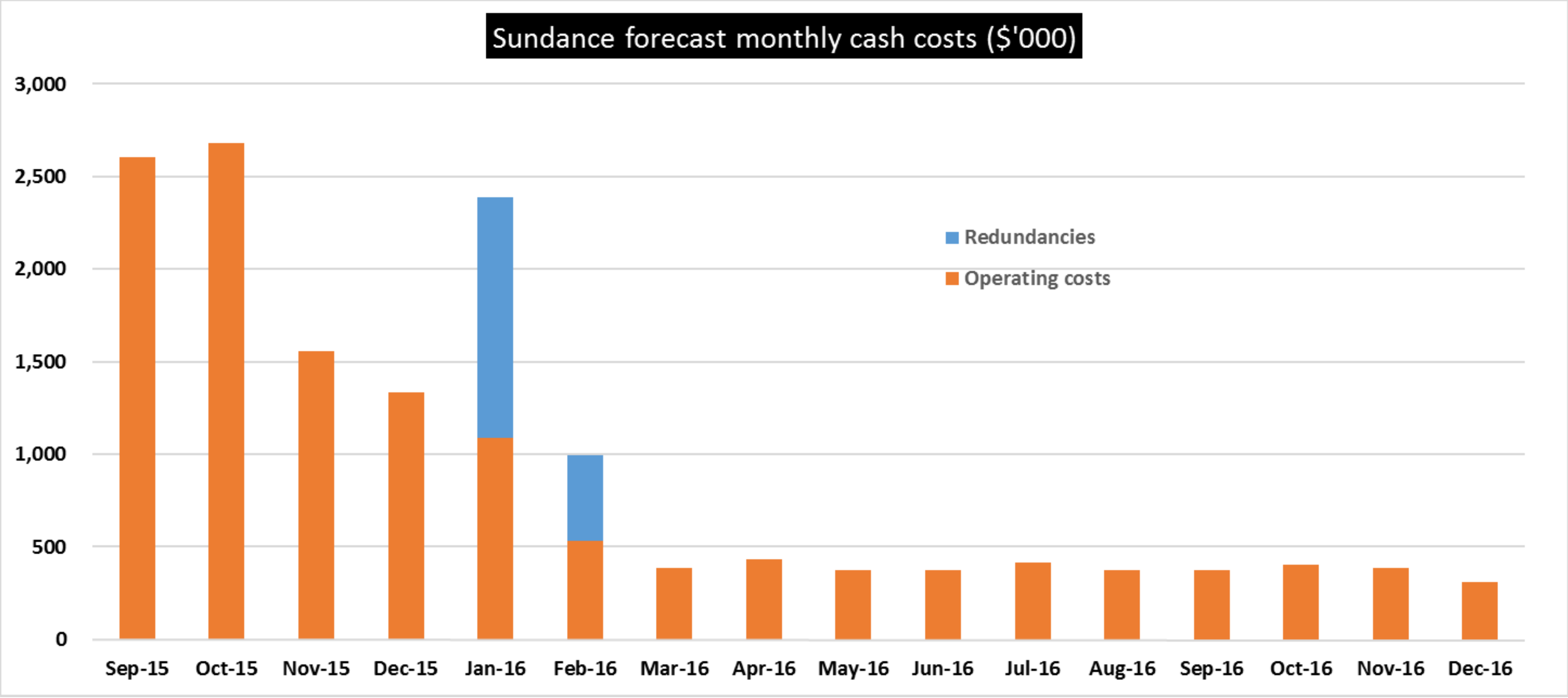
Port and Rail construction update

Very strong support from most senior political leadership in China will significantly increase the ability to finance the Project in China

- China has demonstrated strong support at the highest levels of Government to fund the rail and port infrastructure
- On 18 and 19 June 2015, the Cameroon Prime Minister Philemon Yang met with the Chinese President, Xi Jinping, and the Chinese Premier, Li Keqiang, in Beijing. One of the topics in the discussion was the Mbalam-Nabeba Iron Ore Project. The Cameroon Prime Minister received support for this Project from China in particular the funding required for the Port and Rail Infrastructure associated with the Project
- The Government of Cameroon:
  - received proposals from two Chinese EPC contractors to build the port and rail infrastructure;
  - advised in early September that China Gezhouba Group ("**CGGC**") have been selected as the preferred contractor;
  - Completed negotiations on long form EPC contract with CGGC as EPC contractor for the Port and Rail Infrastructure in November 2015.
  - Approved by the President of Cameroon, His Excellency Paul Biya for signing December 2015
- CGGC requested a postponement in January 2016 in the signing the EPC contract until financing was more advanced

