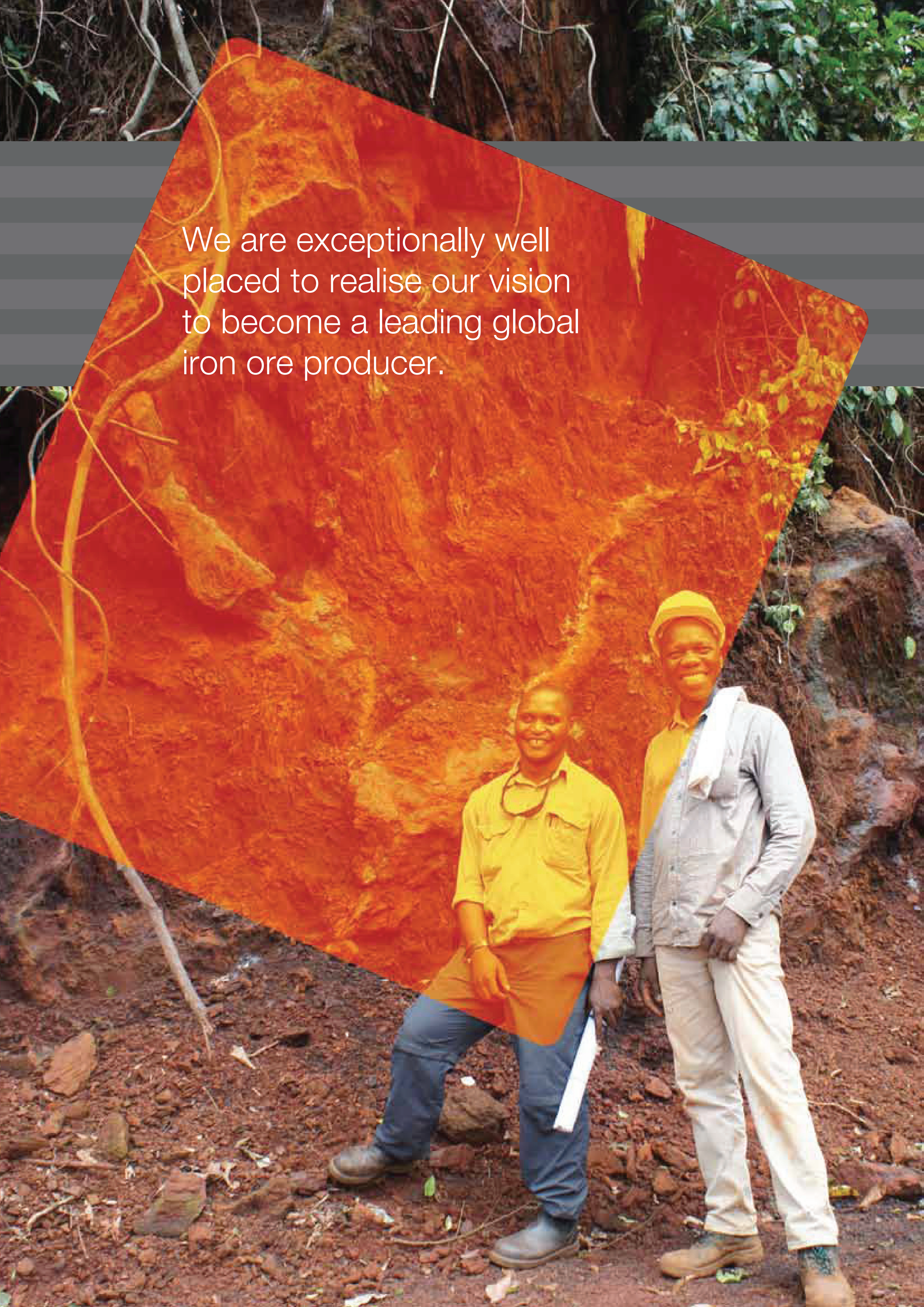
Sundance Resources Ltd

Annual Report 2011

We are exceptionally well placed to realise our vision to become a leading global iron ore producer.



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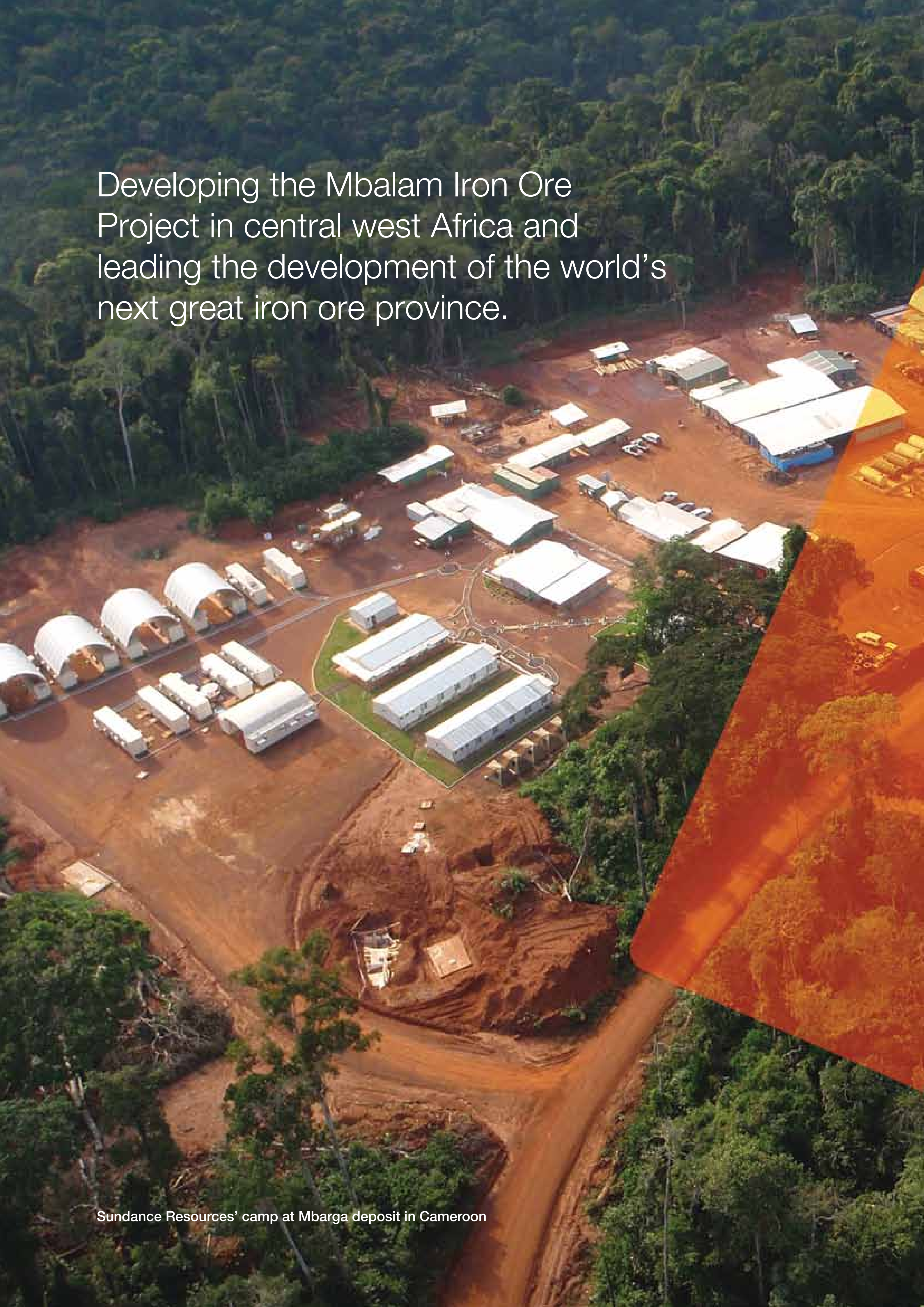
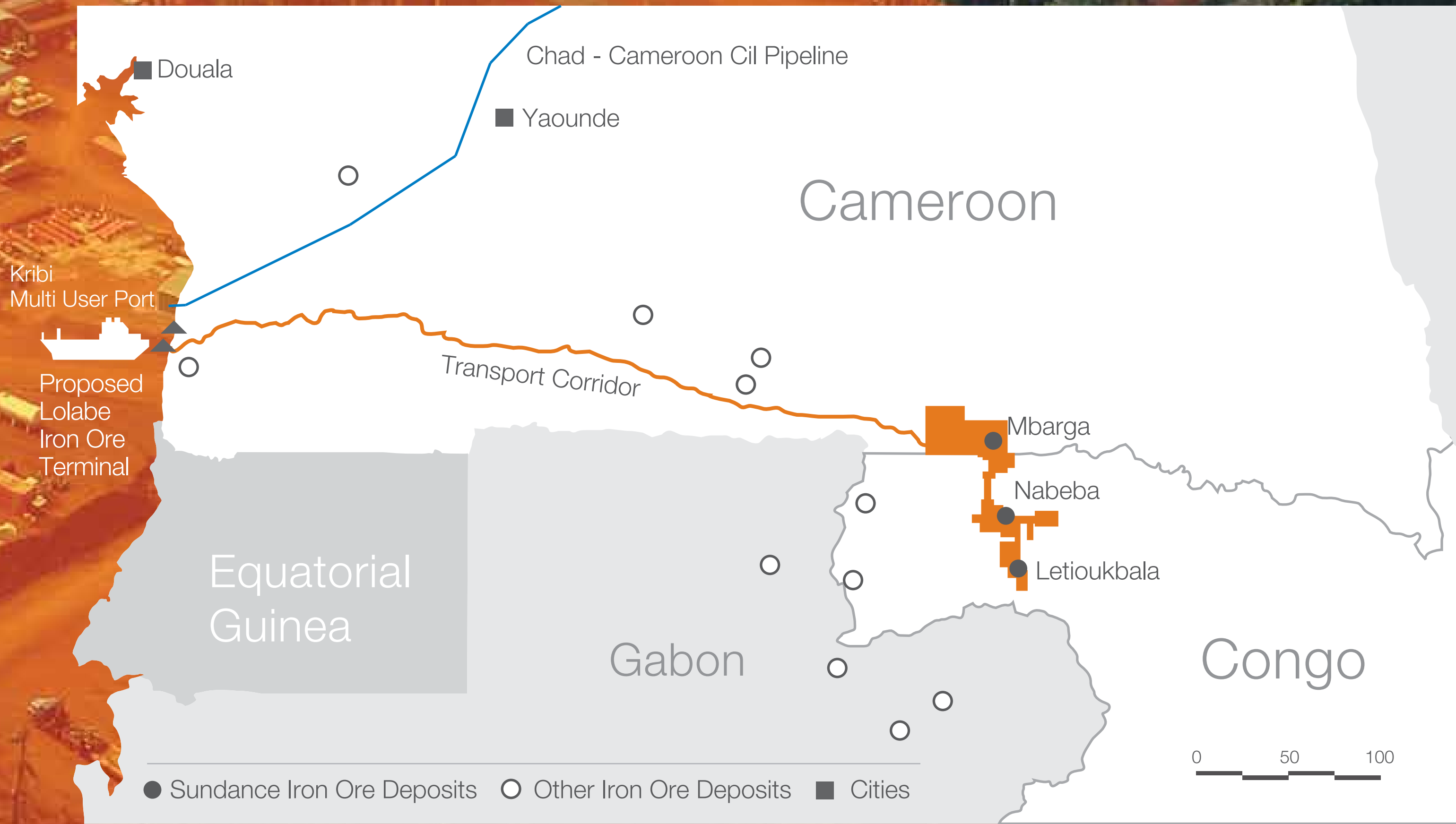
Developing the Mbalam Iron Ore Project in central west Africa and leading the development of the world's next great iron ore province.



Sundance Resources' camp at Mbarga deposit in Cameroon

Project Location



About The Republic of Cameroon

Former British and French colonies that gained independence in 1960.
Population: approx 20 million
Land Area: 475,442 km^2
Capital: Yaounde
GDP: $22 billion
Resources: Timber, Iron Ore, Agricultural products including tea, coffee, sugar, rubber, palm oil and tobacco

About The Republic of Congo

Former French colony that gained full independence in 1960 as a presidential republic.

Population: approx 4 million
Land Area: 342,000 km^2
Capital: Brazzaville
GDP: $11.5 billion
Resources: Oil, Gas, Gold, Phosphates, Iron Ore

HIGHLIGHTS

"The past year has seen your Company achieve a series of key milestones along the path to project development."

- Reconstitution of the Board of Directors led by George Jones as Chairman.
- Commencement of Giulio Casello as Managing Director and Chief Executive Officer.
- Memoranda of Understanding signed with China Rail Construction Corporation and China Harbour Engineering Company for scope and cost of work for the rail and port infrastructure to support the Mbalam Project.
- Negotiations underway with the Governments of the Republic of Cameroon and the Republic of Congo to finalise the Mbalam Conventions.
- Successful Capital Raising of A$60 million from institutional investors.
- The Company's market capitalisation has substantially increased, which has been supported by the release of several positive independent stockbroking reports over the past year.
- New major shareholder Hanlong Mining Australia Pty Ltd entered the register March 2011 and holds approximately 18 per cent of current total issued capital.
- Due diligence on the Project undertaken by a number of prospective strategic partners including Hanlong and some of the world's largest resource companies and steel producers.
- Proposal for conditional cash offer for 100 per cent of Sundance from the Hanlong Group at $0.50 per share via scheme of arrangement received 15 July 2011.
- On 4 October 2011, Sundance Directors unanimously recommend Hanlong's increased cash offer of $0.57 cents cash per share via a scheme of arrangement.
- UBS, CITIC Securities and Clayton Utz appointed as advisors to the Company.

