SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

HALF-YEAR FINANCIAL REPORT

for the half-year ended 31 December 2023

This document should be read in conjunction with the annual report of Sundance Resources Limited for the year ended 30 June 2023

Corporate directory

Current Directors

David Porter	Non-executive Director & Chairman
Brett Fraser	Non-executive Director
Giulio Casello	Non-executive Director

Company Secretary

Brett Fraser

Registered Office

Street:	45 Ventnor Avenue
	WEST PERTH WA 6005
Telephone:	+61 (8) 9220 2300
Email:	info@sundanceresources.com.au
Website:	www.sundanceresources.com.au

Share Registry

Computershare Investor Services Pty Ltd

Street:	Level 11, 172 St George's Terrace
	PERTH WA 6000
Postal:	GPO Box D182
	PERTH WA 6840
Telephone:	+61 1300 850 505 (within Australia)
	+61 (3) 9415 4000 (International)
Facsimile:	+61 (8) 9323 2033
Website:	https://www.computershare.com.au

Auditor

Hall Chadwick WA Audit Pty Ltd

Street:	283 Rokeby Road
	Subiaco WA 6008
Telephone:	+61 (8) 9426 0666

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Directors' report

Your directors present their Half-Year Financial report on the consolidated entity, consisting of Sundance Resources Limited (**Sundance** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2023.

1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

- Mr David Porter — *Non-executive Director & Chairman*
- Mr Brett Fraser — *Non-executive Director*
- Mr Giulio Casello — *Non-executive Director*

(**the Board**)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Company secretary

The following person held the position of Company Secretary at the end of the half-year:

- Mr Brett Fraser

3. Dividends paid or recommended

There were no dividends paid or recommended during the half-year ended 31 December 2023.

4. Operating and financial review

4.1. Nature of operations principal activities

The principal activity of the Group during the course of the financial year has been advancing legal proceedings in the International Chamber of Commerce in London and Paris. This is a result of the illegal expropriation of the Group's Nabeba iron ore permit in the Republic of the Congo and the litigation that is now ongoing against the Governments of both Congo and Cameroon.

4.2. Operations review

Congo action:

- It was announced by Sundance on 16 December 2020 and confirmed by a further announcement on 21 December 2020 that the Congo by a Presidential decree on 30 November 2020 had expropriated the Nabeba Mining Permit and had issued it to an unknown company - Sangha Mining Development Sasu ("Sangha Mining"). This expropriation is considered illegal and against the terms of the legally binding Nabeba mining convention ("Nabeba Convention") which had been passed into Congolese law in 2018.
- Sundance issued to Congo a Notice of Dispute and a Notice of Expropriation on 16 December 2020. Sundance is claiming damages of $US8.76B. Sundance is being represented by magic circle law firm Clifford Chance.
- On 27 May 2022, a Memorial of Claim ("Memorial") was filed at the ICC. The Memorial included:
  - factual background to the Project and the dispute;
  - a detailed statement of the legal basis for each claim brought against Congo;
  - a number of witness statements; and
  - reports from several independent experts covering the value of the Mbalam Nabeba Iron Ore Project and demonstrating damages ranging from $US1.5B to $US5.7B, depending on the iron ore price used.

  Congo has completed a reply in defence of our Memorial. This was then followed by a reply by Sundance in June 2023. Congo submitted their final reply ("Rejoiner") in December 2023.

The first ICC hearing was expected to occur in Q2 2024. The death of the President of the tribunal has created uncertainty about the timeline. A new President is now required to be appointed. Sundance requested to keep the original hearing dates (which were May 2024) but has been informed that this is now not possible. Sundance has requested an early as possible date for the hearing.

Directors' report

Cameroon action:

- Sundance and its subsidiary Cam Iron issued a Notice of Dispute with the Government of the Republic of Cameroon ("Cameroon") as announced on 16 December 2020 to reinforce its legal rights to have a mining permit via a Presidential implementation decree issued to Cam Iron.
- Negotiations with Cameroon were progressing but following a visit to Cameroon by the Minister of Mines, Congo Pierre Oba and reporting on meetings that he had with senior Cameroon officials and the President of Cameroon Sundance and Cam Iron decided to commence international arbitration via ICC (Paris) against Cameroon. This was announced on 2 June 2021.
- In March 2022 Sundance was made aware that Cameroon, via the Presidency, was looking to issue the Mbalam permit to a government or other private entity.
- Sundance initiated an emergency injunction via the ICC to prohibit Cameroon taking action on the permit.
- An interim binding order was issued by the Emergency Arbitrator on 1 April 2022 which refrains Cameroon from issuing the Mbalam exploitation permit to any party other than Cam Iron till either the full arbitration against Cameroon is completed or a full body of arbitrators reconsiders this position.
- On 16 June 2022, Cameroon filed a request to annul the Emergency Arbitrator's interim order of 1 April 2022 ("Request"). This Request was heard by the Emergency Arbitrator on 5 July 2022 in front of legal representatives of Sundance/Cam Iron and Cameroon. On 20 July 2022, the Emergency Arbitrator issued his decision, in which he declared that "… insofar as the Cameroon Request is admissible, it is without merit and accordingly [the Emergency Arbitrator] denies the Request in its entirety"
- On 5 September 2022 Sundance announced that Cameroon had issued a Presidential decree on 17 August 2022 which issued an exploitation permit over the Mbalam iron ore tenement to an entity named Cameroon Mining Company SARL. This decree is in direct contradiction to the orders issued by the ICC Emergency Arbitrator.
- In December 2022, Sundance filed a Memorial of Claim ("Cameroon Memorial") at the ICC against Cameroon. The Cameroon Memorial included:
    - factual background to the Project and the dispute;
    - a detailed statement of the legal basis for each claim brought against Cameroon;
    - a number of witness statements; and
    - reports from several independent experts covering the value of the Project and demonstrating damages up to $US5.5 billion, depending on the iron ore price used.

  However, on 21 January 2023, the Cameroon Minister of Mines, Mr Gabriel Ndoke, died suddenly in mysterious circumstances. This led to Cameroon requesting a delay in the arbitration proceedings. The ICC tribunal has granted a final extension to Cameroon to file its defence by October 30, 2023. Sundance received a reply to the Cameroon Memorial from Cameroon on 30 October 2023. This is currently being reviewed and our reply is due the end of June 2024. Currently documents are being produced and reviewed by both parties.

  Hearing dates are being discussed but would be expected to be held in early 2025.

AustSino action:

- Sundance announced on 11 October 2021 that following a period of investigation, it had applied for Pre Action Discovery against AustSino and its Executive Chairman Mr Ding in the Supreme Court of Western Australia.
- Since that time AustSino has signed an MOU and been issued a contract by Cameroon to build a railway and port in Cameroon together with its partner Bestway. Bestway is the sole owner of Sangha which was the recipient of the illegally expropriated permits in Congo following a number of delays and discussions our application for Pre Action Discovery was heard in the Supreme Court on 15 March 2022. On Thursday, 31 March 2022, the Supreme Court ruled in favour of Sundance receiving pre-action discovery from AustSino and Mr Ding of, in substance, the categories of documents requested by Sundance. As part of this ruling, the Supreme Court agreed with Sundance that the Company had presented evidence that established that it may have various causes of action against AustSino and Mr Ding, including misuse of confidential information and breach of fiduciary obligations by the diversion of a commercial opportunity.

Directors' report

- AustSino appealed this decision on 6 May 2022 but discontinued its appeal on 26 May 2022 before a hearing was due to be held. Therefore, the Pre-Action Discovery orders remain in force.
- There have been delays in Sundance obtaining discovery and inspection of documents from AustSino and Mr Ding. A key category of documents that has still not been discovered or produced by Mr Ding or AustSino comprises documents on Mr Ding's personal mobile phone, in particular any relevant WhatsApp, WeChat and SMS messages. Mr Ding has said he was unable to provide those documents while he was in China.
- Mr Ding returned to Perth in mid-January 2023. During the approximately four weeks he was in Perth, Mr Ding did not hand over his mobile phone to his solicitors to retrieve any relevant data that fell within the scope of the PreAction Discovery orders.
- Mr Ding returned to China in mid-February where, he states, his mobile phone was lost.

Further orders were issued allowing a review of electronic data held by Mr Ding and the other current and former directors of AustSino. These pre discovery matters are now substantively complete and Sundance is continuing its review of the documents before making a final decision on substantive action against AustSino and Mr Ding.

As required by the court on the issue of the Pre Discovery Action costs have now been agreed and paid to AustSino for their work required to provide the information.

The Board of Sundance is considering its position before taking further steps.

Update on Ownership change to Hanlong Resources shareholding

On the 17 April 2024, Sundance announced that effective from 12 March 2024 the beneficial owner of Sundance's second largest shareholder Hanlong Resources Ltd has become China Sichuan International Investment Limited ("CSII"). Hanlong Resources Ltd currently holds 15.36% of Sundance's shareholding. This change has no impact on the current proceedings or any future actions.