Reducing Cash Costs

- As a consequence of the delay in signing the EPC Contract, the Company has implemented significant cost reduction measures to align cash with essential needs whilst retaining the ability to advance the Project as soon as the EPC contract has been signed, including:
  - Reduction in size of the Board to 3 directors
  - Approximately 60 employees across Perth, Cameroon and Congo to be made redundant



Small and Focussed management team and Board

The Board:

- Wal King – Chairman
- Giulio Casello – CEO and Managing Director
- Alan Rule - Non executive Director

Key in country executives:

Emmanuel Yoka
– CEO Congo Iron

Serge Asso'o
– CEO Cam Iron

Total global number of Employees 10 + 2 Independent Directors

The Offer

- Pro-rata renounceable entitlement offer of 1 New Share for every 1 Share held by Eligible Shareholders at an issue price of $0.005 per New Share, together with 1 free New Option for every 1 New Share subscribed to raise up to $16,512,793
- New Option is exercisable at $0.006 and expires on 31 August 2017
- Entitlement offer to be partly underwritten with David Porter (or his nominated entities) to sub-underwrite $11 million as part of the settlement agreement with the Porter Parties
- Issue price of $0.005 represents a discount of 25% to the 5 day VWAP and a discount of 29% to the closing price of $0.007 on 1 February 2015

Existing shares on issue	3,302,558,630
Maximum number of New Shares to be issued#	3,302,558,630
Maximum Number of New Options to be issued	3,302,558,630
Maximum Number of Shares on issue on completion of the Offer#	6,605,117,260

**in addition, up to 286.75M Underwriting Shares may be issued to the Underwriter*

Use of Funds

- Protecting the IP and assets of Sundance
- Maintaining relationships with Governments
- Assisting the Government of Cameroon as required to progress the funding and signing of the EPC contract for the port and rail
- Progress equity investment into the mines
- General working capital
- Meeting the Company’s obligations under the Porter Settlement

Pro-forma Balance Sheet

- The pro-forma Balance sheet at 31 December 2015 based on the 30 June 2015 audit position after adjustment for the following items:
  - Receipt of $7 million new convertible note;
  - Receipt of $16.5 million before costs from rights issue;
  - Payment to Porter $11.5 million;
  - Reclassification convertible note debt from current liabilities to non-current liabilities of approx. $41 million resulting from the extension of maturity date to 23 September 2017, interest accrual and revaluation at 31 Dec totaling approx. $9 million;
  - Conversion $2.5 million Hanlong convertible note 31 December 2015;
  - Cash outflows for 6 months to 31 December 2015 of $13.3 million; and
  - Potential impairment of approx. $245 million of inventory, fixed assets and mine development. Note 6 on pages 54 and 55 of the 2015 Annual Report sets out the valuation methodology, assumptions and sensitivities used to assess the carrying value of the mine development assets at 30 June 2015 including the impact of an increase to the discount rate, construction delays and a reduction in the long term iron ore price.

	Excluding potential impairment A$ million	Including full potential impairment A$ million
Current assets	12.6	11.4
Non-current assets	241.7	-
TOTAL ASSETS	**254.3**	**11.4**
Current liabilities	(6.1)	(6.1)
Non-current liabilities	(94.5)	(94.5)
TOTAL LIABILITIES	**(100.6)**	**(100.6)**
NET ASSETS and SHAREHOLDERS EQUITY	**153.7**	**(89.2)**

Note: The Pro-forma Statement of Financial Position is not audited and is not intended to represent the financial position of the Company upon completion of the Offer. It is provided as an illustration of the effect of the Offer and the adjustments listed. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

