

16<sup>th</sup> March 2010

ASX / MEDIA RELEASE

## DRILLING & DEVELOPMENT UPDATE: MBALAM IRON ORE PROJECT

*Significant High Grade Hematite Identified in Initial Drilling at the Nabeba Deposit*

*Important Progress with Key Elements of Development Studies for Mine, Rail and Port*

International iron ore company Sundance Resources Limited (ASX: SDL – "Sundance") is pleased to provide an update on drilling and project development activities at its **Mbalam Iron Ore Project** in West Africa.

### Drilling at the Nabeba Deposit – RP362, Republic of Congo

Sundance's 85%-owned subsidiary, Congo Iron SA, commenced diamond drilling at the Nabeba Deposit in the Republic of Congo in February 2010. Progress has been very encouraging with significant high grade hematite being intersected in each of the four diamond holes drilled to date.

The Bureau de Recherche Géologiques et Minières ("BRGM") previously completed four drill holes at Nabeba to depths ranging from approximately 54 metres to 100 metres (*Figure 1 shows the location of these holes*). The BRGM results indicated that near-surface hematite mineralisation would be thickest on the northern ridge of the deposit with previously reported intercepts including 53.9m @ 63.5% Fe and 65.5m @ 63.3% Fe.

Congo Iron's first hole on Nabeba was drilled at the southern extent of mapped surface mineralisation. Access has since been developed across the deposit with following holes drilled on the northern ridge (*refer Figure 1*).

Assay results are not yet available but logging of drill core by site geologists has identified hematite mineralisation thicknesses of up to 59.7 metres (*Figure 2 shows a core photograph from Hole NB0004D where drilling is still in progress with hematite mineralisation from surface to the full current drill depth*).

The drilling logs (as summarised in Table 1) are generally consistent with the previous BRGM results and indicate that mineralisation is extensive. This is supported by surface hematite mapping being completed as access is developed across the deposit. Field Niton tests, where core is available, have also indicated iron grades comparable with the previous BRGM drilling.

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

Deposit	Hole	From	To	Logged Hematite Thickness
Nabeba	NB0001D	0m	27.7m	27.7m
	NB0002D	0m	40.7m	40.7m
	NB0003D	13.7m	72.0m	58.3m
	NB0004D	0m	59.7m*	59.7m*

These initial results support the potential of Nabeba to emerge as a significant deposit within the broader Mbalam Project development. Sundance's current development strategy provides for blending of high-grade, low silica ore from the Nabeba Deposit with high grade feed from the Mbarga, Mbarga South and Metzimevin Deposits on Exploration Permit 92 ("EP92") in Cameroon.

Sundance has previously reported JORC-Code compliant Indicated and Inferred Resources of High Grade Hematite at the Mbarga, South Mbarga and Metzimevin Deposits on EP92 totalling 215.2Mt at 60.2% Fe. Drilling at Nabeba is aiming to define additional JORC-Code compliant High Grade Hematite resources consistent with an Exploration Target\* of 100 to 250Mt Hematite grading 55% to 65% Fe.

The Nabeba Deposit lies 42km south of Sundance's Mbarga Deposit in the Republic of Cameroon. Drilling is being carried out with the Company's Sandvik DE710 diamond drill rig. Holes are vertical and are primarily PQ3 size. All samples are to be sent to Ultratrace Laboratories in Australia for quantitative analysis ahead of interpretation and resource modelling. The Company's new RC drill rig has been delivered to site and will commence drilling at Nabeba shortly in support of the diamond drilling.

### Drilling on EP92, Cameroon

Sundance's 90%-owned subsidiary, Cam Iron SA, re-commenced diamond drilling on Exploration Permit 92 ("EP92") in the December quarter of 2009.

The focus of this program is to progressively convert Indicated and Inferred Resources of High Grade Hematite on EP92 to Ore Reserves through in-fill drilling and collection of samples for metallurgical and geotechnical test work. Any new High Grade Hematite targets will also be drill tested.

Table 2 summarises significant intersections recorded from drilling at the Mbarga and South Mbarga Deposits as well as at the Meridional prospect. These results are generally consistent with previously reported results but with potential to increase the current resource inventory.