4.3. Financial review

The half-year financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. Details of the Group's assessment in this regard can be found in Note 10 – *"Going Concern".*

The Consolidated Entity incurred a profit for the half-year of $178,976 (2022: $81,974 loss).

Total comprehensive income amounted to a profit of $177,480 (2022: $122,773 loss) for the half-year ended 31 December 2023, which includes an exchange loss on translation of foreign operations. This loss is due to a movement in the Central African CFA francs against the Australian Dollar from 417.5 at 31 December 2022 to 404.2 at 31 December 2023.

The net asset deficiency of the Consolidated Entity has increased by $178,380 from 30 June 2023 to $134,462,693 at 31 December 2023.

The Group's cash and cash equivalents increased during the period to $316,383 at 31 December 2023 from $170,230 at 30 June 2023.

The consolidated statement of cash flows indicates that payments to suppliers and employees for the half-year ended 31 December 2023 were $531,436 (31 December 2022: $743,301).

At 31 December 2023, the Consolidated Entity had a working capital net deficit of $134,077,118 (30 June 2023: $134,147,359 (working capital deficit), as disclosed in Note 5 of the Capital management note.

4.4. Significant changes in the state of affairs

There were no other significant changes to the state of affairs of the Group since the last statutory report.

4.5. Events subsequent to reporting date

There are no significant after balance date events that are not covered in this Directors' Report section 4.2 Operations review above or within the financial statements at Note 8 Events Subsequent To Reporting Date on page 17.

5. Auditor's independence declaration

The lead auditor's independence declaration under Section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2023 has been received and can be found on page 5 of the Half-Year Financial Report.

Directors' report

Directors' report

This Report of the Directors is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

David Porter

DAVID PORTER
Chairman
Dated this Monday, 6 May 2024

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of Sundance Resources Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated 6th day of May 2024
Perth, Western Australia

Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
Continuing operations			
Other income	1.2	667,180	553,802
Administration expense		(57,183)	(60,113)
Consultants fees expensed		(149,886)	(152,659)
Employee and director benefits expense	1.3	(132,542)	(240,909)
Legal fees		(10,474)	(24,214)
Listing and registry fees		(9,078)	(11,130)
Occupancy costs		(2,646)	(6,817)
Professional fees		(49,703)	(61,074)
Travel expenses		-	(1,613)
Other expenses		(76,692)	(77,247)
Profit/(Loss) from continuing operations before tax		178,976	(81,974)
Income tax		-	-
Profit/(Loss) from continuing operations net of tax		**178,976**	**(81,974)**
Loss for the period attributable to:			
Non-controlling interest		(2,729,842)	(1,666,290)
Owners of the parent		2,908,818	1,584,316
Net profit/(loss) attributed to members		**178,976**	**(81,974)**
Other comprehensive expense, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(1,496)	(40,799)
Other comprehensive expense for the year, net of tax		**(1,496)**	**(40,799)**
Total comprehensive income/(expense) for the year		**177,480**	**(122,773)**
Total comprehensive income attributable to:			
Non-controlling interest		(2,313,267)	(3,842,371)
Owners of the parent		2,490,747	3,719,598
Total comprehensive expense attributed to members		**177,480**	**(122,773)**
Earnings per share:		¢	¢
Basic and diluted (cents per share)		0.026	0.016

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 31 December 2023

	Note	31 Dec 2023 $	30 Jun 2023 $
Current assets			
Cash and cash equivalents	2.1	316,383	170,230
Trade and other receivables	2.2	803,868	345,047
Other assets		56,667	45,933
Total current assets		**1,176,918**	**561,210**
Total assets		**1,176,918**	**561,210**
Current liabilities			
Borrowings	2.3	133,556,200	133,556,200
Trade and other payables	2.4	1,572,652	1,030,899
Provisions		125,184	121,470
Total current liabilities		**135,254,036**	**134,708,569**
Non-current liabilities			
Provisions		385,575	493,714
Total non-current liabilities		**385,575**	**493,714**
Total liabilities		**135,639,611**	**135,202,283**
Net assets		**(134,462,693)**	**(134,641,073)**
Equity			
Issued capital	4.1	432,065,710	432,064,810
Reserves		78,999,056	79,417,127
Accumulated losses		(572,890,964)	(575,799,782)
Non-controlling interest		(72,636,495)	(70,323,228)
Total equity		**(134,462,693)**	**(134,641,073)**