Indicative Timetable

Announcement of Entitlement Offer – *pre market*	3 February 2016
Lodgement of Prospectus with ASIC and ASX – *pre market*	3 February 2016
Ex date for the Offer and Entitlement commence trading	5 February 2016
Record Date (to identify Shareholders entitled to participate in the Offer)	4.00 pm (Perth time) on 9 February 2016
Despatch of Prospectus and Entitlement and Acceptance Form commences	12 February 2016
Offer opens	12 February 2016
Entitlements trading ends	19 February 2016
New Securities quoted on a deferred settlement basis	22 February 2016
Offer closes	5.00 pm (Perth time) on 26 February 2016
ASX notified of under-subscriptions	1 March 2016
Allotment of New Securities under the Offer	3 March 2016
Despatch of holding statements in relation to New Securities issued under the Offer	4 March 2016
Normal trading of New Securities issued under the Offer expected to commence on ASX	4 March 2016

These dates are indicative only. Sundance reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date without notice.

Risks

An investment in the Company should be considered speculative.

Prior to deciding whether to invest or take up their Entitlement, Investors and Shareholders should read the Prospectus and review announcements made by the Company to ASX (at www.sundanceresources.com.au, ASX: SDL) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects. In addition, the Directors strongly recommend that Investors and Shareholders examine the contents of the Prospectus and consult their professional advisers before deciding whether to invest or take up their Entitlement.

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Shareholders and Investors should consider the summary risk factors set out in the Prospectus when evaluating the Company and deciding whether to increase their shareholding or invest in the Company.

The Directors consider that the following summary represents the principal risk factors which Shareholders and Investors need to be aware of in evaluating the Company and deciding whether to increase their shareholding or invest in the Company, but is not intended to be an exhaustive list.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation.

COMPANY SPECIFIC RISKS

Working capital funding

At 31 December 2015, Sundance held cash of $7.29 million. Sundance is not currently in a position to generate income from operations and as such is reliant upon the equity and/or debt markets for additional working capital funding. At 30 June 2015, the Sundance Group had a net working capital deficiency of $34.2 million due mainly to the existing convertibles notes with a redemption value totaling $49 million which were due for repayment in November and December 2015. At the Annual General Meeting held on 30 November 2015, Shareholders approved the extension of the maturity date of the convertible notes with Noble and the Investor Consortium which were due on 1 December 2015, to 23 September 2017. The effect of this is that the amount due will no longer be disclosed as current liabilities.

With the proceeds of the Offer and the costs reductions referred to above, if no more than $2.25 million is subscribed by Shareholders or taken up by the Underwriter, the Company expects it will have sufficient working capital until the start of 2017. If however, the rights issue is fully subscribed by Shareholders, Sundance anticipates having sufficient working capital to last until December 2017.

Convertible Notes

Sundance currently has on issue convertible notes with a total face value of $93.5 million and a total redemption value of $116.85 million. See section 9.4 of the Prospectus for further details of these convertible notes.

Should the Company be unable, prior to the maturity date of 23 September 2017, to either convert the convertible notes in full into Sundance equity, repay these convertible notes in full, extend the maturity dates of the convertible notes or refinance the convertible notes in full, a material uncertainty would exist as to whether the Company will be able to remain solvent and continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

Project funding

Sundance will need to raise further capital and/or debt financing in order to advance the development of the Project. Sundance has commenced the process to achieve funding of the Mine Infrastructure by concentrating its efforts into China for the Mine Infrastructure equity and debt funding, Sundance is seeking an equity partner to acquire a significant equity interest in the Mines. As a result of the postponement of the EPC contract signing, this process has been placed on hold. The success and the pricing of any such sale of equity in the Mines and/or debt financing will be dependent upon the prevailing market conditions at that time. Failure to secure appropriate funding for the development of the Project will result in a delay or inability to develop the Project, the potential loss of the Project and the impairment of the carrying value of the capitalised mine development expenditure related to the Project.

Risks

EPC contract

As set out in section 2.1 of the Prospectus, on 13 January 2016, the Company announced to ASX that the proposed signing of the EPC contract between the Government of Cameroon and a Chinese state-owned construction company to construct the port and rail infrastructure for the Project located in Cameroon and Congo has been postponed. There is a risk that the postponement will continue indefinitely which will likely have a material impact on the Company's ability to proceed with the Project due to the material impact this this will create in finding an equity partner for the mines. Any such delay will likely also materially impact the Project Funding, Mbalam Convention and EP92 set out in this section.