**Table 2: Summary of Significant Drill Intersections from Recent Diamond Drilling on EP92**

Deposit/Prospect	Hole	From	To	Thickness	%Fe (Niton*)
Mbarga	MB0326D	0m	52m	52m	56.9
	MB0327D	8m	52m	44m	56.9
South Mbarga	SM0023D	0m	51m	51m	60.2
	SM0024D	0m	27m	27m	52.6
	SM0025D	0m	49m	49m	62.6
	SM0026D	0m	47m	47m	60.0
	SM0027D	0m	49m	49m	63.6
Meridional	MD0001D	0m	46m	46m	63.2
	MD0003D	0m	53m	53m	41.5
	MD0005D	0m	21m	21m	63.0

The results presented in Table 2 are preliminary, being based on a Site handheld Niton XRF device. This instrument provides reasonable accuracy and has previously been trialled and calibrated from previous drill results collected on site.

*\* 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 in excess of Inferred or Indicated Mineral Resources is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource in excess of that estimated for the Mbarga, South Mbarga or Metzimevin Deposits and it is uncertain if further exploration will result in determination of a Mineral Resource for the Nabeba Deposit or other prospects on the Company's landholdings.*

## Project Development Update

Excellent progress has already been made on the Definitive Feasibility Study work program in 2010.

Key consultants have been appointed to progress technical and commercial assessment of all key elements of the Mbalam Project, including Mine, Rail and Port. The project team has focused recent work on long-lead field studies and testwork as follows:

- Offshore drilling at the proposed Cam Iron port site at Lolabe was completed last week (see Figure 3). Initial assessment has indicated that sub-surface ground conditions at Lolabe are generally consistent with expectations from the Pre-Feasibility Study with predominantly clay material being encountered in both shallow and deep drill holes;
- Geotechnical investigations along the proposed Mid-Northern rail corridor commenced in February 2010. Test pitting has been completed from Mbalam to Lele, approximately 80km west of the mine and a geotechnical auger rig has been mobilised to drill test foundation conditions along the rail route;
- Aerial LIDAR topographic surveys are being completed this week over the Nabeba Deposit with final survey of the rail corridor to be completed in March. This will provide detailed ground elevation data in areas identified for potential optimisation of the rail route; and
- Metallurgical test work and process design optimisation is continuing. This work, together with mine planning and scheduling currently underway, will assist in finalising the product suite for the Mbalam Project. Very positive results achieved to date from gravity-based upgrading of Transitional High Grade Hematite from the Mbarga Deposit has underlined the potential to increase the overall High Grade Fines product quality and resource tonnage.

## Discussions with Government and Strategic Partners

Sundance continues to engage with the Cameroon Government with a number of very positive meetings held in February 2010 with senior Government officials. This included a meeting between Sundance Chairman Geoff Wedlock and CEO Don Lewis and the Head of State of Cameroon, President Paul Biya.

At these meetings, which were widely publicised in the Cameroon media, the President confirmed the Government's strong support for the Mbalam Project and its commitment to grant fiscal incentives necessary to facilitate development and financing of the Project. The parties reiterated the strong mutual commitment of Sundance and the Cameroon Government to complete final feasibility studies and financing in 2010 in preparation for commencement of construction in early 2011.