- Definitive Feasibility Study completed for Stage One of the Mbalam Iron Ore Project, which delivered a technically and economically robust project based on forecast average production of 35 million tonnes per annum of Direct Shipping Ore for approximately ten years.
- Pre-Feasibility Study completed for Stage Two based on further production of 35 million tonnes per annum of Itabirite Hematite concentrate product at 66 per cent Fe for a further 15 years.
- Initial Maiden Reserve of 252.5 million product tonnes at 63.6 per cent Fe from a Resource of 446.3 million tonnes; a Reserves update is expected in Q4 2011 which is anticipated to support DSO production for ten years.
- High Grade Hematite Resources now totalling 521.7 million tonnes at a grading of 60.7 per cent Fe.

CHAIRMAN'S REPORT

"I have no doubt that the enormous success of the past year has placed Mbalam on the cusp of becoming a world-class iron ore producer."

Sundance Chairman George Jones meeting with his Excellency, Mr Paul Biya, the President of the Republic of Cameroon

Dear Shareholders,

In the wake of the tragic loss we all suffered last year, I set a clear objective for Sundance – to honour the memory of those who died by bringing the Company's Mbalam Iron Ore Project into production.

I am pleased to report that 12 months or so later, your Company is on the cusp of being able to implement this goal. While the job is not complete, I believe we can all draw much comfort and satisfaction from the substantial progress which has been made towards realising the grand ambition set out by those who lost their lives while serving Sundance.

The past year has seen your Company achieve a series of key milestones along the path to project development. This process culminated in the delivery of the Feasibility Study, which showed that the Mbalam Project stands to be a world-class operation which will generate substantial financial returns.

Among the key findings was that the Project would have an estimated net present value of more than US$4 billion for the total project. Importantly, it would have a pay-back period of just three years and an internal rate of return of approximately 27 per cent, ungeared, over the life of the project.

The skills and hard work of our geology team were subsequently rewarded with an increase in high-grade hematite resources to more than 500 million tonnes at +60 per cent Fe. The world-class scale of Mbalam is further highlighted by the additional 2.38 billion tonnes of Itabirite at 38 per cent Fe which we have previously reported.

The significant extent to which the Mbalam Project has evolved has led to substantial interest in the project from leading steel mills and other resource development groups. This has resulted in several entities completing due diligence, including visiting site and in-depth discussions with Sundance management and meetings with the Governments of the Republic of Cameroon and the Republic of Congo over the course of this past year.

In July 2011, Hanlong Mining, the Chinese entity that became our largest shareholder in March 2011 stated its intent to make a conditional cash offer for Sundance at 50 cents per share via a Scheme of Arrangement. The Sundance Board of Directors advised shareholders to take no action at that time while we engaged in discussions with Hanlong about the terms of its proposal. I am pleased that Sundance and Hanlong were successful in concluding those discussions in October 2011, with a successful outcome for both companies. Hanlong agreed to a revised offer with mutually acceptable conditions and increased its offer price to 57 cents cash per share to acquire 100 per cent of the Company via an Australian Scheme of Arrangement (Scheme).

The Hanlong offer values Sundance at A$1.65 billion compared with the Company's market capitalisation of approximately A$350 million in June 2010. This increase in shareholder value reflects the world-class attributes of the Mbalam Iron Ore Project and its potential to unlock a new iron ore province in central west Africa.

This strong interest in Sundance and the Mbalam Iron Ore Project from leading global entities is a direct result of the talents, hard work, and dedication of Sundance's management and staff, both in Australia and in the Republics of Cameroon and Congo. Their determination and resolve has enabled the Company to overcome both its tragedy and the long line of frustrations and challenges that confront any resource project, let alone one the size of Mbalam.

On behalf of the Board of Directors, I would like to thank them for their extraordinary efforts and commitment to the Company and the Project.

I would also like to acknowledge the strong support shown for Sundance and Mbalam by the governments of the Republics of Cameroon and Congo. Their members and representatives have gone to extensive lengths to help the Project advance to this level. Sundance values their contribution immensely and is grateful for their assistance.

Lastly I would like to acknowledge the strong support of Hanlong. In March 2011 they took the first step with their A$200 million investment in us through acquiring the Talbot stake. A little more than six months later they have further indicated their genuine interest in helping to bring this project into development with the attractive offer price which values Sundance at A$1.65 billion. Hanlong are committed to working with the Sundance management and Governments of the Republic of Cameroon and the Republic of Congo to see that this project is delivered as quickly as possible.

I have no doubt that the enormous success of the past year has placed Mbalam on the cusp of becoming a world-class iron ore producer that will be a major force in the global market for many years.

Yours faithfully,

George Jones
Chairman, Sundance Resources

BOARD OF DIRECTORS

Mr George Jones

Non-Executive Chairman

Mr George Jones has been involved with the Company for a number of years and has a comprehensive understanding of the Company and its assets. Mr Jones has more than 35 years experience in the mining, banking and finance industries and has been a Director of a number of private and publicly-listed companies, including Gindalbie Metals Ltd, where he is currently Chairman.

Mr Giulio Casello

CEO & Managing Director

Mr Giulio Casello is a highly experienced executive with national and global exposure in mining and manufacturing environments for blue chip organisations. Backed by almost 30 years of experience, he has a track record of success with operations, business development and corporate strategy. He has previously worked at Sinosteel Midwest as Chief Operating Officer, Century Aluminium Company in the United States of America where as Senior Vice President Business Development he was responsible for developing and implementing a growth plan in aluminium, alumina and critical raw material and managing new projects across the globe. He has also held a number of significant positions in Alcoa including Director of WA Operations, General Manager of Alcoa's World Chemicals and Location Manager of the Kwinana Alumina Refinery.

Mr Michael Blakiston
Non-Executive Director

Mr Michael Blakiston is a solicitor with substantial legal experience in the resources sector. He is a partner of the corporate and resource law firm, Gilbert + Tobin and has over 29 years experience. Mr Blakiston holds Bachelor of Jurisprudence and Bachelor of Laws degrees from the University of Western Australia. Mr Blakiston has extensive commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. Gilbert + Tobin is currently engaged by Sundance Resources to provide ongoing legal advice. Mr Blakiston has played a leading role in the negotiation and formulation of a number of key agreements relating to Sundance's Mbalam Iron Ore Project, and is currently involved in the negotiation of the Convention Agreements with the Congolese and Cameroon Governments.

Mr Barry Eldridge
Non-Executive Director

Mr Barry Eldridge has over 40 years experience as a geologist and mining engineer in the resource industry both in Australia and overseas. Following a 20 year career in the coal industry in Queensland and New South Wales, Mr Eldridge moved to Western Australia in 1988 where he has been involved in a number of management roles in the mining industry. Most notable of these have been Project Manager for the Super Pit in Kalgoorlie, Project Manager for the development of Kanowna Belle gold mine, Managing Director of Forrestania Gold NL, Project Director for Rio Tinto's West Angelas iron ore development, Director – Major Projects for North Ltd, Managing Director of Griffin Coal Pty Ltd, Managing Director, Chief Executive Officer of Portman Ltd and Chairman of SNC-Lavalin Australia Pty Ltd.

Ms Fiona Harris
Non-Executive Director

Ms Fiona Harris has extensive experience as a Non-Executive Director over the past 15 years including with iron ore companies, Portman Mining Ltd and Territory Resources Ltd and other listed entities Alinta Limited, Burswood Limited, Evans & Tate. Ms Harris is currently a member of the Australian Institute of Company Directors (AICD) National Board and a former Western Australian State President. Ms Harris was previously a partner of KPMG Chartered Accountants, specialising in financial services and superannuation, capital raising, due diligence, initial public offerings, capital structuring of transactions and litigation support.

Mr Robin Marshall
Non-Executive Director

Mr Robin Marshall is an experienced mining executive with an impressive track record of international experience in positions with several global mining groups including Project Director for Vale Inco at its world-class Goro Nickel Project, Vice-President – Asset Development Projects for BHP Billiton Iron Ore, Project manager for North Limited, Project Director with Iron Ore Company of Canada, Manager Project for Forrestania and Project services for Western Mining Corporation and Nedpac (Signet Engineering). Mr Marshall has also spent a number of years in Africa in senior positions in both project and operational areas.

CHIEF EXECUTIVE OFFICER'S REPORT

"2010-2011 marked the Company's transition from the project definition stage into preparation for early works and project development."

Dear Shareholders,

I am delighted to deliver my first annual report as the Company's Managing Director and Chief Executive Officer.

Sundance achieved a number of significant operational milestones in 2010 - 2011 which marked the Company's transition from the project definition stage into preparation for early works and project development.

The Definitive Feasibility Study (DFS) for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam Iron Ore Project were delivered in April 2011, confirming a technically and economically robust project.

The delivery of significant upgrades to the Company's JORC-Code Compliant global High Grade Hematite Mineral Resources in September and a Reserves Update anticipated to be released before the end of 2011, further underpins this as a world-class project which will produce 35 million tonnes per year of high grade, quality iron ore for a minimum of 25 years.

Following delivery of the DFS and confirmation of world-class resources, Sundance management are now actively pursuing a conclusion to arrangements for the introduction of Hanlong as our Partner to finance and develop the Project. We are also working together to finalise the Government Convention in Cameroon and Mining Permit in the Republic of Congo, thereby allowing the Scheme of Arrangement with Hanlong to be completed in early 2012.

Considering the extraordinarily difficult time Sundance and its people have been through over the past 18 months, I would like to take this opportunity to acknowledge and thank everyone at Sundance, Cam Iron and Congo Iron, but particularly the management team and people on the ground in-country, who pulled together to ensure this company would not only survive, but thrive, even in the face of such adversity. Since taking on the role as CEO, I have seen firsthand the talent and passionate commitment from everyone within this company which is a testament to how successful Sundance Resources and the Mbalam Iron Ore Project really can, and will, be.

As part of our preparation for growth, this past year the new Board and senior management team together established the Company's Vision and Values. This was rolled out across the organisation so as to motivate employees, provide direction and focus, and bring together a cross-cultural workforce to achieve the long term strategic objectives of the company, including building shareholder value.

Vision: To become a leading global iron ore producer by creating value through developing its regional opportunities in Africa.

Values: Safety and Sustainability, Care and Respect, Integrity, Achievement, Working together.

Looking forward, I am confident we can finalise our negotiations to secure the Government approvals and Project financing required to deliver this project, which will bring significant benefits and value to shareholders as well as to the governments and communities of the Republic of Cameroon and the Republic of Congo.

Yours faithfully,

Giulio Casello
Chief Executive Officer & Managing Director,
Sundance Resources

OVERVIEW OF OPERATIONS

Sundance Resources Limited ('Sundance' or 'the Company') delivered on a number of its key strategic objectives for the Mbalam Iron Ore Project this past year following the reconstitution of the Board and senior management team after the tragic events of June 2010 and the Company's recommencement of trading on the Australian Securities Exchange.

The appointment of the new Board, led by prominent mining industry executive Mr George Jones as Chairman, was formally approved by shareholders on 16 August 2010, with the Company subsequently announcing the appointment of highly experienced resources executive, Mr Giulio Casello, as the new Chief Executive Officer and Managing Director. Mr Casello commenced in the role as of 8 November 2010.

The Company's focus in 2010/2011 was to progress towards achieving a number of strategic objectives which further prepare the Company for transformation from explorer to developer/producer.

1. Completion of a Definitive Feasibility Study based on integrated development of a 35Mtpa iron ore operation, processing High Grade Hematite for the first 10 years, followed by further 15 years of Itabirite concentrate/pellet production. STATUS: ACHIEVED

2. Completion of the Environmental and Social Assessment (ESA) of the Project and obtaining all Environmental Approvals in the Republic of Cameroon and the Republic of Congo. STATUS: CAMEROON ACHIEVED; CONGO WELL ADVANCED NEARING COMPLETION

3. Establishment of the terms of a Project Convention with the Cameroon and Congo Governments to underpin project financing and development. STATUS: STRONG GOVERNMENT SUPPORT AND NEGOTIATIONS WELL ADVANCED

4. Progress discussions with potential Strategic Partners with a view to securing all required financing, infrastructure development and off-take agreements for Project development. STATUS: SUNDANCE HAS ENTERED INTO AN EXCLUSIVE ARRANGEMENT WITH HANLONG RESOURCES LTD.

5. Continue to maintain a strong balance sheet and cash position. Cash position as of 30 June 2011 was A$66 million. STATUS: ACHIEVED

Since Sundance shares resumed trading on the Australian Securities Exchange on 19 July 2010, the Company's market capitalisation has more than quadrupled from around A$350 million to approximately A$1.3 billion as at end of 30 June 2011. The Company continues to be included in the Standard & Poor's ASX 200 Index. This substantial increase in market value has been further reinforced over the past 12 months by the release of several positive independent stockbroking reports on the Company.

On 18 March 2011, Hanlong Mining Australia Pty Limited acquired the holding of the Talbot Group (433,791,352 shares) which added to their existing relevant interests already held in Sundance. As of October 2011, Hanlong holds a total of 520,957,708 shares or approximately 17.99% of current total issued capital.

Sichuan Hanlong (Group) Co, Ltd was established in 1997 by its Chairman Mr Liu Han. It is one of China's largest private enterprises with total assets exceeding 20 billion RMB (A$3 billion) and annual sales revenue of over 16 billion RMB (A$2.48 billion). Hanlong has a wide portfolio of investments including mining resources, energy generation, infrastructure development, pharmaceutical, food and beverages, real estate and tourism. The Group has over 30 wholly-owned subsidiaries and more than 12,000 employees world-wide.

In 2009, Hanlong Mining was established to pursue and develop the Group's mining and resources interests. Currently the company has interests in more than 20 mining projects in China and around the world. Hanlong Mining has an office in Sydney.

On 27 April 2011, Sundance announced it had entered into a Placement Agreement to raise A$60 million from international institutional investors. A total of 148,148,000 shares were issued at A$0.405 per share.