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2023

	Note	Issued Capital	Share Transactions With Non-Controlling Interests	Foreign Exchange Translation Reserve	Issue of Convertible Notes	Options Premium Reserve	Share Based Payments Reserve	Accumulated Profit/(Losses)	Attributable to Owners of the Parent	Non-Controlling Interest	Total Equity
		$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2022		432,064,810	(11,160,000)	32,283,812	24,672,500	4,518,800	25,311,036	(579,868,875)	(72,177,917)	(62,262,966)	(134,440,883)
Loss for the year		-	-	-	-	-	-	1,584,316	1,584,316	(1,666,290)	(81,974)
Foreign currency loss		-	-	2,135,282	-	-	-	-	2,135,282	(2,176,081)	(40,799)
Total comprehensive loss for the year		**-**	**-**	**2,135,282**	**-**	**-**	**-**	**1,584,316**	**3,719,598**	**(3,842,371)**	**(122,773)**
Transaction with owners, directly in equity											
Balance at 31 December 2022		**432,064,810**	**(11,160,000)**	**34,419,094**	**24,672,500**	**4,518,800**	**25,311,036**	**(578,284,559)**	**(68,458,319)**	**(66,105,337)**	**(134,563,656)**
Balance at 1 July 2023		432,064,810	(11,160,000)	36,074,791	24,672,500	3,536,000	26,293,836	(575,799,782)	(64,317,845)	(70,323,228)	(134,641,073)
Loss for the year		-	-	-	-	-	-	2,908,818	2,908,818	(2,729,842)	178,976
Foreign currency loss		-	-	(418,071)	-	-	-	-	(418,071)	416,575	(1,496)
Total comprehensive loss for the year		**-**	**-**	**(418,071)**	**-**	**-**	**-**	**2,908,818**	**2,490,747**	**(2,313,267)**	**177,480**
Transaction with owners, directly in equity											
Shares issued during the period		900	-	-	-	-	-	-	**900**	-	900
Balance at 31 December 2023		**432,065,710**	**(11,160,000)**	**35,656,720**	**24,672,500**	**3,536,000**	**26,293,836**	**(572,890,964)**	**(61,826,198)**	**(72,636,495)**	**(134,462,693)**

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(531,436)	(743,301)
Receipts from others		106,914	17,365
Receipts from litigation funder		574,250	553,371
Interest received		1,537	431
Interest and borrowing costs		(3,660)	(4,730)
Net cash used in operating activities		**147,605**	**(176,864)**
Net increase/(decrease) in cash held		**147,605**	**(176,864)**
Cash and cash equivalents at the beginning of the year		170,230	405,134
Effects of exchange rates on cash and cash equivalents		(1,452)	481
Cash and cash equivalents at the end of the year	2.1	**316,383**	**228,751**

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the condensed consolidated financial statements

for the year ended 31 December 2023

In preparing the 31 December 2023 financial statements, Sundance Resources Limited has grouped notes into sections under five key categories:

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The presentation of the notes to the financial statements has changed from the prior year and is supported by the IASB's Disclosure Initiative. As part of this project, the AASB made amendments to AASB 101 *Presentation of Financial Statements* which have provided preparers with more flexibility in presenting the information in their financial reports.

The financial report is presented in Australian dollars, except where otherwise stated.

The registered office and principal place of business of the Company is:

Address:

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Telephone: +61 (0)8 9220 2300

Email: info@sundanceresources.com.au

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

(a) *accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction*

(b) *analysis and sub-totals, including segment information*

(c) *information about estimates and judgements made in relation to particular items.*

Note 1 Loss before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

1.1 Pass-through arrangement

Within the loss from continuing operations there is a netting off of revenue and expenditure under a pass-through arrangement. Costs that are reasonably incurred by Sundance in order to expedite the successful litigation of the governments of Congo and Cameroon are recovered from Burford under the funding agreement.

Clifford Chance has been engaged by Sundance to represent them in legal proceedings. Costs incurred by Clifford Chance are invoiced to Sundance and paid directly by Burford. Due to the commercial sensitivity of these cases the total amount of legal fees under this pass-through arrangement have not been disclosed.

	Note	31 Dec 2023 $	31 Dec 2022 $
1.2 Other income from continuing operations			
Litigation funding	1.2.1	570,108	553,371
Interest revenue		1,537	431
Other income		95,535	-
		667,180	**553,802**

Notes to the condensed consolidated financial statements

for the year ended 31 December 2023

Note 1 Loss before income tax (continued)

1.2.1 *Litigation funding*

Non-recourse funding provided by Burford to cover legal fees and other costs of arbitration.