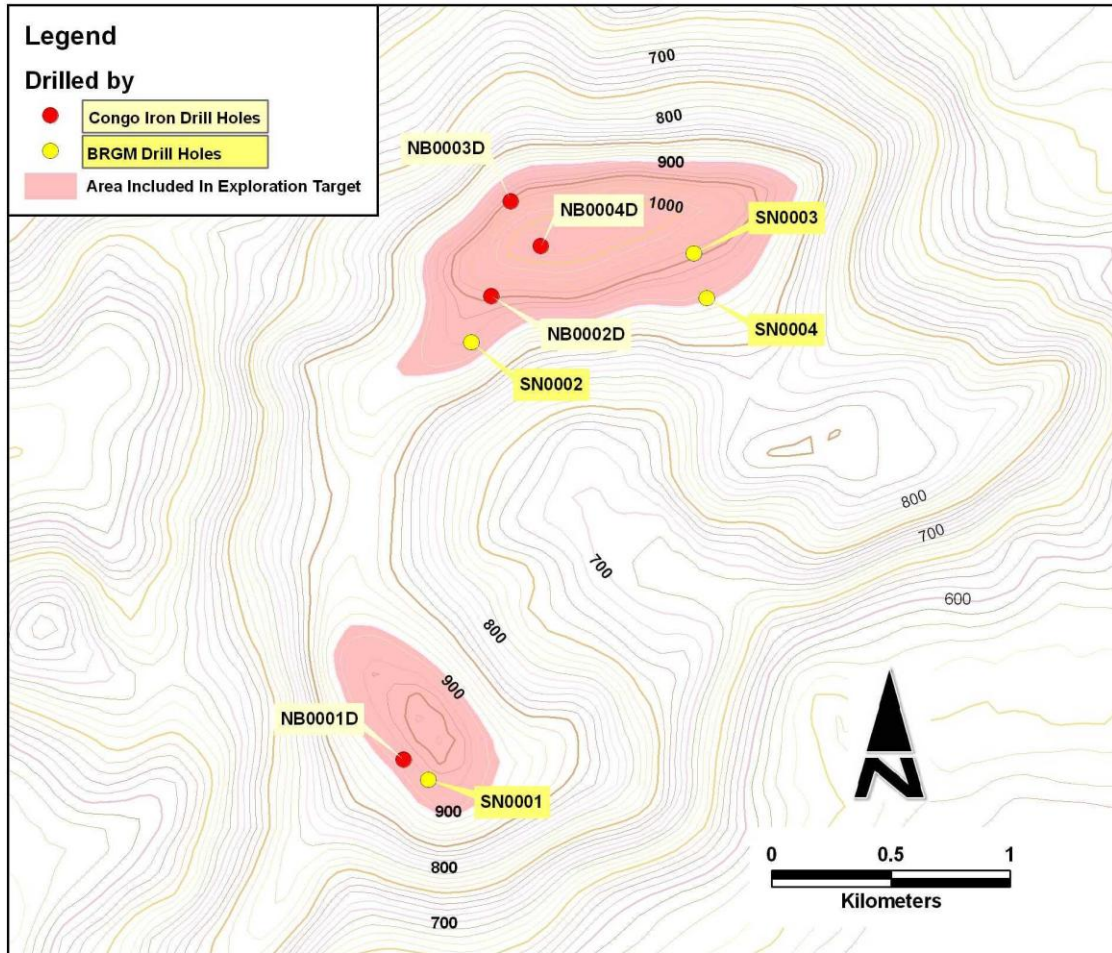
Sundance CEO Don Lewis noted that engagement and planned site visits were continuing with a shortlist of potential strategic partners including major steel mills, mining houses and conglomerates.

*"Our discussions with prospective partners and customers are progressing well and providing important input into our development planning, the Definitive Feasibility Study and our target product suite," Mr Lewis said.*

*"What continues to stand out is the scale of the Mbalam Project and its potential to be a long term source of large tonnages of premium quality products. Prospective partners also recognise the opportunity for development of a regional iron ore industry in West Africa capable of becoming one of the world's leading producer regions. These attributes combine to make the Mbalam Project an exciting development proposition."*

*"The drilling program at Nabeba is delivering very promising early results and progress will accelerate with commencement of RC drilling. Our work on EP92 is also continuing to generate excellent results from in-fill and metallurgical drilling, with the potential to enhance our resource inventory."*

*"We are continuing to progress all of the key components of the Definitive Feasibility Study with work currently focusing on Port and Rail infrastructure investigations. We are also continuing to optimise the Mine process flow sheet which we expect to deliver enhanced product quality."*



**Figure 1: Location of Drill Holes on the Nabeba Deposit, Congo**



**Figure 2: Core Photograph of Core from Nabeba Drill Hole NB0004D**



**Figure 3: Offshore Drill Rig operating at Lolabe Port**

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

*Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo, on the central west coast of Africa. Sundance has commenced feasibility study on its Mbalam Iron Ore Project as the basis for developing a global iron ore business. Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Project and nearby projects in Congo and Gabon.*

*WA-based Sundance has been listed on the Australian Stock Exchange since 1993 and is also traded on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.*

#### **Forward-Looking Statement**

*Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report and half year report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.*

## Competent Person's Statement

*The information in this release that relates to Exploration Results is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy.*

*Mr Longley is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Mr Widenbar is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The estimated quantity and grade of DSO quality Supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at the Mbarga Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarga, Mbarga South and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <10% Al<sub>2</sub>O<sub>3</sub>; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarga South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value is used for the Mbarga Itabirite hematite.*

*A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used 20m x 10m x 10m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.*

*Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation.*

*The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying with a range of densities adopted from 3 to 4t/m<sup>3</sup> depending on the iron grade. A density of 3.6t/m<sup>3</sup> has been used for the majority of the near-surface High Grade Hematite and a value of 2.6 t/m<sup>3</sup> applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.*

*Core and sample recovery has been recorded during logging. All drill hole data is stored in an acquire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and internal standards with comprehensive reporting on laboratory precision and accuracy. Three metallurgical test work programs have supported the assay grades and density values of the major mineral types.*

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

*While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these Exploration Targets and it is uncertain if further exploration will result in determination of a Mineral Resource.*