The funds raised were to advance Sundance's short term project objectives:

1.	Increase JORC-Code compliant Reserves	NEARLY COMPLETE
2.	Increase JORC-Code compliant Resources	ACHIEVED
3.	Undertake value engineering to identify reductions to capital cost of Stage One	NEARLY COMPLETE
4.	Establish Project readiness which involves: ♦ Detailed engineering for long lead term items; ♦ Further engineering for early works requirements; and ♦ Establishment of Project Management structure including resourcing and agreements with international engineering companies.	WELL ADVANCED

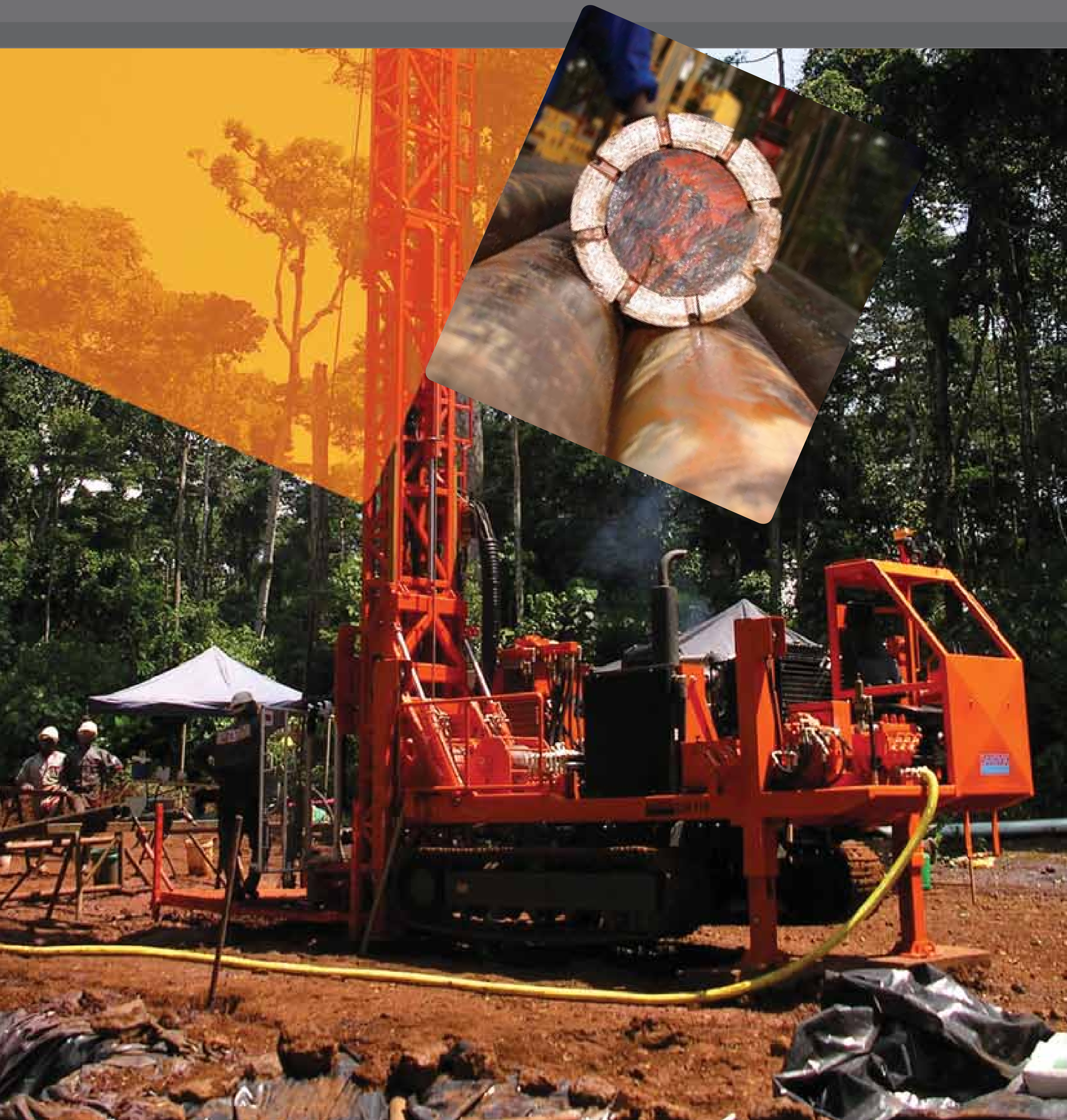
On 18 July 2011, the Company announced it had received written advice from its largest shareholder, Hanlong, of its intention to make a conditional cash offer for 100 per cent of Sundance at a price of A$0.50 per Sundance share under a scheme of arrangement.

The Board considered that the terms of the offer did not provide adequate value or certainty to Sundance shareholders, and commenced discussions with Hanlong about the terms of its proposal whilst at the same time continued discussions with other potential strategic partners in a view to securing Project financing through either a joint venture or whole of company transaction.

On 4 October 2011, the Company announced that Hanlong had revised its conditional cash offer to acquire 100 per cent of Sundance with an increased offer price of A$0.57 cash per share via an Australian Scheme of Arrangement ('Scheme').

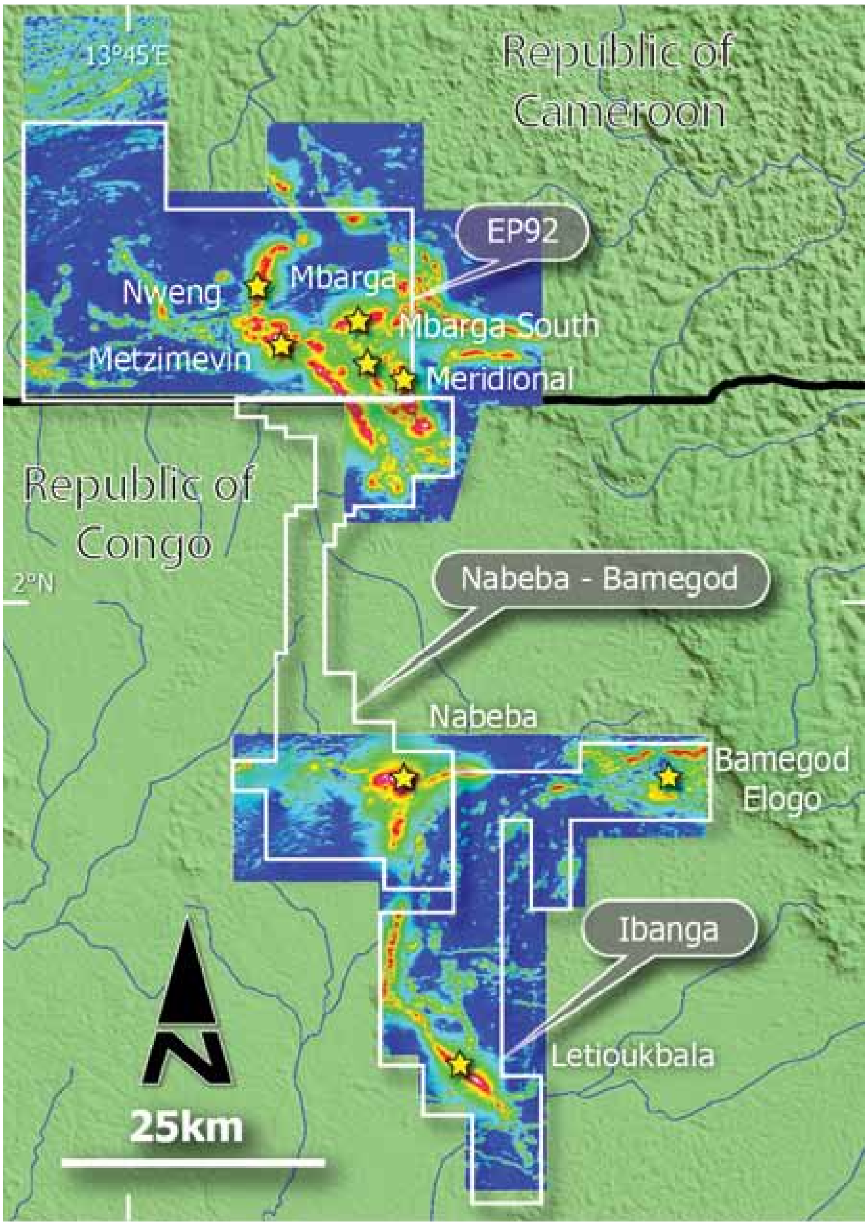
THE MBALAM IRON ORE PROJECT

"Mining 35 Mtpa, construction of a 510 km rail line, construction of a 70 km rail spur line and building a dedicated deep water port capable of taking bulk iron ore carriers."



The Mbalam Iron Ore Project straddles the border of the Republic of Cameroon ('Cameroon') and the Republic of Congo ('Congo') in central west Africa. It is comprised of Exploration Permit 92 (EP92) located in the East Province of the Republic of Cameroon and Research Permits Nabeba-Bamegod (Nabeba) and Ibanga in the Sangha Province of the Republic of Congo.

EP92 is owned by Cam Iron SA, a company incorporated in the Republic of Cameroon which is a 90%-owned subsidiary of Sundance. The Nabeba and Ibanga permits are owned by Congo Iron SA, a company incorporated in the Republic of Congo and an 85%-owned subsidiary of Sundance.



The Project scope targets mining 35 Million tonnes per annum (Mtpa) from the deposits in Cameroon and Congo, construction of a 510km rail line dedicated to the transport of iron ore from the Mbarga mine to the Cameroon coast, construction of a 70km rail spur line to the Nabeba mine, and the building of a dedicated deep water iron ore port terminal capable of taking bulk iron ore carriers capable of 300,000 DWT.

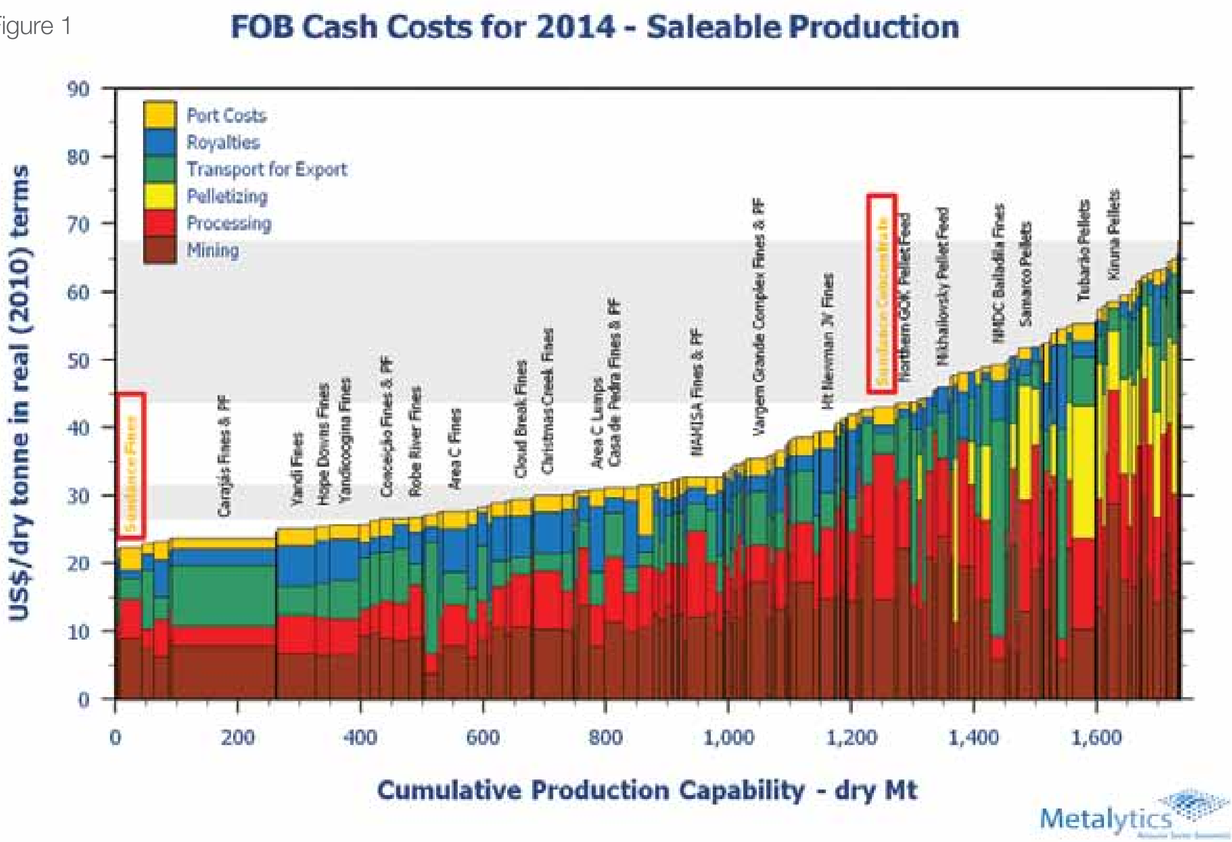
Sundance Resources completed the Definitive Feasibility Study (DFS) for Stage One and Pre Feasibility Study (PFS) for Stage Two of the Mbalam Iron Ore Project in April 2011.

The Stage One development strategy provides for production of a Direct Shipping Ore (DSO)-quality sinter fines product averaging 63.6% Fe at a rate of 35 million dry tonnes per annum for the first 10 years based on blending of material sourced from the Mbarga, Mbarga South and Nabeba deposits.

The results of the DFS indicate that the Project has a forecast average operating cost of US$21.20 a tonne free on board (FOB) excluding royalties. The operating cost includes mining, crushing and screening, materials handling and infrastructure and is one of the lowest of any iron ore operation in the world.

Figure 1 below illustrates the iron ore industry cash operating cost curve FOB. The forecast Mbalam cash operating costs are at the lower end of the industry cost curve for DSO-quality product and will be competitive with similar high quality beneficiated pellet feed concentrate products.

Figure 1



Capital development costs for the initial stage of the operation are estimated to be US$4.7 billion (real), with payback of capital in three years from the start of production. A breakdown of total capital costs is shown in Table 1 below. The construction indirect costs in this table have been allocated to the areas of activity.

Table 1 Costs (including construction indirects)	US$M
Mining, Processing and Infrastructure	914
Rail	2,019
Port	537
Subtotal	3,471
EPCM, Owners costs and Contingency	1,214
Total (US$M, real as at December 2010)	4,686

The estimated capital cost of the Project compares favourably with other large-scale iron ore projects planned around the world. The capital cost per annual tonne of production capacity (approximately US$133 per dry tonne annual capacity) is in the midpoint of the range of greenfields and brownfields projects proposed.