1.2.2 *Accounting Policy – Revenue recognition*

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

	Note	31 Dec 2023 $	31 Dec 2022 $
1.3 Employee and director benefits:			
Share based payment		900	-
Salaries and wages		87,335	90,874
Non-executive Directors' fees		130,000	130,000
Reduction in employee retirement obligations		(106,724)	-
Superannuation		21,031	20,035
		132,542	**240,909**

1.3.1 *Accounting Policy – Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Note 2 Financial assets and financial liabilities	Note	31 Dec 2023 $	30 Jun 2023 $
2.1 Cash and cash equivalents			
Cash at bank and on hand		316,383	170,230
		316,383	**170,230**

2.2 Trade and other receivables	Note	31 Dec 2023 $	30 Jun 2023 $
2.2.1 *Current*			
Other receivables		803,868	345,047
		803,868	**345,047**

2.2.2 At reporting date, there are no receivables past their due date.

Notes to the condensed consolidated financial statements

for the year ended 31 December 2023

Note 2 Financial assets and financial liabilities (continued)

2.2.3 *Accounting Policy*

Trade receivables are generally due for settlement within 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Allowance for expected credit losses of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

2.3 Borrowings	Note	31 Dec 2023 $	30 Jun 2023 $
2.3.1 *Current:*			
Convertible Note – Debt Liability	2.3.2	132,556,200	132,556,200
Loan from investor	2.3.3	1,000,000	1,000,000
		133,556,200	**133,556,200**

2.3.2 *Restructure of Arrangement With Noteholders*

Sundance and its Noteholders have agreed a method in which the Convertible Notes will be converted to a waterfall payment system based on litigation proceeds.

Under the new arrangements, the Noteholders have agreed to indefinitely forbear on their Convertible Notes for the duration of the proceedings, which are currently underway against the Governments of the Republic of the Congo and the Republic of Cameroon.

In addition, if Sundance is successful in any of these proceedings and receives an award of damages, the Noteholders will be entitled to receive an agreed portion of any damages recovered

- as compensation for their forbearance of their Convertible Notes, and
- in repayment of the redemption amounts owing under the Convertible Notes.

Essentially, the agreed portion of damages to which the Noteholders are entitled corresponds to the amount of damages awarded to Sundance, with Sundance's recovery increasing as the amount of damages awarded in any of the proceedings increases.

Any amounts due to the Noteholders under the new arrangements will be paid after Burford has recovered its entitlements as the litigation funder under the Capital Provision Agreement.

After these payments are made to the litigation funder and the Noteholders, Sundance will be able to use the balance of any damages awarded in the arbitration proceedings in its absolute discretion and in the interests of all shareholders.

In the event that the Noteholders, after receiving independent legal advice, believe that the proceedings will not result in a threshold amount of payment to the Noteholders the Noteholders may, but are not obligated to, reinstate the Convertible Notes.

The liabilities recognised approximate fair value given the current circumstances at this point in time and will be reviewed if the success of litigation increases.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 2 Financial assets and financial liabilities (continued)

2.3.3 *Loan from Investor*

Short term loan funding facility received from existing noteholder Senrigan to ensure that Sundance had adequate working capital. This facility had the option of paying the loan back (with 15% interest) within 12 months of signing the term sheet or if not repaid would revert to the same terms as the CPA with Burford. The loan was not repaid and became a non-recourse loan upon signing the CPA on 10 August 2021.

As part of the revised arrangements Senrigan is entitled to receive an amount equal to the funds drawn down under the facility if Sundance is successful in receiving damages from legal proceedings.

2.3.4 *Fair Values*

Settlement liabilities have been fair valued at the current carrying amount. The arrangements under the litigation funding agreement and waterfall agreement outline the right to receive funds from proceeds arising from legal proceedings. At this point in time the outcome of the legal action is uncertain and the likelihood of recovering funds from the governments of Congo and Cameroon is unknown. The liabilities recognised approximate fair value given the current circumstances at this point in time and will be reviewed if the success of litigation increases.

2.3.5 *Accounting Policy*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 2 Financial assets and financial liabilities (continued)

2.4 Trade and other payables	Note	31 Dec 2023 $	30 Jun 2023 $
2.4.1 *Current:*			
Unsecured			
Trade creditors		568,964	423,920
Sundry payables and accruals		1,003,688	606,979
Total unsecured liabilities		**1,572,652**	**1,030,899**

2.4.2 *Accounting Policy*

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are classified as financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

Note 3 Non-financial assets and financial liabilities

3.1 Mine development assets	Note	31 Dec 2023 $	30 Jun 2023 $
3.1.1 *Mbalam-Nabeba Iron Ore Project:*			
Carrying amount of asset		187,542,141	187,542,141
Project impairment		(187,542,141)	(187,542,141)
		-	-

At 31 December 2023, the Company held a 90% interest in Cam Iron S.A. which holds a 100% interest in the Project in Cameroon and an 85% interest in Congo Iron S.A. which holds a 100% interest in the Project in Congo.