Future sales or issue of Shares

The Company may issue further Shares or other securities in subsequent fundraising. The Company may also issue additional securities to finance future activities. The Company cannot predict the size of future issues or the effect, if any, that future issues of securities will have on the market price of the Shares. Issues of substantial numbers of Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Shares. With any additional sale or issue of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Litigation

Sundance may be exposed to risks of litigation which may have a material adverse effect on the financial position of the Sundance Group.

As announced on 18 January 2016, the Company entered into a Settlement Deed with the Porter Parties and the successful completion of the Rights Issue is a critical element to completion of the settlement. Further details are set out in the Prospectus.

Mbalam Convention

The Government of Cameroon has extended the date to complete the conditions precedent to the Mbalam Convention to 24 July 2017. Failure to achieve the conditions precedent prior to that date will, if no further extension is granted, result in the cessation of the Mbalam Convention which will be considered an event of default as defined in the various convertible note deeds in place which will most likely result in the convertible notes becoming immediately due and payable at their full redemption value. The Mbalam Convention will, pursuant to the Transition Agreement signed on 30 June 2015, be renegotiated as part of the restructure of the Project. It is likely that given the postponement of the signing of the EPC contract for the port and rail infrastructure that this renegotiation will take longer than previously anticipated and there is a risk that it may not be renegotiated before 24 July 2017.

Exploration Permit 92 ("EP92")

This is the permit held by Cam Iron located in Cameroon that contains the Mbalam deposit. EP92 expires on 24 July 2017. Sundance is required to achieve a financing commitment (credit approved term sheet) for the Mine Infrastructure no later than 9 months (or such later date as agreed) after the Government of Cameroon achieves its financing commitment for the rail and port infrastructure. If this is not achieved within the timeline or any agreed extension, Cam Iron may, at the request of the Government of Cameroon, be required to transfer EP92 to a nominee of the Government of Cameroon for no consideration. It is likely that given the postponement of the signing of the EPC contract for the port and rail infrastructure that the time it takes the Government of Cameroon to achieve its financing commitment for the rail and port infrastructure will take longer than previously anticipated and there is a risk that it may not be completed before 24 July 2017.

Tenure risk

There are a number of conditions that the Company's subsidiaries must satisfy in order to keep their exploration licenses in the Republic of Cameroon and mining permit in the Republic of Congo in good standing, and to facilitate conversion of exploration licences to mining permits in the Republic of Cameroon, including minimum expenditure and annual reporting requirements. There is a risk that the Company may not be able to satisfy these requirements, in which case the Company may either lose its exploration licences or be unsuccessful in obtaining a grant of the required mining permits.

Foreign currency risk

The Company may be subject to foreign currency fluctuations. The Company's mining properties are located in the Republic of Cameroon and the Republic of Congo and the Company's financial results are reported in Australian dollars. The Company's currency fluctuation exposure is primarily to the U.S. dollar, the Australian dollar, Euro, Central African francs and South African Rand. The Company does not currently use derivative financial instruments, nor does the Company currently hedge its foreign currency.

Risks

Key Personnel

On 28 January 2016, the Company announced a significant reduction in employees and restructure of the Board. The success of the Project in the future is dependent on securing the services of key engineering, managerial, financial, commercial, marketing and processing personnel. Loss or diminution in the services of key employees, particularly as a result of an inability to retain key employees or the ability to attract suitable replacement staff could have an adverse effect on the Company's business, financial condition, results of operations and prospects.

INDUSTRY SPECIFIC RISKS

Commodity price

The price of iron ore can be volatile and is affected by numerous factors beyond Sundance's control such as supply and demand dynamics and changes in global economic conditions. The decision to develop the Project, and the returns to be achieved from it, are dependent upon the future price of iron ore. The current spot iron ore price is at its lowest level since early 2009. The price has reduced by approximately 50% in the last 12 months due mainly to reduced steel demand in China and a significant surge in supply by the iron ore major producers. Sundance expects that iron ore pricing will continue to exhibit volatility on a short term basis, however it notes that the Project is a mid to longer term project where long term iron ore price forecasts are more favourable than the current spot price and short term outlook.