Since the release of the completed DFS in April 2011, further work has been undertaken in a value engineering study to identify opportunities to reduce and optimise the estimated capital cost, increase reserves, and optimise the schedule. This value improvement work is nearing completion. The work was also required to better align process plant and infrastructure design with the requirements of the current mine plan, which was published after the DFS process design was finalised.

Financial outcomes from the studies for the Mbalam Iron Ore Project (Stages One and Two) include:

It is intended that the PFS for Stage Two will be upgraded to a DFS commencing in 2012, leading to mining of Sundance's broader Itabirite resource which has a current resource estimate of 2.32 billion tonnes grading 38.0% Fe. The Stage Two development is proposed to commence prior to the completion of mining in Stage One to ensure there is no disruption to operations.

The construction of Stage Two is expected to be funded from cash generated from Stage One with a capital cost of approximately US$3.1B. This includes $400M for a 4Mtpa pellet plant. The PFS cash operating costs, pre-royalties, are estimated to be approximately US$40 per tonne. These outcomes will be subject to further definition and update as part of the DFS.

Table 2	
NPV at 12.5% discount rate*	US$4.3B
Internal Rate of Return*	27.4%
Capital payback period	3 years
Project life	25 years
Production rate	35 Mdtpa
Total revenue generated (nominal)	US$99B
Long term Fe price (real, applied 2020 and beyond)	US105c/dmtu

* Nominal, post tax, ungeared

* Revenues were based on Q1 2011 iron ore pricing forecasts provided by ©Metalytics Iron Ore Briefing Service. The forecasts reflect strong current and future demand for iron ore translating to continuing strong prices. Project modelling has been performed on the basis that Sundance achieves a favourable Mining Convention in both the Cameroon and Congo.

Rail and Port Infrastructure

In September 2010, Sundance entered into two Memoranda of Understanding (MOU) with CRCC China-Africa Construction Limited (CRCC) and China Harbour Engineering Company Ltd (CHEC), to establish the scope, cost and delivery program for the railway and proposed bulk materials port at Lolabe in Cameroon to support the Mbalam Iron Ore Project.

The MOUs commit the parties to work together to establish the scope, cost and programme for the delivery of these key pieces of infrastructure and to provide Sundance with terms of contracts under which CRCC and CHEC would deliver the Rail and Port projects. At the conclusion of the work the Parties may enter into a Delivery Contract.

Since the signing of the MOUs, technical and commercial discussions have advanced between Sundance and CRCC and CHEC and formal tender submissions have been received. These tender submissions are currently being reviewed by Sundance with detailed negotiations continuing.

Lolabé port location

Project Management Contractor

In May 2011, Sundance issued a competitive tender for Project Management Contractor (PMC) services. These services relate to the provision of personnel, systems, processes and procedures to manage, control, administer and deliver the Mbalam Project in conjunction with the Owners Team. Tenders are currently being reviewed by the Company.

Mining Contract

During the period Sundance also requested and received expressions of interest for the provision of contract mining services. These services relate to the pre-strip and mining activities to be undertaken in preparation for operations and during the operations phase. Sundance received positive responses from prospective tenderers and is currently evaluating submissions to determine a bid list.

Site Establishment

Sundance has engaged consultants to develop the engineering documentation to support early works and the initial establishment of the project at the Lolabé port site and other areas.

Third Party Access

In May 2011, Sundance Resources and Legend Mining Limited signed a non-binding Letter of Intent (LOI) for Access Co-operation with regards to usage of Sundance's proposed rail and port infrastructure. The LOI outlined that the two Australian-based companies with iron ore assets in Cameroon will together examine opportunities for how the proposed infrastructure may offer rail and port haulage to Legend's Ngovayang Project in Cameroon.

JORC-CODE COMPLIANT GLOBAL MINERAL RESOURCES

"... a world-class High Grade Hematite Resource that underpins Reserves for at least the first 10 years of DSO production."

It was a highly successful year for the Sundance Resources Geology team as they delivered a world-class High Grade Hematite Resource that underpins Reserves for at least the first 10 years of Direct Shipping Ore (DSO) production.

Over the past twelve months, the Company's total Indicated and Inferred High Grade Hematite Resources have increased by more than 100 Million tonnes. The Resource has incrementally increased from 415 Million tonnes to the current total of 521.7 Million tonnes. This represents a 26 per cent increase over the previously reported Resource Inventory of High Grade Hematite in the Company's 2010 Annual Report.

Table 3 Total Indicated & Inferred Resources of High Grade Hematite	Tonnage (MT)	Percentage of Total Tonnage in the "Indicated" category	Grade				
			Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
As reported in SDL's 2010 Annual Report	415.4	41%	61.6	6.3	2.8	0.08	2.4
Resources Upgrade Released to ASX 17 March 2011	484.0	86%	61.1	6.4	2.9	0.096	2.8
1 September 2011	521.7	94%	60.7	6.9	3.0	0.092	2.7

The conversion of mineral classification from the Inferred to Indicated category is a result of the large drilling programme which was undertaken at Nabeba over the past year, with intensive technical evaluations and extensive modelling carried out as part of the Definitive Feasibility Study.

Table 4 is the Global Summary of all High Grade Hematite Mineral Resources for the Mbalam Iron Ore Project which is inclusive of all High Grade resources from the four drilled deposits of the Project: Mbarga, Mbarga South, Metzimevin and Nabeba.

Table 4 GLOBAL HIGH GRADE RESOURCE	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Indicated	488.5	60.9	6.5	3.0	0.092	2.8
Inferred	33.3	57.9	13.4	3.3	0.089	1.8
Total High Grade Resource	521.7	60.7	6.9	3.0	0.092	2.7

Tables 5 to 8 provide the deposit-scale breakdown distribution of the Mineral Resources:

- Nabeba and Mbarga together make up more than 90 per cent of the Global High Grade resource, with Mbarga South and Metzimevin contributing the remaining minor portions.
- As recent drilling has focused on Mbarga and Nabeba only, there are no changes to resources at Mbarga South and Metzimevin since last released to the ASX in March 2011.
- Due largely to additional drilling and resultant confidence of interpretation, all of the Nabeba High Grade resource is now classified as Indicated.
- Additional drilling at the eastern end of the Mbarga Deposit has likewise enabled a re-categorisation from Inferred to Indicated for most of the Mineral Resource.

Mineral Resource Classification by Individual Deposit

Table 5 RESOURCES MBARGA	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Indicated	154.4	60.0	9.9	2.3	0.083	1.57
Inferred	12.2	54.7	18.1	1.8	0.104	0.90
Total	166.6	59.6	10.5	2.3	0.084	1.52

Table 6 RESOURCES MBARGA SOUTH	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Indicated	20.7	57.5	10.4	3.6	0.068	3.2
Inferred						
Total	20.7	57.5	10.4	3.6	0.068	3.2

Table 7 RESOURCES METZIMEVIN	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Indicated						
Inferred	15.2	59.5	12.6	4.1	0.078	2.0
Total	15.2	59.5	12.6	4.1	0.078	2.0

Table 8 RESOURCES NABEBA	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Indicated	313.4	61.6	4.6	3.3	0.098	3.38
Inferred	5.8	60.6	5.4	4.3	0.086	3.05
Total	319.2	61.6	4.6	3.3	0.098	3.37

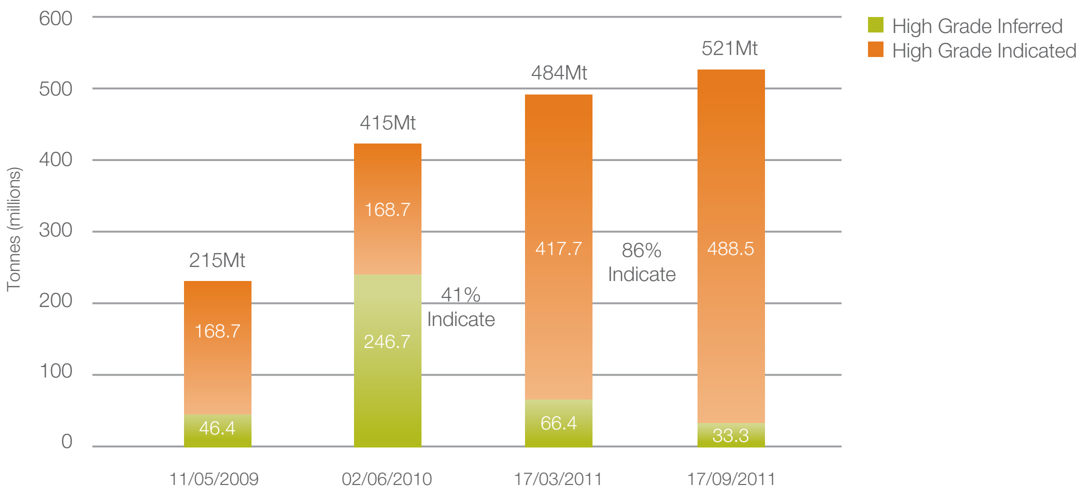
Mbarga remains the most significant deposit within the Project due to the large enriched-Itabirite Resource delineated directly beneath the High Grade Hematite mineralisation.

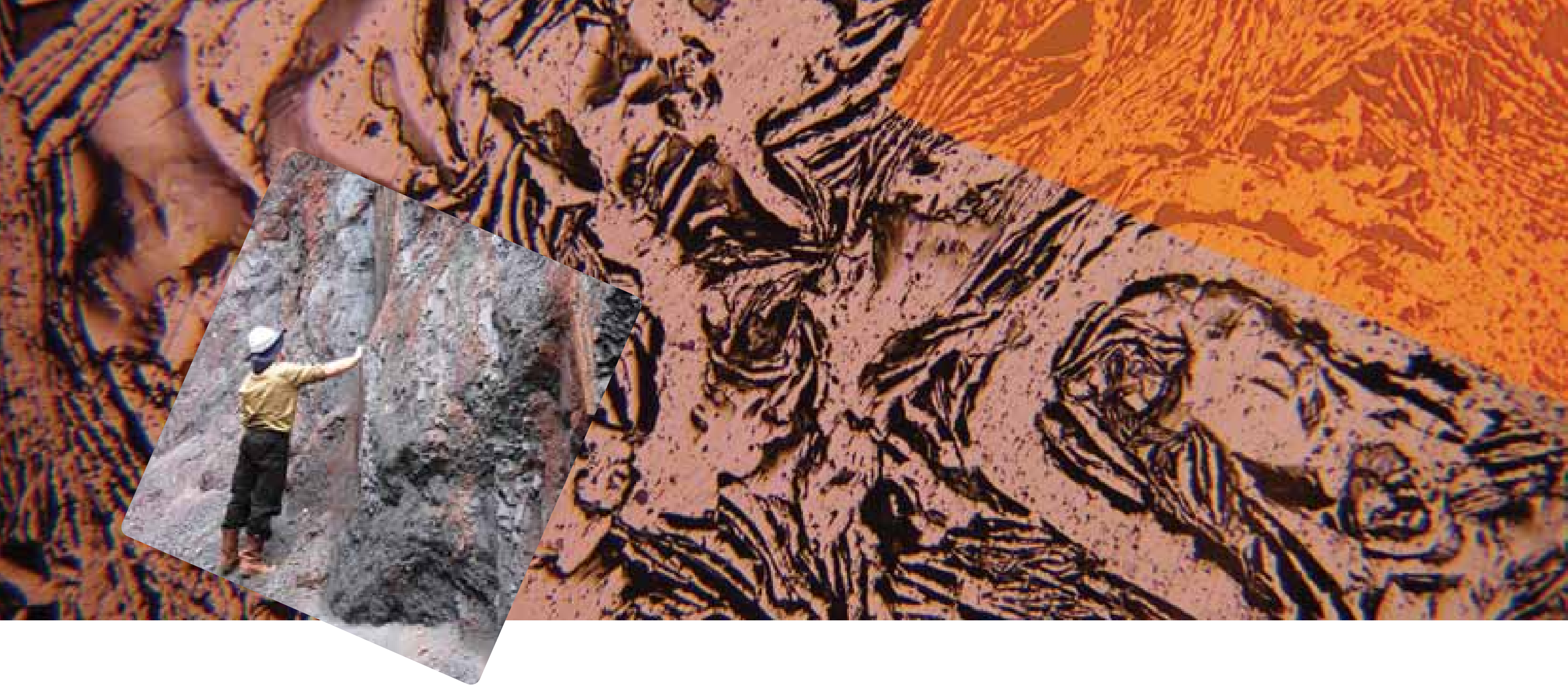
While no work has been recently undertaken on the underlying Itabirite Resource, Sundance previously drilled and defined a World Class Itabirite Hematite Resource at Mbarga which was compiled in accordance with the JORC Code, and remains unchanged from the estimation of 2.32 billion tonnes @ 38.0% Fe as announced in the Company's 2010 Annual Report.

Table 9 GLOBAL ITABIRITE HEMATITE RESOURCE	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Indicated	1,431	38.0	44.5	0.44	0.04	0.32
Inferred	894	38.0	44.1	0.54	0.05	0.43
Total Mbarga	2,325	38.0	44.4	0.48	0.04	0.36

The estimate includes only Itabirite mineralisation at the Mbarga deposit located in the Republic of Cameroon.

Drilling during 2011 focused predominantly on identifying High Grade Hematite resources at the Nabeba deposit located in the Republic of Congo.





ORE RESERVES AND MINE PLANNING FOR HIGH GRADE HEMATITE

As part of the DFS for Stage One, in April 2011 the Company announced a maiden High Grade Hematite Ore Reserve for the Mbalam Project of 252 Million tonnes; sufficient to support the first seven years of the planned ten years of High Grade Hematite production at 35Mtpa.