The mine development assets were fully impaired in 2020 following the expiry of the Mbalam Convention. With expropriation of the Congo asset by the Government of Congo, the assets will continue to be fully impaired.

3.1.2 *Accounting Policy*

Capitalised mine development expenditure is recognised at cost less accumulated amortisation and any impairments. Where commercial production in an area of interest has commenced, the associated costs, together with any forecast future capital expenditure necessary to develop proved and probable reserves, are amortised over the estimated economic life of the mine on a units-of-production basis. Changes in factors such as estimates of proved and probable reserves that affect unit-of production calculations are dealt with on a prospective basis. The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found and the future US$ iron ore price and ability of the entity to recoup the expenditure through successful development of the area. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 3 Non-financial assets and financial liabilities (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Note 4 Equity

4.1 Issued capital	Note	31 Dec 2023 No.	30 Jun 2023 No.	31 Dec 2023 $	30 Jun 2023 $
Fully paid ordinary shares at no par value		**9,950,021,556**	**9,950,021,556**	**432,064,810**	**432,064,810**
4.1.1 *Ordinary shares*					
At the beginning of the year		9,950,021,556	9,950,021,556	432,064,810	432,049,810
Shares issued during the period		30,000,000	-	900	15,000
At reporting date		9,980,021,556	9,950,021,556	432,065,710	432,064,810

4.1.2 *Terms and Conditions*

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

No dividends have been paid or proposed during the half-year.

4.1.3 *Accounting Policy*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

4.2 Options

The total number of options on issue are as follows:

	Note	31 Dec 2023 No.	30 Jun 2023 No.	31 Dec 2023 $	30 Jun 2023 $
Unlisted options		**589,333,334**	**589,333,334**	**3,536,000**	**3,536,000**
4.2.1 *Unlisted options*					
At the beginning of the year		589,333,334	689,333,334	3,536,000	4,518,800
Options lapsed during the period		-	(100,000,000)	-	(982,800)
At reporting date		589,333,334	589,333,334	3,536,000	3,536,000

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 5 Capital management

Management controls the capital of the Group. Their objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulative losses.

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Group is not subject to any externally imposed capital requirements.

The working capital position of the Group is as follows:

	Note	31 Dec 2023 $	30 Jun 2023 $
Cash and cash equivalents	2.1	316,383	170,230
Trade and other receivables	2.2	803,868	345,047
Other current assets		56,667	45,933
Borrowings	2.3	(133,556,200)	(133,556,200)
Trade and other payables	2.4	(1,572,652)	(1,030,899)
Provisions		(125,184)	(121,470)
Working capital position		**(134,077,118)**	**(134,147,359)**

SECTION B. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 6 Contingent assets and liabilities

The Consolidated Entity is aware of the following contingent assets and liabilities as at 31 December 2023:

6.1 Fiscal compliance

The Group, including its subsidiaries in Cameroon and Congo are engaged in ongoing discussions with the financial administrations on customs, indirect taxes and other fiscal administrative matters. The ongoing discussions may or may not lead to further costs being incurred by the Group.

6.2 Legal services

On or around August 2017, Sundance engaged Clayton Utz to provide legal advice to the company and some of its former and current directors in relation to the investigation by the Australian Federal Police into allegations of Sundance's involvement in foreign bribery and corruption in respect of the Group's African operations during the period 2006 to 2008. A portion of the debt in relation to legal services payable to Clayton Utz remains unpaid. Clayton Utz has agreed to forbear from calling on the debt conditional upon Sundance being successful in its action against the Republic of Congo, either by way of negotiated settlement, award or judgement.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 6 Contingent assets and liabilities (continued)

6.3 Republic of Congo, Republic of Cameroon and AustSino legal proceedings

On 16 December 2020 Sundance issued Notices of Dispute and Expropriation against the Government of Congo and a Notice of Dispute against the Government of Cameroon.

Congo proceedings

Under the Notice of Dispute and Expropriation against the Government of Congo, Sundance has sought US$8.76 billion in compensation for the illegal expropriation of its assets, and damages for various breaches of the Mining Convention (signed with Sundance and ratified under Congolese Law in 2014). The matter has been referred to arbitration at the ICC in London.

