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**ASX Announcement** 

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## SUNDANCE ENTERS MOU WITH CORE MINING REGARDING REGIONAL CO-OPERATION FOR IRON ORE INFRASTRUCTURE

Sundance Resources Limited ('the Company' or 'Sundance') (ASX: SDL) is pleased to advise that it has entered into a Memorandum of Understanding ('MoU') with Core Mining Limited ('Core') concerning the provision and use of future infrastructure facilities which would service Sundance's Mbalam/Nabeba Iron Ore Project.

Core is a regional West African iron ore developer that owns the Avima project which is located approximately 65 kilometres West of Sundance's Nabeba deposit in the North West of the Republic of Congo in the Sangha region, and approximately 42 kilometres to the South of Sundance's proposed rail infrastructure. Core is a private company incorporated in the British Virgin Islands. In 2011 it announced that Glencore International AG had invested in Core and other investors include the Russian resources company Severstal.

The Definitive Feasibility Study on Sundance's Mbalam/Nabeba project was completed in March, 2011. The project is designed to produce 35 million tonnes a year of Direct Shipping Ore (DSO)-quality Hematite for approximately 10 years. Sundance will then proceed with development and production of the Itabirite deposits. Sundance currently plans to transport the products from the deposits located in the Republic of Congo and Cameroon via a dedicated rail line to a custom-built iron ore export terminal at the Port of Lolabe in Cameroon, both of which are proposed to be constructed by Sundance.

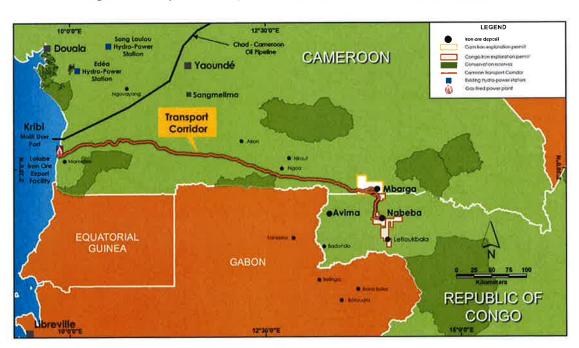


Figure 1: Proximity of Core Mining's Avima Project to Sundance's Mbalam/Nabeba Project



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Core has informed Sundance that it is working towards finalising the resource definition phase of the Avima Project. Core has indicated it is targeting a similar production capacity to Sundance's Mbalam/Nabeba Project.

As part of the MoU, Sundance will advance its discussions with Core regarding the potential for Core to access the Mbalam infrastructure by way of direct investment or alternatively by a haulage services agreement. Sundance and Core will also advance their discussions concerning other possible infrastructure solutions.

Sundance Chairman George Jones said the collaboration with Core was further evidence of the commitment both companies have to developing a new world-class iron ore region in central West Africa.

"It makes a lot of sense for Sundance and Core to work together given we operate near each other and both have projects with high-quality iron ore assets. Once in production, there is the potential to produce up to 70 million tonnes per annum of DSO just from our two projects alone.

"Once you consider all the additional resources in the surrounding area that may also come on stream, I believe the long-term potential of this region could be up to 100 million tonnes per year — or more. However, for this to be achieved, the fundamental requirement will be access to dedicated, heavy haulage infrastructure for the export of iron ore."

## **ENDS**

Released by: **George Jones Chairman, Sundance Resources** 

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## **About The Mbalam Iron Ore Project**

The Mbalam Iron Ore Project is based around a group of large-scale iron ore deposits spanning the border between the Republic of Cameroon and the neighbouring Republic of Congo in central West Africa. The Mbalam Iron Ore Project is an integrated mine, rail and port Project that will unlock the potential of a new world-class iron ore region in central West Africa. The first stage of the project is designed to develop mines to produce 35Mtpa of DSO-quality hematite for 10 years as well as the construction of a heavy haul railway for the transport of iron ore and building of a dedicated deep water port. Stage two will then develop and produce at 35Mtpa Sundance's Itabirite deposits for a further fifteen years. The Definitive Feasibility Study (DFS) for Stage One was completed in March 2011. The DFS now forms the basis for capital appropriation and will provide the budget input to move towards final investment decision pending securing project financing and Government approvals in Cameroon and Congo.