Work has commenced on updating the Ore Reserves using the latest reported Resource of 521.7Mt of which 488.5Mt (94%) is in the Indicated category. This Indicated Resource base represents a significant increase in material available for conversion to Ore Reserves and is anticipated to provide sufficient Reserves to support 10 years of High Grade production.

The maiden Ore Reserve excluded the Nabeba Sub-Grade material as, at the time, insufficient metallurgical work had been conducted to define an upgrade process.

During 2011, very positive metallurgical test work results for the Sub-Grade material enabled a simple upgrade process to be defined, similar to the process utilised for the Mbarga Transition material. This and the successful exploration drilling programme at Nabeba during 2011 are expected to underpin a significant increase in Ore Reserves anticipated to be released in Q4 2011.

Early work during the latest Ore Reserve estimation process confirms the complementary nature of the Mbarga and Nabeba deposits and the capacity to supply a blended ore feed stream. The ore supply will consist of DSO quality Supergene material from Mbarga and Nabeba blended with upgraded products of DSO quality from the Mbarga Transition and Nabeba Sub-Grade materials.

Table 10 details the maiden High Grade Hematite Ore Reserve inventory for the project.

Table 10 High Grade Hematite Ore Reserves (Reported in DFS April 2011)	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Mbarga Supergene 1	Probable	76.2	63.99	4.16	2.11	0.07	1.59
Mbarga Transitional (Upgraded) Product 2	Probable	19.7	63.54	8.34	1.87	0.05	1.56
Nabeba Supergene	Probable	155.9	63.36	2.80	2.84	0.09	2.93
Nabeba Sub-Grade (Upgraded) Product	Probable	0	-	-	-	-	-
Total Ore Reserves	Probable	251.7	63.57	3.64	2.54	0.08	2.42

Notes
1. Includes Mbarga South Supergene
2. Includes Mbarga South Transitional upgraded ore products

COMMERCIAL NEGOTIATIONS FOR A STRATEGIC PARTNERSHIP

In November 2010, Sundance appointed China's largest investment bank, CITIC Securities Co Ltd, to assist the Company in securing both debt and equity funding in China for the Mbalam Iron Ore Project and associated infrastructure. As part of its mandate, CITIC Securities has taken up discussions which were already initiated between Sundance and several Chinese parties that had expressed strong interest in investing in the Project.

Throughout the year, due diligence on the Project was undertaken by a number of prospective strategic partners including Hanlong. Follow up discussions between Sundance's technical and commercial teams and a number of the potential partners have been held in Australia, China and in Africa. This has involved formal discussions on both commercial and technical items pertaining to the Definitive Feasibility Study.

In addition, a number of Chinese banking institutions also visited operations, including the proposed mine sites, rail corridor and port site as part of their due diligence work.

A number of these parties also held detailed discussions with Government departments and Ministers in Cameroon and Congo regarding their interest in the Project. The Governments involved have shown strong support and are eager for the completion of negotiations so that construction may commence as soon as possible. In July 2011, Sundance had shortlisted the preferred potential partners including Hanlong and entered into commercial negotiations.

On 15 July 2011, Sundance received written advice from its largest shareholder, Hanlong, of its intention to make a conditional cash offer for 100 per cent of Sundance at a price of A$0.50 per Sundance share under a scheme of arrangement. The proposal was conditional on, amongst other things, majority Sundance Board support and execution of a Scheme Implementation Agreement. The Board considered the terms of the initial proposal did not provide adequate value or certainty to Sundance shareholders but agreed to commence discussions with Hanlong about the terms of its proposal to see if acceptable terms and offer price could be reached.

On 4 October 2011, the Company announced that Hanlong had revised its conditional cash offer to acquire 100 per cent of Sundance with an increased offer price of A$0.57 cash per share via an Australian Scheme of Arrangement (Scheme). Sundance's Board believe the price, which values the Company at A$1.65 billion, is attractive and therefore unanimously recommend shareholders vote in favour of the Scheme in the absence of a superior proposal, and subject to the Independent Expert's report concluding the Scheme is in the best interests of all Sundance shareholders.

Sundance believes the offer price represents an attractive premium for shareholders, representing a 65.3% premium to Sundance's one month VWAP to 15 July 2011; and a 56.3% premium to Sundance's three-month VWAP to 15 July 2011.

The parties will proceed with the transaction in two phases. The first phase will have Sundance and Hanlong enter into an exclusive arrangement with the mutual objective of working together to confirm the ratification of the Mining Permit in the Republic of Congo and the Mining Convention in the Republic of Cameroon on acceptable terms.

Phase two involves the first court hearing, publication of the Scheme Booklet, and the holding of the Scheme Meeting. Completion of the transaction is subject to the necessary shareholder approvals and that finance commitments and the Permit and the Convention become binding. Following this, the parties will request that the Court approves the Scheme.

The Scheme is conditional on regulatory approvals in the Republics of Cameroon and Congo, the People's Republic of China, and from the Australian Foreign Investment Review Board as well as certain other conditions which are set out in the Summary of Key Terms which was released to the Australian Securities Exchange on 4 October 2011.

MBALAM CONVENTION AND GOVERNMENT APPROVALS

Sundance is currently negotiating to enable the granting of Mining Permits with both the Cameroon and Congolese Governments. The Mbalam Conventions cover agreements with the respective Governments on all aspects including land access, tax and royalty regimes. A key element to finalising these Conventions is confirming both Governments' equity interest in the project.

As proposed in the Conventions, the Governments of the Republic of Cameroon and the Republic of Congo will receive a 10 per cent free carried, equity stake in the Project upon the granting of Mining Permits.

Following consultation with senior representatives of the Presidencies in Cameroon and Congo, a draft Bilateral Agreement was submitted to the Republic of Cameroon during the period.

The formal process for the allocation of land in Cameroon will commence following the signing of the Convention. Work programmes relevant to land acquisition including timber assessment and negotiation with key land-owners including logging companies continue. The consultation programme undertaken over the past three years has not identified any major obstacles to the acquisition of Project land.

In August 2011, the Chairman and CEO/MD of Sundance Resources met with the President of the Republic of Cameroon, His Excellency Mr Paul Biya, in Beijing. A number of face to face meetings between Sundance and representatives from both countries have also taken place throughout the year to progress discussions. Sundance is currently actively negotiating with both Governments and aims for the key terms of the Conventions to be agreed by the end of the calendar year 2011.

The Governments of both countries have shown strong support and a willingness to expedite the discussions so that construction may commence as soon as possible.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Sundance is committed to creating and building sustainable value for shareholders. The Board supports an integrated corporate governance system that will ensure that the management of Sundance Resources is conducted to maximise shareholder wealth in a proper and ethical manner. During the year, the Company established its Vision and Values, which have been rolled out across the organisation. The Vision and Values place emphasis on sustainability issues, on the environment, and on the way we do business in order to maintain our credibility and social licence to operate.

Vision: **To become a leading global iron ore producer by creating value through developing its regional opportunities in Africa.**

Our Values:

- Safety and Sustainability
- Care and Respect
- Integrity
- Achievement
- Working together

The Company's approach in relation to governance is to ensure that there are adequate processes and policies in place to assess, identify and mitigate risk while enabling the business to effectively and efficiently achieve its goals. Over the past year, Sundance has developed and adopted:

- An Air Travel Policy, designating the standard expected from aviation service providers and placing restrictions on combinations of Directors and Senior Management flying together;
- A formal Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company;
- Project Oversight Committee and Charter
- A Securities Trading Policy
- A Whistleblower Policy
- A Shareholder Communications Policy
- A Code of Conduct for both the Board and employees; and
- A Diversity Policy

The organisation continues to refine and evolve its systems and processes to enable all individuals (employees, contractors and the Board) to contribute to the success of the Company.

PEOPLE

"... committed to ensuring that emphasis is maintained on developing the skills of our local workforce."

In addition to the appointment of Giulio Casello as Chief Executive Officer and Managing Director, a number of additional key management positions within the organisation were also filled during the year. This included Company Secretary, Business Services Manager, General Counsel, Commercial Counsel, Country Managers for operations in the Republic of Cameroon and the Republic of Congo, Project Director, Investor Relations and PR Manager, Health, Safety, Environment, Community and Security Group Manager, as well as a number of support positions.

In preparation for further expected growth of the organisation in tandem with progress on the Project, Sundance will continue to attract, retain and develop the best persons for the roles required. The development of the People Management Policies and Standards provides the framework that will continue to ensure the Company has an engaged and motivated workforce that are valued and recognised for their contribution to the overall success of the business.

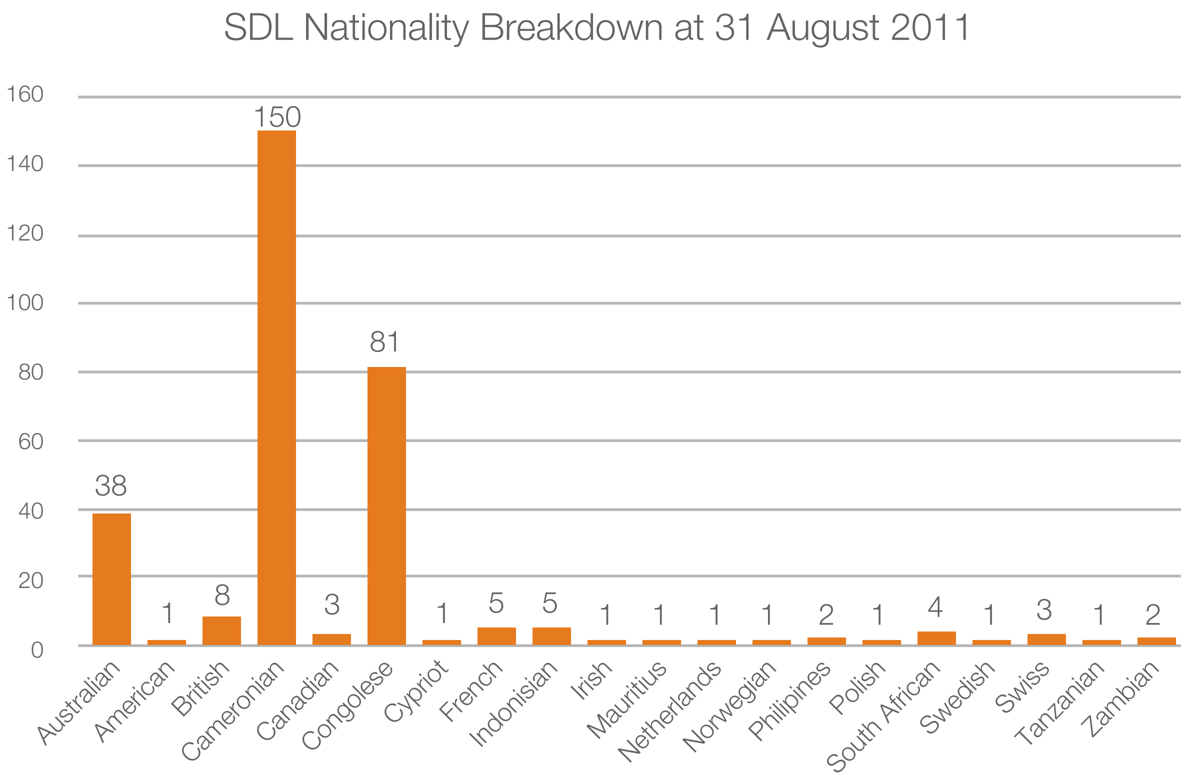
Currently Sundance, through its subsidiary companies Cam Iron SA and Congo Iron SA, directly and indirectly employs over 300 people between the two countries in the Republic of Cameroon and the Republic of Congo. More than 60 staff, contractors and consultants are engaged in the corporate office located in Perth, Western Australia.

Diversity

Sundance recognises the value of a diverse workforce and believes that diversity supports all employees reaching their full potential, improves business decisions, business results, increases stakeholder satisfaction and promotes realisation of the company vision. The Company is increasingly employing a cross section of people in various categories for the project development and operations.

Sundance is committed to ensuring that emphasis is maintained on developing the skills of our local workforce.

Sundance and its subsidiary companies promote the employment of females in all areas of the organisation. Females hold positions on the Board of Directors, within the Executive Team and in the technical and administration areas. The corporate office has a ratio of 50 per cent females employed, including in qualified geological and metallurgy roles.