Cameroon proceedings

The Notice of Dispute against the Government of Cameroon has been referred to the ICC in Paris and is primarily concerned with Cameroon's failure to implement the exploitation permit that was deemed to have been awarded to Cam Iron in respect of the Mbalam tenement in 2010. Sundance and Cam Iron are seeking various remedies in these proceedings, including an order of specific performance to compel Cameroon to issue a presidential decree to formalise and give full effect to the Mbalam exploitation permit.

Sundance has signed a binding Capital Provision Agreement with Burford to provide Sundance with non-recourse funding to cover legal fees and other costs of arbitration. The terms of the CPA remain commercial in confidence.

Sundance is confident that with the funding from Burford and the legal support from Clifford Chance, the Group will be successful in its actions against the governments of Congo and Cameroon. However, it's anticipated that these actions may take several years to conclude and the likelihood of obtaining compensation from these governments is unknown and heavily contingent on a successful verdict from the ICC arbitration.

AustSino proceedings

On 11 October 2021, Sundance applied to the Supreme Court for preaction discovery against AustSino and Mr Ding. The company took this step because Sundance's Board of Directors had (and continues to have) serious concerns regarding the conduct of AustSino and Mr Ding in the period leading up to and following the unlawful expropriation of Sundance's iron ore assets by Congo in late 2020. On Thursday, 31 March 2022, the Supreme Court ruled in favour of Sundance receiving pre-action discovery from AustSino and Mr Ding of, in substance, the categories of documents requested by Sundance. As part of this ruling, the Supreme Court agreed with Sundance that the Company had presented evidence that established that it may have various causes of action against AustSino and Mr Ding, including misuse of confidential information and breach of fiduciary obligations by the diversion of a commercial opportunity.

The Directors believe that as legal proceedings are in the early stages there is significant uncertainty regarding the outcome of these matters.

Note 7 Expenditure commitments

With the expiry of EP92 and the expropriation of the Congo mining permit no further minimum expenditure is required.

Note 8 Events subsequent to reporting date

Other than set out below, no matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Sundance announced that effective from 12 March, 2024 the beneficial owner of Sundance's second largest shareholder Hanlong Resources Ltd has become China Sichuan International Investment Limited ("CSII").

Hanlong Resources Ltd currently holds 15.36% of Sundance's shareholding.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

SECTION C. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 9 Operating segments

9.1 Identification of reportable segments

The Group operates predominantly in the mining industry. This comprises the evaluation and de-risking of its Mbalam-Nabeba iron ore project in the Republic of Cameroon and the Republic of Congo.

The Group has identified its operating segments based on internal reporting. The Group only has the one project to which resources are allocated and performance assessed.

9.2 Basis of accounting for purposes of reporting by operating segments

9.2.1 *Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

9.2.2 *Inter-segment transactions*

Inter-segment transactions are priced at cost within the Group.

Inter-segment loans payable and receivable are recognised at the consideration received/to be received net of transaction costs. All such transactions are eliminated on consolidation of the Group's financial statements.

9.2.3 *Segment assets*

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

9.2.4 *Segment liabilities*

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

9.2.5 *Unallocated items*

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Revenue and expenditures related to head office and corporate activities
- Impairment of assets and other non-recurring items of revenue or expense
- Current and deferred tax assets and liabilities
- Convertible note borrowings

Notes to the condensed consolidated financial statements

for the half year ended 31 December 2023

Note 9 Operating segments (continued)

For the Half-Year to 31 December 2023	31 Dec 2023 $	31 Dec 2022 $
Segment revenue and other income	95,535	-
Segment expense		
Mbalam-Nabeba Iron Ore Project	(70,525)	(170,354)
Items not directly allocable to identifiable segments		
Interest income	1,537	431
Unallocated income	570,108	553,371
Unallocated expenses	(417,679)	(465,422)
Loss before Income Tax	178,976	(81,974)
Income tax	-	-
Consolidated segment loss for the period	**178,976**	**(81,974)**

	31 Dec 2023 $	30 Jun 2023 $
Segment Assets		
Mbalam-Nabeba Iron Ore Project	281,492	157,387
Unallocated Assets	895,426	403,823
Consolidated Assets	**1,176,918**	**561,210**
Segment Liabilities		
Mbalam-Nabeba Iron Ore Project	423,804	418,313
Unallocated Liabilities	135,215,807	134,783,970
Consolidated Liabilities	**135,639,611**	**135,202,283**

NOTE 10 Statement of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated half-year financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

10.1 Basis of preparation

10.1.1 *Reporting Entity*

Sundance Resources Limited is an unlisted public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at 45 Ventnor Avenue, West Perth, Western Australia. These are the consolidated half-year financial statements and notes of Sundance Resources Limited (the Company) and controlled entities (collectively the Group). For the purposes of preparing the consolidated half-year financial statements, the Company is a for-profit entity. The Group is primarily involved in advancing legal proceedings in the International Chamber of Commerce in London and Paris against the Governments of Congo and Cameroon over the illegal expropriation of the Group's Nabeba iron ore permit in the Republic of the Congo.