Foreign jurisdiction

Sundance's operations in Cameroon and Congo, in Central Africa, are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest; tropical diseases; acts of terrorism; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Political

Changes, if any, in mining or investment policies or shifts in political attitude in Cameroon and Congo or elsewhere may adversely affect Sundance's operations. A presidential election in Congo is currently scheduled for March 2016, the outcome of which has the potential to adversely affect Sundance's operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to: restrictions on production; pricing controls; export controls; currency remittance; income taxes; foreign investment; maintenance of claims; environmental legislation; land use; land claims of local people; water use; mine safety and government and local participation. Failure to comply strictly with applicable laws, regulation and local practices relating to mineral tenure and development could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted.

Resource/reserve estimates

The resources and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. These estimates are currently considered appropriate and have been made in accordance with Joint Ore Reserves Committee ('JORC') requirements, however, they may change significantly when additional data becomes available or economic assumptions change.

Exploration and development risks

Exploration and development involves inherent risks. Exploration risks include the uncertainties associated with projected continuity of ore deposits, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems. Exploration may also be adversely affected by a variety of non-technical issues such as limitations on activities due to seasonal changes, industrial disputes, land claims, heritage, environmental legislation and mining legislation.

There can be no assurance that the Company will be able to complete development of the Project on time or to budget due to, among other things, changes in the scope of the project, delays in the installation of the plant and equipment and cost overruns, difficulties in securing supply of the required equipment, consumables and mining support services, metallurgical issues or that the Company's personnel, systems procedures and controls will be adequate to support the operation. Many of these inherent exploration and development risks are outside the control of the Company.

Risks

Production and other operational risks

Future operations will be subject to a number of factors that can cause material delays or changes in operating costs for varying lengths of time. These factors include weather conditions and natural disasters, disruption to supply, unexpected technical problems, unanticipated geological conditions, equipment failures, personnel issues, or disruptions of rail and ship loading facilities.

Infrastructure access risk

The Company has planned and designed an integrated mining facility which is sufficient for its operations. However, the Company will require reliable port facilities, road and rail networks and power and water infrastructure to be owned and operated by other third parties to access and support its operations. The availability and costs of this infrastructure affect capital and operating costs and the Company's ability to maintain expected levels of production and sales. Limitations or interruptions in rail or shipping capacity could disrupt the Company's ability to deliver its products on time. This could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Environmental

The Company has received all necessary approvals for the Project but there cannot be any assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, including in relation to pre-existing environmental conditions unknown to the Company at present. Rehabilitation costs are uncertain and planned expenditure may differ from the actual expenditure required.

Insurance

The Company does not have political insurance risk associated with its operations.

The Company's insurance may not fully cover its liability or the consequences of any business interruptions nor does it cover political risk.

The occurrence of a significant adverse event not covered or only partially covered by insurance could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Insurance of risks associated with minerals exploration and mining operations is not always available and, when available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company’s future objectives.

Risks

GENERAL RISKS

Global economic developments and market conditions

The Company's operational results may be adversely impacted by factors including significant changes in general economic conditions such as interest rates, inflation, deflation and general market levels. A number of factors affect the performance of stock markets, which could affect the price at which the Company's securities trade on the ASX. Among other things, movements on international and domestic stock markets, interest rates, inflation and inflationary expectations, deflation and deflationary expectations, currency fluctuations, changes in investor sentiment toward particular market sectors and overall economic conditions, as well as government taxation and other policy changes may affect the demand for, and price of, the Company's shares. Volatility in the Australian or international financial markets may influence the trading price of the Company's shares on the ASX.

The economic situation in global markets has in various ways been adversely affected by weakening economic conditions and recent turmoil in the global financial markets. Some countries have experienced declining gross domestic product, reduced industrial production, increasing rates of unemployment and decreasing asset values. A continued downturn in economic conditions may result in lower demand for the Company's future products and, in turn, impact negatively on its financial position.

Furthermore, recent volatility in the credit markets and the potential impact on the liquidity of major financial institutions may have an adverse effect on the Company's cost of funding.