SDL Nationality Breakdown at 31 August 2011
160
140
120
100
80
60
40
20
0
38
1
8
150
3
81
1
5
5
1
1
1
1
2
1
4
1
3
1
2
Australian
American
British
Cameronian
Canadian
Congolese
Cypriot
French
Indonisian
Irish
Mauritius
Netherlands
Norwegian
Philipines
Polish
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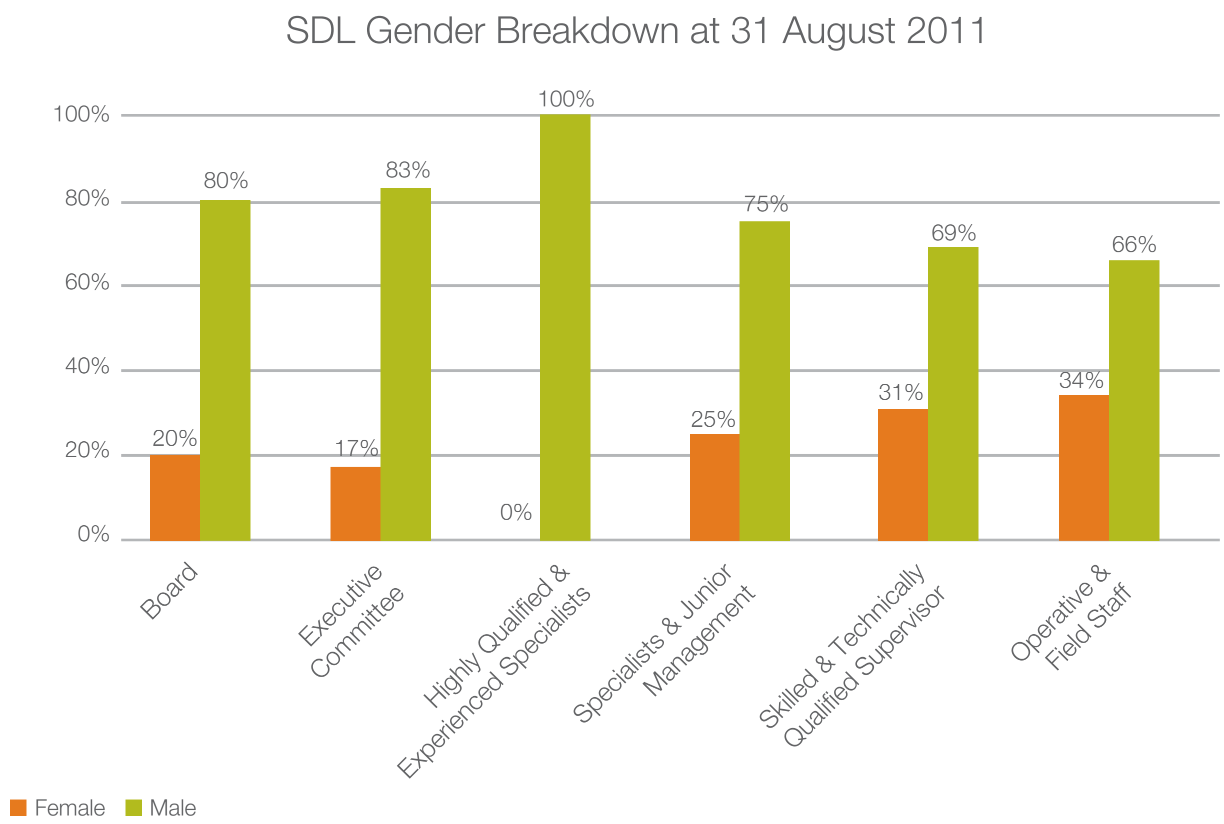
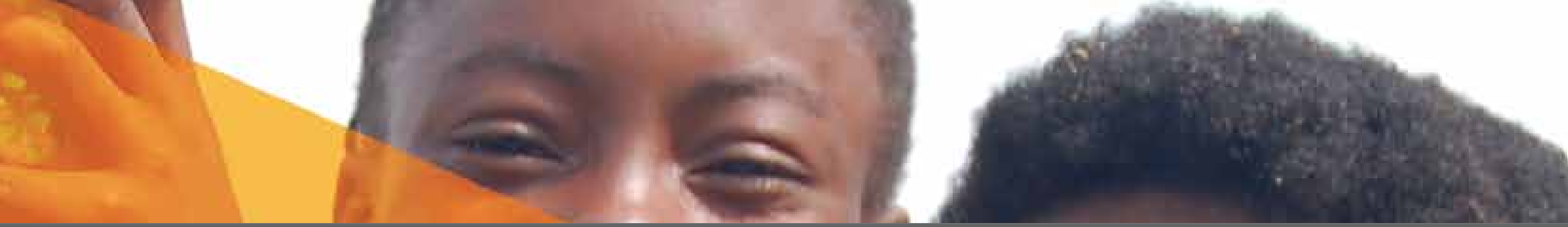
Zambian



SDL Gender Breakdown at 31 August 2011
100%
80%
60%
40%
20%
0%
20%
80%
17%
83%
0%
100%
25%
75%
31%
69%
34%
66%
Board
Executive Committee
Highly Qualified & Experienced Specialists
Specialists & Junior Management
Skilled & Technically Qualified Supervisor
Operative & Field Staff
Female
Male



HEALTH, SAFETY, ENVIRONMENT, COMMUNITY AND SECURITY

"Sundance has continued to engage with local communities... to build awareness of its activities, understand local expectations and establish ways to maximise the local benefits."

Sundance Resource's Health, Safety, Environment, Community and Security policies demonstrate our commitment to a work environment of zero harm to its employees, host communities and to minimise disturbance to the environment in which it works. It is our goal to provide sustainable social, economical and environmental benefits to the communities, employees, business partners and shareholders in Cameroon and Congo.

Health and Safety

During 2011, Sundance Resources made significant progress in the area of Health, Safety, Environment, Community and Security (HSECS). A Group Manager for Health, Safety, Environment, Community and Security was appointed in September 2011. During the period one of the main undertakings was the formal introduction of the HSECS Policies and the development of an overall HSECS Management System.

A key focus has been on operational hazard identification by reviewing the various forms of risk and improving the quality and close out of corrective actions. Safety results have been improving and progress was made across many fronts, including the strengthening of the HSECS systems and lifting performance against HSECS indicators.

At the time of this report, Sundance recorded a Lost Time Injury Frequency Rate of 13.17. A total of eight Lost Time Incidents occurred with a total of 13 lost work days. Over the reporting period, five significant incidents were recorded. Four incidents involved Light Vehicles and one involved a dropped object. No lost time incidents were associated with the significant incidents.

Table 11 Project Area	Total Man Hours Worked	Total Lost Time Incidents	Total Significant Incidents (no lost time)	Total Lost Work Days
Cameroon and Congo	75,850 days worked (607,200 hours)	8	5	13
Lost Time Injury Frequency Rate per 1 million hours (LTIFR)				13.17

Sustainability, Environment and Community

The development of the Project will deliver significant economic, environmental and social benefits to the Republic of Cameroon and the Republic of Congo. The Project will have a direct financial benefit through taxes, royalties and dividends worth billions of dollars to these countries over the life of the mine and will provide thousands of direct and indirect employment opportunities.

The Mbalam Project will be the first major mining project in Cameroon and in northern Congo, and will support the development of key regional infrastructure which could, subject to agreement, facilitate the economic development of a number of regional iron ore prospects across the wider region.

The Company Vision and Values as approved by the Sundance Board this year, place emphasis on sustainability, on the environment and on the communities in the areas of the operations. Besides a strict license to operate, the Company aims to achieve a fair balance between its economic interests, the environment and social development.

The Mbalam Environmental and Social Assessment (ESA) as approved by the Cameroon Ministry of Environment and Nature Protection (MINEP) in June 2010, focuses on creating programs that build capacity in-country, that seek continuous improvement of its environmental performance and in general aim to “leave the community in a better position after we leave than before we got there”.

License to operate

Over the year, the Company through its subsidiary companies Cam Iron SA and Congo Iron SA engaged closely with the various Ministries to ensure that the necessary approvals are in place.

Congo Iron has consulted closely with local authorities and communities since 2009 including convening well attended public meetings in Brazzaville, Ouesso and Souanke. Congo Iron has additionally maintained engagement with a number of special interest groups to ensure that their concerns regarding the Project are well understood and accommodated in the Project studies, design and associated management plans.

Sundance Resources had one Environmental non-conformance of regulation in Cameroon for clearing timber without prior authorisation. This resulted in a fine of approximately A$16,000.

While the Cameroon Ministry for Nature and Environment Protection issued Cam Iron with a Certificate of Environmental Conformity in June 2010, it also requested specific upgrades be completed prior to the commencement of operations. The process of the Environmental and Social Assessment (ESA) upgrade has been undertaken over the past year with the collection of additional data, inclusion of updated engineering design and inclusion of proposed Project implementation plans. The upgrade and submission to MINEP of the ESA documentation was completed in December 2010. A high level review of the upgraded document was completed by MINEP in March 2011 and the ESA documentation was re-submitted in April 2011.

The Environmental and Social Assessment for the Republic of Congo required approval of the Terms of Reference for the study which were received in October 2010. Detailed base-line studies were conducted mainly by government approved Congolese specialists, and supplemented by international consultants and completed in May 2011.

Subsequently a draft ESA was drawn up and submitted for public review at district, regional and national levels in September 2011. This was prior to finalisation and official submission to the Ministry of Sustainable Development, Forest Economy and Environment by the end of 2011.

Environmental & Social Action Plan

The potential environmental and social impacts of the Project were assessed using AS 4360 risk assessment methodology in close consultation with Cameroonian, Congolese and international experts. This assessment encompassed both the direct impacts of the Project and the indirect impact of people in-migrating to Project areas seeking opportunity. The Environmental & Social Assessments summarises the regulatory frameworks for compliance and presents the environmental and social context of the Mbalam Project as determined from the baseline studies completed both in Cameroon and Congo.

The level of stakeholder support for the Project is very high in both countries. There is also a high level of willingness by local communities, Government Ministries and key NGOs to work collaboratively with the Company to maximise the benefits of the Project.

Community Activities and Engagement

During the Reporting Period, Sundance has continued to engage with local communities in both the Republic of Cameroon and the Republic of Congo to build awareness of its activities, understand local expectations and to establish ways to maximise the local benefits associated with the Project.

For example, during the past year a number of focus group workshops were held in the villages of Ellen and Cabosse in the Republic of Congo and included 81 representatives from the local jurisdiction, including public institutions, NGOs, farmers and indigenous people.

For both countries, Sundance intends to commit 0.5 per cent of after tax profit to a Sustainability Fund expected to provide over US$2 million dollars a year for community development and wildlife protection programmes. The Project is expected to deliver significant benefit to local populations in health, education and livelihoods and improve local infrastructure. A significant contribution is also planned for regional wildlife protection programmes.

Sundance made significant contributions to local communities by adopting, where appropriate, low technology solutions in order to maximise the number of local people employed on the Project. Vegetation control, road building and drainage control activities all utilised local casual employees on a regular basis.

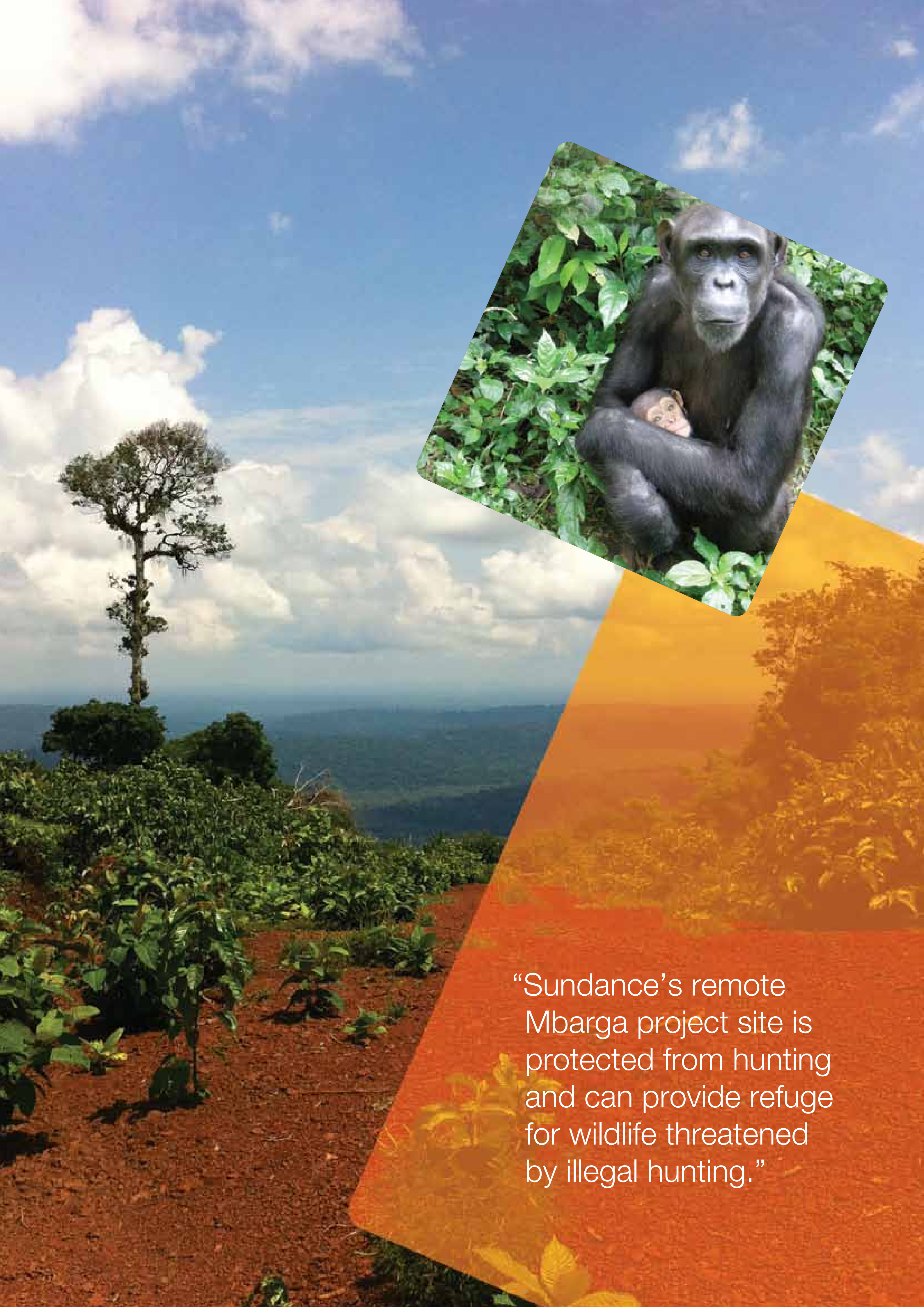
The Company used one of its drill rigs to drill water bore holes in the Mbalam village as part of the Company's ongoing commitment to the local community. Installation of two hygienic manual water pumps at the Mbalam village was completed in May 2011. The water quality was tested and approved by the Cameroon Ministry of Water.

Sundance also during the past year completed restoration of the Mbalam Police station which suffered destructive effects from a violent storm. Sundance maintains excellent relations with local chiefs, officials and stakeholders and prioritises community assistance programmes in accordance with company policies.

The Company is finalising a contract with Ape Action Africa and Mefou Primates Sanctuary to assist with corporate support for education and primate release programs. Sundance's remote Mbarga project site is protected from hunting and can provide refuge for wildlife threatened by illegal hunting.

A contract was also finalised with Guiding Hope, a local organisation that runs the Honey Caravan Project, which is a program to introduce bee keeping in rural areas. The project foresees guaranteed off-take of honey at market prices with earnings anticipated at 50 per cent above minimum wage levels for those participating villagers in nominated zones along the proposed railway line.