Notes to the condensed consolidated financial statements

for the half year ended 31 December 2023

NOTE 10 Statement of Significant Accounting Policies (continued)

The separate half-year financial statements of Sundance Resources Limited, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001 (Cth)*.

The half-year financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Consolidated Entity as at and for the year ended 30 June 2022.

10.1.1 *Basis of accounting*

These half-year financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 3 May 2024 by the directors of the Company.

10.1.2 *Going Concern*

The 31 December 2023 half-year financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

At 31 December 2023, the Consolidated Entity had a working capital deficiency of $134.1 million (30 June 2023: $134.1 million).

During the period the Consolidated Entity incurred a net profit of $178k and incurred net cash inflows from operating activities of $148k for the half-year ended 31 December 2023.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that the Consolidated Entity will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate. The ability of the Consolidated Entity to continue as a going concern is based on:

- As announced on 3 May 2021 a conditional binding agreement Capital Provision Agreement ("CPA") was entered into by the Company and Burford. This agreement will result in $250,000 per quarter being available to Sundance for working capital purposes for at least the next three years. All funds received from Burford are non-recourse and will continue unless the CPA is terminated due to legal advice being received that the proceedings are no longer commercially viable.
- Burford have performed as required in the CPA.
- Following the execution of the Noteholder Waterfall Deed and the modification to the Security Trust and Intercreditor Deed on 9 August 2021 the CPA became unconditional and the Convertible Notes have been forborne indefinitely unless the CPA is terminated. It was also announced on 12 April 2021 that a legally binding term sheet was signed with an investor for $1 million. The funds have been received and are being used to advance the litigation and provide working capital. In the event that the Noteholders, after receiving independent legal advice, believe that the proceedings will not result in a threshold amount of payment to the Noteholders the Noteholders may, but are not obligated to, reinstate the Convertible Notes.
- Litigation costs for the proceedings against the governments of Cameroon and Congo are being funded under the CPA with Burford.
- Should the Consolidated Entity be unable to achieve the matters set out above, a material uncertainty would exist as to whether the Consolidated Entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

Notes to the condensed consolidated financial statements

for the half year ended 31 December 2023

NOTE 10 Statement of Significant Accounting Policies (continued)

10.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The judgements, estimates and assumptions applied in the half-year financial statements, including the key sources of estimated uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

10.2.1 *Critical Accounting Estimates and Judgements*

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. *Legal proceedings*

The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the half-year financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

The Group is currently involved a number of legal disputes. The amounts recognised in the financial statements and disclosures made represent the director's best estimate of the Group's liability having taken legal advice into consideration. Uncertainties relate to whether claims will be settled out of court or if not whether the Group is successful in court proceedings currently underway. Because of the nature of disputes, the directors have not disclosed certain information on the basis that they believe that this would be prejudicial to the Group's position.

b. *Fair value*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

Notes to the condensed consolidated financial statements

for the half year ended 31 December 2023

NOTE 10 Statement of Significant Accounting Policies (continued)

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Refer to Note 2.3.4

10.3 Adoption of New and Amended Standards

The Group has adopted all Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

In the current half-year, the Group has applied the below amendments to Australian Accounting Standards [and Interpretations] issued by the Australian Accounting Standards Board (the Board) that are effective for the Group's annual reporting period that began on 1 July 2023.

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

  Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Group's consolidated financial statements.

- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  Clarifies that deferred taxes must be recognised where, on initial recognition of an asset or liability, the transaction gives rise to equal taxable and deductible temporary differences. There was no impact on the statement of financial position, statement of cash flows or profit or loss in the current or preceding period.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* (Cth) and:

    (a) comply with Accounting Standards;

    (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and

    (c) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half-year ended on that date of the Company and the Group.

    (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

DAVID PORTER
Chairman
Dated this Monday, 6 May 2024

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SUNDANCE RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Sundance Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sundance Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 10.1.2 in the financial report, which indicates that the Consolidated Entity had a working capital deficit of $134.1million as at 31 December 2023. As stated in Note 10.1.2, these events or conditions, along with other matters as set forth in Note 10.1.2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated 6th day of May 2024
Perth, Western Australia