Share market risk

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including: the Company's operating performance and the performance of competitors and other similar companies; the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector; changes in general economic conditions; the number of the Company's Shares publicly traded; and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares is affected by many variables not directly related to the Company's success and therefore not within the Company's control, including: other developments that affect the market for all resource sector shares; the breadth of the public market for the Company's Shares; and the attractiveness of alternative investments.

INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by Investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities of the Company and those offered under the Prospectus.

Therefore, the Securities of the Company and those to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential Investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to invest.

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International offer restrictions

*This document does not constitute an offer of entitlements, new ordinary shares (**New Shares**) or new options to acquire ordinary shares (**New Options**) of Sundance in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the entitlements, New Shares and New Options may not be offered or sold, in any country outside Australia except to the extent permitted below.*

New Zealand

The entitlements, the New Shares and the New Options are not being offered to the public within New Zealand other than to existing shareholders of Sundance with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). The offer of New Shares is renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

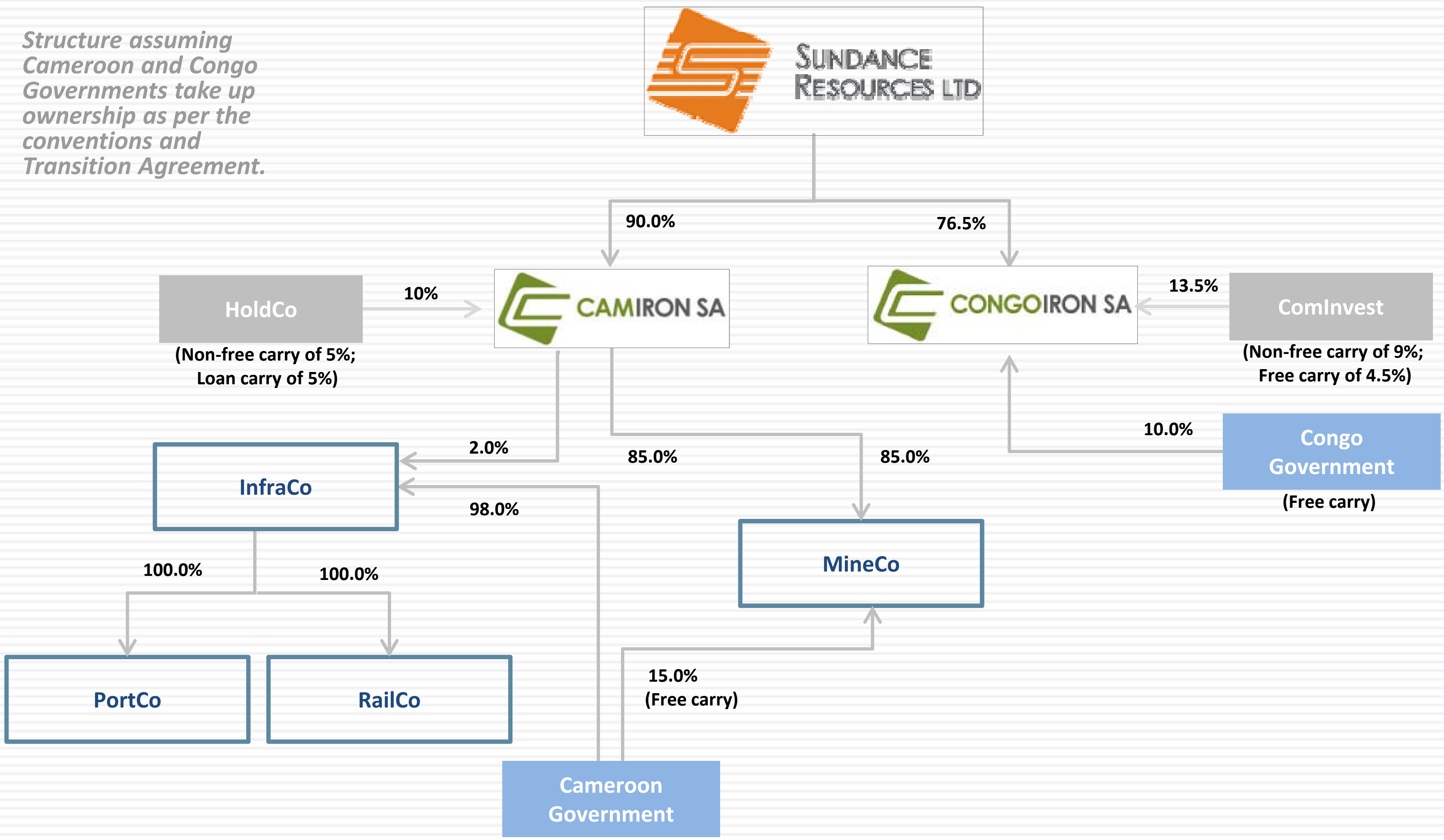
United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Background