In September 2011, the pupils of Mbalam and Ntam primary schools accompanied by parents and teachers visited the Mbarga camp site. They were provided a tour through the various areas around the camp and were briefed on the respective activities being undertaken by the Company.



"Sundance's remote Mbarga project site is protected from hunting and can provide refuge for wildlife threatened by illegal hunting."

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 Sundance Resources Limited's ('Sundance') 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 Sundance's exploration operations, economic performance and financial condition.

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 and business and operational risk management. For a discussion of such factors, refer to Sundance's most recent annual report and half-year report. Sundance undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Competent Persons Statement

The information in this report that relates to Exploration Results and 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 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The information in this report that relates to Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory 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".

Messrs Longley, Widenbar and Gregory consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For more information including modelling parameters and details, the ASX Announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: www.sundanceresources.com.au.

Details of Tenements

The Company, through its subsidiary companies, holds the following exploration/mineral research permits.

Country	Area	Permit	Holder
Republic of Cameroon	Mbalam	Exploration Permit No. 92	Cam Iron SA (i)
Republic of Congo	Nabeba-Bamegod	Decree No. 2011-280	Congo Iron SA (ii)
Republic of Congo	Ibanga	Decree No. 2011-281	Congo Iron SA (ii)

(i) Cam Iron SA holds 100% interest; Cam Iron SA is a 90%-owned subsidiary of Sundance Resources Ltd.
(ii) Congo Iron SA holds 100% interest; Cam Iron SA is an 85%-owned subsidiary of Sundance Resources Ltd.
(iii) Mining Codes in each of the Republic of Cameroon and Republic of Congo entitle the state to an equity interest in the project following the issue of a Mining Permit.

Coporate Directory

Directors:	George Jones (Non-Executive Chairman) Giulio Casello (Managing Director & Chief Executive Officer) Michael Blakiston (Non-Executive Director) Barry Eldridge (Non-Executive Director) Fiona Harris (Non-Executive Director) Andrew (Robin) Marshall (Non-Executive Director)
Company Secretary:	Neil Hackett
ABN:	19 055 719 394
Registered Office:	Level 35, Exchange Plaza 2 The Esplanade Perth WA 6000
Head Office:	Level 35, Exchange Plaza 2 The Esplanade Perth WA 6000 Tel: +61 (8) 9220 2300 Fax: +61 (8) 9220 2309 http://www.sundanceresources.com.au/
Auditors:	Deloitte Touche Tohmatsu Level 14 Woodside Plaza 240 St George's Terrace Perth WA 6000 PO Box A46 Perth WA 6837 Tel: +61 (8) 9365 7000 Fax: +61 (8) 9365 7001
Share Registry:	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St George's Terrace Perth, WA 6000 GPO Box D182 Perth, WA 6840 Tel: +61 1300 557 010 Fax: +61 (8) 9323 2033

2011 FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

The directors present their report together with the financial report of Sundance Resources Limited ('Sundance' or 'the Company') and of the Consolidated Entity, being the Company and its subsidiaries, for the financial year ended 30 June 2011 and the auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year were:

Name & Qualifications	Age	Experience and Special Responsibilities	Other Directorships held in listed companies during the previous 3 years
Mr George F Jones AM CitWA B.Bus, FCIS, FAICD Chairman (Non-executive)	66	Mr George Jones has been involved with the Company for a number of years and has a comprehensive understanding of the Company and its assets. Mr Jones has more than 35 years experience in the mining, banking and finance industries and has been a Director of a number of private and publicly-listed companies, including Gindalbie Metals Ltd, where he is currently Chairman. Declared as de facto director 2 July 2010 Elected as director 16 August 2010	Current Directorships: Gindalbie Metals Limited Directorship Ceased within the past three years: Mundo Minerals Limited
Mr Giulio Casello B.Eng, MEMgt Managing Director & Chief Executive Officerh	52	Mr Giulio Casello is a highly experienced executive with national and global exposure in manufacturing environments for blue chip organisations. Backed by almost 30 years of experience, he has a track record of success with operations, business development and corporate strategy. He has previously worked at Sinosteel Midwest as Chief Operating Officer, Century Aluminium Company in the United States of America where as Senior Vice President Business Development he was responsible for developing and implementing a growth plan in aluminium, alumina and critical raw material and managing new projects across the globe. He has also held a number of significant positions in Alcoa including Director of WA Operations, General Manager of Alcoa's World Chemicals and Location Manager of the Kwinana Alumina Refinery. Appointed as director 8 November 2010	NIL

Name & Qualifications	Age	Experience and Special Responsibilities	Other Directorships held in listed companies during the previous 3 years
Mr Michael Blakiston B.Juris LLB Non-executive director	53	Mr Michael Blakiston is a solicitor with substantial legal experience in the resources sector. He is a partner of the corporate and resource law firm, Gilbert + Tobin and has over 29 years experience. Mr Blakiston holds Bachelor of Jurisprudence and Bachelor of Laws degrees from the University of Western Australia. Mr Blakiston has extensive commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. Gilbert + Tobin is currently engaged by Sundance Resources to provide ongoing legal advice. Mr Blakiston has played a leading role in the negotiation and formulation of a number of key agreements relating to Sundance's Mbalam Iron Ore Project, and is currently involved in the negotiation of the Convention Agreements with the Congolese and Cameroon Governments. Declared as de facto director 2 July 2010 Elected as director 16 August 2010	Current Directorships: Platinum Australia Limited Axiom Properties Limited Directorship Ceased within the past three years: Aurora Oil and Gas Limited Rox Resources Limited Vulcan Resources Ltd
Mr Barry Eldridge B.Sc, BE Non-executive director	65	Mr Barry Eldridge has over 40 years experience as a geologist and mining engineer in the resource industry both in Australia and overseas. Following a 20 year career in the coal industry in Queensland and New South Wales, Mr Eldridge moved to Western Australia in 1988 where he has been involved in a number of management roles in the mining industry. Most notable of these have been Project Manager for the Super Pit in Kalgoorlie, Project Manager for the development of Kanowna Belle gold mine, Managing Director of Forrestania Gold NL, Project Director for Rio Tinto's West Angelas iron ore development, Director – Major Projects for North Ltd, Managing Director of Griffin Coal Pty Ltd, Managing Director, Chief Executive Officer of Portman Ltd and Chairman of SNC-Lavalin Australia Pty Ltd. Declared as de facto director 2 July 2010 Elected as director 16 August 2010	Current Directorships: Mundo Minerals Limited Cliffs Natural Resources Inc. Directorship Ceased within the past three years: Vulcan Resources Limited Millennium Minerals Limited

Name & Qualifications	Age	Experience and Special Responsibilities	Other Directorships held in listed companies during the previous 3 years
Ms Fiona Harris BCom, FCA, FAICD Non-Executive Director	50	Ms Fiona Harris has extensive experience as a Non-Executive Director over the past 15 years including with iron ore companies, Portman Mining Ltd and Territory Resources Ltd and other listed entities Alinta Limited, Burswood Limited, Evans & Tate. Ms Harris is currently a member of the Australian Institute of Company Directors (AICD) National Board and a former Western Australian State President. Ms Harris was previously a partner of KPMG Chartered Accountants, specialising in financial services and superannuation, capital raising, due diligence, initial public offerings, capital structuring of transactions and litigation support. Declared as de facto director 12 July 2010 Elected as director 16 August 2010	Current Directorships: Altona Mining Limited Aurora Oil & Gas Limited Infigen Energy Limited Group Directorship Ceased within the past three years: Vulcan Resources Limited Territory Resources Limited
Mr Andrew (Robin) Marshall MAICD, I Eng (UK) Non-Executive Director	64	Mr Robin Marshall is an experienced mining executive with an impressive track record of international experience in positions with several global mining groups including Project Director for Vale Inco at its world-class Goro Nickel Project, Vice-President – Asset Development Projects for BHP Billiton Iron Ore, Project manager for North Limited, Project Director with Iron Ore Company of Canada, Manager Project for Forrestania and Project services for Western Mining Corporation and Nedpac (Signet Engineering). Mr Marshall has also spent a number of years in Africa in senior positions in both project and operational areas. Appointed as director 14 October 2010	Current Directorships: Gindalbie Metals Ltd
Mr Adam Rankine-Wilson Non-executive director	49	Mr Rankine-Wilson is a Director of Azure Capital. Prior to joining Azure, he was a founding Director and the Executive Chairman of Capital Investment Partners. Previously, Mr Rankine-Wilson worked as Managing Director for Grange Resources Limited. He has extensive experience in mining and investment industries, including participating in the negotiation and consummation of numerous significant business acquisitions, as well as being responsible for the associated finance raising and due diligence enquiries and processes. Mr Rankine-Wilson was central to the original agreement that saw Sundance Resources acquire the Mbalam Iron Ore Project and retains extensive in-country government and key stakeholder relationships. Declared as de facto director 2 July 2010 Elected as director 16 August 2010 Resigned as director 14 October 2010	NIL

2. COMPANY SECRETARY

Neil Hackett joined Sundance as Acting Company Secretary on 19 June 2010 and was appointed Company Secretary on 2 July 2010. Mr Hackett is a professionally qualified ASX200 Senior Executive and Company Secretary with 20 years practical experience with diversified industrials, financial services, mineral explorers and the ASIC. Mr Hackett holds a Bachelor of Economics, is a Fellow of the Financial Services Institute of Australia, an Affiliate of Chartered Secretaries of Australia and a Graduate of the Australian Institute of Company Directors.

3. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the year was iron ore exploration, evaluation and project development.

There were no significant changes in the nature of the principal activities during the financial year.

4. RESULTS

The operating loss after tax of the Consolidated Entity for the financial year was $21,738,100 (2010: $10,754,551).

5. REVIEW OF OPERATIONS

The Consolidated Entity focused on iron ore exploration and development activities in the Republic of Cameroon and the Republic of Congo throughout the financial year ended 30 June 2011.

6. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors at the directors' meetings and of members at the meetings of the committees of the Company during the financial year were:

Director	Directors Meetings		Audit & Risk Management Committee Meetings		Nomination & Remuneration Committee Meetings		Project Oversight Committee Meetings Project Oversight Committee Meetings	
	A	B	A	B	A	B	A	B
Mr G Jones (declared de facto director 2 July 2010)*	11	12	-	-	-	-	-	-
Mr G Casello (appointed 8 November 2010)	8	8	-	-	-	-	4	5
Mr M Blakiston (declared de facto director 2 July 2010)*	12	12	3	4	-	-	-	-
Mr B Eldridge (declared de facto director 2 July 2010)*	12	12	4	4	2	3	5	5
Ms F Harris (declared de facto director 12 July 2010)*	11	11	4	4	3	3	-	-
Mr A Rankine-Wilson (declared de facto director 2 July 2010, ceased 14 October 2010)*	3	3	-	-	1	1	-	-
Mr A Marshall (appointed 14 October 2010)	9	9	-	-	2	2	5	5

* Elected as a director at the General Meeting of shareholders held on 16 August 2010
A - Number of meetings attended
B - Number of meetings held while the director held office
Bolding of the number of meetings denote the Chairman of Directors and each Board Committee.

7. STATE OF AFFAIRS

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial year.

The Company completed an A$60 million (before expenses) share placement to international institutional investors on 5 May 2011 at $0.405 per share.

In April 2011 Sundance announced the completion of a Definitive Feasibility Study (DFS) on the Mbalam Iron Ore (the 'Project') Project and an initial Reserve on the Project.

Other than the above, there was no significant change in the state of affairs of the Consolidated Entity during the financial year.

8. LIKELY DEVELOPMENTS

The Consolidated Entity will continue iron ore exploration and development activities in the Republic of Cameroon and the Republic of Congo.

9. ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are subject to environmental regulations under Republic of Cameroon and Republic of Congo legislation.

Cam Iron SA received environmental approval to progress the Project on 25 June 2010 with the receipt of a Certificate of Conformity from the Ministry of Environment and Nature Protection (MINEP). This approval was unconditional but upgrades to the Environmental and Social Assessment ('ESA') documentation were required to be completed prior to the commencement of operations. These upgrades were completed and the final ESA was submitted to MINEP in May 2011.

The baseline study programme for Congo Iron's Nabeba Permit ESA was conducted in early 2011. The ESA documentation had been completed and its presentation to the public and submission to the Ministry for Sustainable Development, Forest Economy and the Environment (MDDEFE) is scheduled for September 2011, with approval expected in Quarter 4 of 2011.

10. DIVIDENDS

In respect of the year ended 30 June 2011, no dividends have been paid or proposed (2010: nil).

11. EVENTS SUBSEQUENT TO REPORTING DATE

On 18 July 2011, Sundance announced that it had received a letter of intention to make a conditional cash offer for 100 per cent of Sundance at a price of A$0.50 per share under a scheme of arrangement from Hanlong Mining. On 4 October 2011, Sundance directors unanimously recommended Hanlong's increased cash offer of $0.57 per share via a scheme of arrangement.

No other matters or circumstances have arisen since the end of the financial 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 future financial years.

Dear Shareholder,

We are pleased to present the 2011 Remuneration Report. Since taking office in July 2010, the Nomination and Remuneration Committee has actively examined past remuneration practices and are progressively revising each component of remuneration. During the period the Nomination and Remuneration Committee has:

- Benchmarked fixed remuneration;
- Introduced standardised employment contracts;
- Ensured that employment practices comply with all legislative requirements;
- Introduced a Remuneration Policy and Framework;
- Introduced a Short Term Incentive Plan with KPI's; and
- Introduced a Long Term Incentive Plan with KPI's.

Your directors are committed to the alignment of executive and senior management pay with shareholder interests.

At this stage of the Company's development, the Board believes that it continues to be appropriate to reward key executives and senior management with market-competitive packages of fixed remuneration plus performance and/or at-risk components that reflect both short term achievements and long term performance of both the individual and Sundance.