Corporate Structure

Structure assuming Cameroon and Congo Governments take up ownership as per the conventions and Transition Agreement.



Sundance Background

- Publicly listed ASX company that has always operated at the highest levels of integrity and received support from all levels of Government both in Australia but also in Cameroon and Congo.
- Commenced operations in Cameroon in 2008 and in Congo in 2009 and during this time has spent over A$400 million to develop the Project to the current position.
- Developed a very strong geological, engineering, technical and environmental database whilst building strong social skills over many years operating in both countries.
- Has all the necessary approvals, including conventions which set out the fiscal and regulatory regimes, to commence construction of the Project as soon as the funding is finalised.
- Sundance is a valued partner in both Cameroon and Congo because it is respected for its knowledge, accomplishments and trusted for its open and transparent dealings it has had with Government, community and employees.
- China via Hanlong holds a 18.9% shareholding in Sundance. Sundance is keen to see this interest go to an authorised State Owned Chinese Enterprise.

Investment Highlights

Both countries are members of CEMAC, share the same currency which is pegged to the Euro and are progressing to compliance with the Extractive Industries Transparency Initiative

Cameroon

- Cameroon has the largest and most diversified economy of the 6-nation Central African Economic & Monetary Community ("**CEMAC**").
- It has a favourable business environment, educated bilingual workforce as well as economic and political stability, making it a top choice for foreign investors in the region.
- It is the second fastest growing economy in Africa.
- The Government has been stable for over 20 years and is committed to infrastructure development.
- GDP growth in 2011 was 4.2% (US$25.5Bn) and 4.6% in 2012.
- Estimated GDP in 2013 of US$29.3Bn.
- Favourable mining code revisions have been enacted to attract new investment.

Congo

- Congo has a strong political environment dominated by the President, Denis Sassou-Nguesso.
- The Republic of Congo's population is concentrated largely in the south-western portion of the country, while the north is more sparsely populated and largely dominated by tropical jungle.
- The Economist Intelligence Unit ("EIU") estimates strong GDP growth, increasing from 3.6% in 2013 to 7.6% in 2015 boosted by the oil and mining sectors.

Concessions

Cameroon Convention

- The Mbalam convention was signed between CamIron, a subsidiary of Sundance, and the Government of Cameroon for the development of the Project on 29 November 2012 ("**Cameroon Convention**"):
  - 5-year corporate tax holiday following start of production; 25% income tax thereafter;
  - withholding tax on dividends of 5%;
  - 25 - 30 year concession term;
  - 25 year mining permit renewable for successive 10 year periods;
  - mining royalties of 2.5% of mine gate value;
  - government ownership 15% (10% free carry plus 5% loan carried);
  - flexible labour conditions; and
  - strong social commitment.
- The Government of Cameroon declared the rail corridor, which links the Project to the proposed port in Lolabe, as Land for Public Utility on 17 November 2011.

Concessions (cont)

Congo Convention

- The Nabeba Mining Convention was signed between Congo Iron, a subsidiary of Sundance, and the Government of Congo on 25 July 2014 ("**Congo Convention**"), following the issue of the Nabeba Mining Permit in 2012.
- The Congo Convention outlines the fiscal and legal terms and the conditions to be satisfied by Congo Iron for the development and management of the Project in Congo:
  - 5-year corporate tax holiday following start of production; 7.5% for further 5 years and 15% thereafter;
  - withholding tax on dividends and interest exemption for the duration of the convention;
  - government ownership 10% stake (free carry) in Congo Iron SA;
  - 25-year operating license, renewable for successive 15 year periods;
  - mining royalty equal to 3% of the mine gate value of the ore extracted from the mines; and
  - no fees, levies or taxes charged in respect of the export of iron ore.

Studies

- Sundance completed the DFS for Stage 1 of the Project in April 2011.
- In parallel with the Stage 1 DFS, Sundance also completed a PFS for the Stage 2 Itabirite component of the Project.
- Subsequent to the DFS, Sundance has completed two updates to the Stage 1 reserves:
    - The first was completed in October 2011 and the second in December 2012.
    - The October 2011 update increased the probable reserves to 352Mt.
    - The December 2012 reserve update further increased the probable reserves to 436Mt, providing for a life of mine of approx. 12.5 years for Stage 1 production.
    - The May 2015 reserve update further increased the probable reserves to 516Mt, providing for a life of mine of approx. 14 years for Stage 1 production at 40Mtpa.
- Stage 2 of the project will be finally determined in a subsequent DFS, but with a resource of >4Bt and an exploration target of >9Bt it is expected to operate for decades.

Environmental

- Local environmental approvals have been received:
  - Republic of Congo Environmental Conformity Certificate No 0007; and
  - Republic of Cameroon Environmental Conformity Certificate No 0000046.
- International consultants are in the process of being engaged with requirements to upgrade the existing Environmental and Social Impact Assessments & Management Plans.
  - Will be in line with International Lender Standards:
    - Equator Principles III;
    - IFC Performance Standards 2012; and
    - World Bank EHS Guidelines.
- These guidelines are consistent with the Chinese CBRC Green Credit Guidelines.

Competent Persons Statement

The information in this report that relates to Mineral Resources 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 full time employee of Longley Mining Consultants Pty Ltd and Mr Widenbar is a full time employee of Widenbar and Associates. Both Mr Longley and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Longley is a shareholder in Sundance and Mr Widenbar hold shares indirectly in Sundance.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Lee White and comprehensively reviewed by Mr Bruce Gregory. Mr Gregory is a full time employee of Australian Mining Consultants Pty Ltd and is engaged as an external independent consultant to Sundance. Mr White is a full time employee of Sundance Resources and a Shareholder of the company. Both Mr White and Mr Gregory are members of the Australasian Institute of Mining and Metallurgy. Mr Gregory and Mr White have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Exploration Targets

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. Exploration Targets for all High Grade and Itabirite styles of mineralisation have been estimated based on extensive field mapping, surface sampling and evaluation of airborne magnetic geophysics. Extensive drilling at the main Deposits of Mbarga and Nabeba have provided analogue examples of anticipated depths, rock densities and continuity of mineralisation and these factors have been applied conservatively to the Exploration Target estimation process at all additional Prospects. Estimation of approximate Exploration Target ranges at the Mbarga, Metzimevin, Meridional and Nabeba Deposits have benefited from proximal RC and diamond drillholes. However, there has been no exploration drilling at the remainder of the Prospects named Mbarga Southwest, Cabose South, Bidoumou Hills, Cabose Hills, Njweng, Mount Letioukbala, and Elogo. Therefore, approximate Exploration Target range estimations for these Prospects are of a lower confidence level at this stage of evaluation. Further activity on these Exploration Targets, including but not limited to, resource definition drilling is expected to be completed following financing of the Mbalam-Nabeba Iron Ore Project.

For more information pertaining to the Exploration Targets in line with Listing Rule 5.6 and Clause 17 of the 2012 JORC Code reporting requirements including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are all available on the Company's website www.sundanceresources.com.au

Specific details pertaining to Exploration Targets at the Mbarga-Nabeba Iron Ore Project were most recently included in the Quarterly Activities Report for the period ending 31 March 2014 which was released to the ASX on 22 April 2014 and is available from the website. The current High Grade Hematite Exploration Target ranges were first announced on the ASX on 20 June 2012 and Itabirite Exploration Targets shortly thereafter on 26 October 2012.

"...Sundance together with the Cameroon and Congo Governments are exceptionally well placed to realise our combined vision to become a leading global iron ore producer."

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