Further progress has been made towards embedding a performance-based culture, with the rebalancing of both short and long term incentive plans which link incentives to key financial, strategic and operational performance indicators. We believe that providing a part of executive and senior management remuneration with the potential to acquire Company securities is appropriate to align shareholder and executive interests; as such, our long term incentive plans will be remunerated via share based payments.

In addition, at the 2010 Annual General Meeting, shareholders approved equity based payments to non-executive directors in order to recognise the risks, responsibilities and workload taken on by the Board at the time of their appointment, as well as the anticipated high future workload.

Share based payments made to directors and executives must be reported as part of remuneration, and expensed. This is despite any actual receipt being wholly at risk and the entitlement being deferred for between two to three years or based on achievement of specific corporate objectives. This statutory reporting requirement means that the reported remuneration will often significantly exceed what was actually received. This year we have provided supplementary commentary and tables to provide a clearer explanation of cash based remuneration in addition to the statutory disclosures.

Your directors will continue to review the remuneration structure, drawing advice from independent sources, as appropriate. We are mindful of market trends in executive remuneration whilst also ensuring that remuneration structures serve the business as an effective incentive, reward and retention tool in an increasingly competitive employment market in the mining sector.

We hope you find this year's report to be useful. As always, we welcome feedback on ways to clarify and improve the information provided.

Yours faithfully

Barry Eldridge
Chairman
Nomination & Remuneration Committee
29 September 2011

12. REMUNERATION REPORT

The Board of Sundance has delegated the remuneration and nomination activities to the Nomination and Remuneration Committee. The members of this committee are:

Mr Barry Eldridge (Chairman of the Nomination and Remuneration Committee);

Ms Fiona Harris; and

Mr Andrew (Robin) Marshall.

During the year, the Nomination and Remuneration Committee has:

- reviewed senior management achievement against 2010 Calendar Year Key Performance Indicators (KPIs);
- supervised the setting of 2011 Calendar Year KPIs for senior management, including Key Management Personnel (KMP);
- monitored internal and external remuneration relativities;
- monitored the performance management program;
- approved short and long-term incentive opportunities for senior management;
- reviewed Sundance Board size and composition, and considered succession planning for the Board; and
- evaluated workplace diversity and implemented a workplace Diversity Policy.

Significant matters to note for director, executive and senior management for the 2011 Financial Year remuneration are:

- significant KMP appointments have been made in readiness for the development of the Mbalam Iron Ore Project;
- remuneration levels are considered to be in line with market levels and trends based on the advice of independent consultants;
- share based remuneration grants made during the year to directors were approved, prior to grant, by the shareholders at the Company's Annual General Meeting on 24 November 2010;
- other than as part of a Short Term Incentive Plan, no share based remuneration grants were made to senior management during the year; and
- performance based ("at risk") remuneration plans have with the assistance of external advisors been amended to better align executive pay with shareholders' interest.

The remuneration report, which forms part of the Directors' report, sets out information about the remuneration of Sundance Resources Limited Directors and its Senior Management for the financial year ended 30 June 2011. The prescribed details for each person covered by this report are detailed below under the following headings:

1. Director and Senior Management details
2. Remuneration policy
3. Relationship between remuneration and Consolidated Entity performance
4. Remuneration of Directors and Senior Management
5. Short Term Incentives earned during the financial year
6. Share-based payments granted for the financial year
7. Key terms of employment/consulting contracts

12. REMUNERATION REPORT (CONT.)

12.1. Director and Senior Management details

The following persons acted as Directors of the Consolidated Entity during or since the end of the financial year:

Non-executive Directors

George Jones	Chairman (declared de facto Director 2 July 2010, elected 16 August 2010)
Michael Blakiston	Director (declared de facto Director 2 July 2010, elected 16 August 2010)
Barry Eldridge	Director (declared de facto Director 2 July 2010, elected 16 August 2010)
Fiona Harris	Director (declared de facto Director 12 July 2010, elected 16 August 2010)
Andrew (Robin) Marshall	Director (appointed 14 October 2010)
Adam Rankine-Wilson	Director (declared de facto Director 2 July 2010, elected 16 August 2010, resigned 14 October 2010)

Executive Director

Giulio Casello	Managing Director & Chief Executive Officer (appointed 8 November 2010)

The term "Senior Management" is used in this remuneration report to refer to the following persons. Except as noted, the persons held their current position for the whole of the financial year and since the end of the financial year:

Peter Canterbury	Chief Financial Officer Acting Chief Executive Officer (to 8 November 2010)
Paul DeNardi	General Manager – Finance & Commercial
Nicola Gill	Chief Financial Officer (Temporary) (appointed 21 July 2010); and Business Services Manager (from 1 February 2011)
Neil Hackett	Company Secretary (appointed 2 July 2010)
Robin Longley	General Manager – Geology
David Meehan	Project Director (appointed 1 June 2011)
Tim Sewell	HSECS Group Manager (appointed 1 September 2011)
Terry Quaife	Study Director (resigned 13 July 2011)

With the exception of Messrs Hackett, Longley and Meehan, who are engaged under consultancy arrangements, all members of Senior Management are employed under contracts of employment.

12.2. Remuneration policy

The Board has adopted a Remuneration Policy which ensures that its remuneration practices enable the Company to:

- Provide reasonable remuneration to employees for the services they provide to the Consolidated Entity;
- Attract and retain employees with the skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Consolidated Entity and its stakeholders; and
- Ensure a level of equity and consistency across the Consolidated Entity.

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board on remuneration arrangements for the Directors and the executive team of both the Consolidated Entity and the Company. The Committee assesses the appropriateness of the nature and amount of emoluments of such officers on an annual basis.

Non-Executive Directors

The overall level of annual non-executive Director fees is approved by shareholders in accordance with the requirements of the Company's Constitution and Corporations Act. The Board decides on actual fees to be received by individual Directors within the quantum approved by shareholders. In accordance with the resolution passed at the Company's annual general meeting on 24 November, 2010, the maximum aggregate Directors' fees payable to all of the Company's non-executive Directors is fixed at $1,000,000 (this fee pool includes superannuation entitlements).

In setting the fees, the Board will have regard to the rates payable by ASX listed entities of similar size, the circumstances of the Company and consequent expected workloads of the Directors.

Non-executive Directors are remunerated by way of fees paid; including fees paid in recognition of acting as Chair on Board committees, superannuation and, in certain circumstances, by way of shareholder approved equity issues. Issues of equity to non-executive Directors will occur where the Board believes it is in the best interests of the Company to do so, in particular where such issues may reduce the amount of cash remuneration otherwise required to be paid to attract the appropriate calibre of Directors, or in recognition of exceptional workload or circumstances.

Senior Management

The Company aims to align the remuneration of Senior Management with that of other ASX listed entities of similar size in the mining industry for roles at all levels of the Company. The nature environment and location of the project and future operations are also recognised. Remuneration comprises both fixed remuneration and performance based (at risk) remuneration.

The proportion of an employee's total remuneration that is at risk will increase with seniority and with the individual's ability to impact the performance of the Company. At risk elements of total remuneration will comprise both short term incentives as a reward for performance during the year and long term incentives that align medium and long term shareholder interests.

12. REMUNERATION REPORT (CONT.)

12.2. Remuneration policy (cont.)

Fixed Remuneration

Fixed remuneration has been set having regard to the levels paid in other ASX listed entities of similar size in the mining industry. The broad objective is to set fixed remuneration at market median levels, but recognising the need to maintain flexibility to take into account an individual's experience or specialist skills, scope of the role and market demand for particular roles.

A review of fixed remuneration is conducted on an annual basis using independent market surveys and analysis supported by information gathered from a number of consulting organisations.

Any increases in fixed remuneration are based on market movements, growth in role, Company capacity to pay and individual sustained performance.

Performance Based (at Risk) Remuneration

In addition to fixed remuneration more senior or specifically targeted employees may be entitled to performance based remuneration which will be paid to reward superior performance. The level at which performance based remuneration is set is based on independent market surveys and analysis supported by information gathered from a number of consulting organisations about other ASX listed entities of similar size in the mining industry.

Performance based remuneration will initially be calculated against predetermined and challenging targets, but the outcomes of the formula calculation will be capped as a percentage of the relevant manager's base remuneration, dependant on level of seniority and direct influence on the Company's performance and reviewed by the Board to guard against anomalous or unequitable outcomes.

12.3. Relationship between remuneration policy and Company performance

Performance based remuneration aims to align the remuneration of Senior Management with the Company's performance and attainment of strategic objectives.

Performance based remuneration may comprise both short term (annual) and long term (3-5 year) incentives.

During the year the Company implemented a short term incentive plan. The purpose of this plan is to:

- Drive achievement of the stated "goals" of Sundance and its subsidiaries;
- Drive a culture of "delivering outputs" as a team and also as an individual;
- Motivate employees to contribute to the best of their capabilities by recognising and rewarding high individual and group contributions towards the organisation's objectives; and
- Retain and attract the right people.

The remuneration opportunity provided by the short term incentive plan to senior management and executive directors is based on a percentage of annual base salary; ranging between 20% and 25% of fixed remuneration. The level of short term performance based remuneration ultimately paid will be determined based on meeting both Company and individual objectives against pre-determined Key Performance Indicators (KPI's), comprising both financial and non-financial indicators. The outcomes of the formula calculation will be capped and reviewed by the Board to guard against anomalous or unequitable outcomes, and the ultimate decision on any payment will be at the Board's discretion.

Short term incentives will only be used for the Chief Executive Officer when they support and are consistent with the Company's long term goals.

The Company assesses the achievement of both Company and individual KPI's on a calendar year basis (January to December). The KPI's to be used in the assessment of both Corporate and Individual performances for 2011 are drawn from the following categories:

- Finalisation of the definitive feasibility study for the Mbalam Iron Ore Project and appropriate financial and operational optimisation achievements;
- Funding for the development of the Mbalam Iron Ore Project;
- Progression on the Government Conventions and other approvals required to develop the Mbalam Iron Ore Project;
- Increases in high grade JORC compliant resources; and
- Corporate Governance and Policy improvements.

The Company regard the above categories as fundamental to the achievement of the stated 'goals' of Sundance.

During 2011 the Company has introduced a Long Term Incentive Plan, which is effective 1 January 2011. The Plan is designed to provide an appropriate incentive to key personnel to achieve the long term goals of the Company, maintain tenure and ensure the interest of the Company and shareholders are advanced. The Company believes that the most significant value that can be created for shareholders will occur by way of senior executives delivering on the strategic outcomes and goals set by the Board.

The LTI Plan goals are derived from the following performance areas:

- Delivery of Total Shareholder Returns (TSR) over a three year period;
- Increase in the net present value of the Company's projects, currently the Mbalam Iron Ore Project;
- Increases in high grade JORC compliant reserves and resources;
- Achievement of production targets for the Mbalam Iron Ore Project;
- Achievement of Mbalam Iron Ore Project capital and operating cost targets; and
- Development of Mbalam Iron Ore Project stage two feasibility activities.

The tables below set out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to 30 June 2011:

	30 June 2011 $	30 June 2010 $	30 June 2009 $	30 June 2008 $	30 June 2007 $
Revenue	2,888,359	2,530,200	1,474,177	4,533,689	978,425
Net loss before tax	(21,738,100)	(10,754,551)	(14,313,262)	(8,818,320)	(9,317,989)
Net loss after tax	(21,738,100)	(10,754,551)	(14,313,262)	(8,818,320)	(9,317,989)

	30 June 2011 $	30 June 2010 $	30 June 2009 $	30 June 2008 $	30 June 2007 $
Share price at start of year	0.13	0.16	0.33	0.46	0.08
Share price at end of year	0.34	0.13	0.16	0.33	0.46
Basic earnings per share	(0.74)	(0.40)	(0.71)	(0.47)	(0.68)
Diluted earnings per share	(0.73)	(0.40)	(0.71)	(0.47)	(0.68)

12. REMUNERATION REPORT (CONT.)

12.4. Remuneration of Directors and Senior Management

2011	Short-term benefits			Post employment benefits	Total cash based remuneration	Share based payments	Total remuneration	% of Compensation for the year consisting of share based payments
	Salary & fees $	STI Payment (i) $	Other (ii) $	Superannuation $	$	Shares, options & performance rights (iii) $	$	
Non-executive Directors								
Mr G Jones *	219,580	-	12,524	19,762	251,866	657,859	909,725	72%
Mr M Blakiston *	82,342	-	-	7,411	89,753	115,144	204,897	56%
Mr B Eldridge *	96,066	-	-	8,646	104,712	115,144	219,856	52%
Ms F Harris *	93,427	-	-	8,408	101,835	115,144	216,979	53%
Mr A Marshall *	68,618	-	-	6,176	74,794	115,144	189,938	61%
Mr A Rankine-Wilson *	25,731	-	-	-	25,731	-	25,731	-
Executive Directors								
Mr G Casello *	311,952	-	8,030	28,076	348,058	1,040,633	1,388,691	75%
Senior Management								
Mr P Canterbury	445,021	78,600	18,082	40,052	581,755	54,539	636,294	9%
Mr P DeNardi	303,000	48,194	16,466	27,270	394,930	51,906	446,836	12%
Ms N Gill *	279,615	-	-	13,214	292,829	(i) 19,346	312,175	6%
Mr N Hackett *	210,232	-	-	-	210,232	-	210,232	-
Mr R Longley	400,000	65,600	16,466	-	482,066	58,298	540,364	11%
Mr D Meehan (v)	-	-	-	-	-	-	-	-
Mr T Sewell (vi)	-	-	-	-	-	-	-	-
Mr T Quaife	345,000	49,449	16,634	31,050	442,133	54,537	496,670	11%
					3,400,694		**5,798,388**	

* Part year only
(i) Short term incentive payments for this period were paid at the discretion of the Board upon the recommendation of the Nomination and Remuneration Committee and the Chief Executive Officer. Employees were entitled to elect to receive the incentive payment in cash or performance rights. Ms Gill elected to receive performance rights in respect of this payment. Mr Hackett was not eligible to participate. Details of the short term incentive payments are provided in section 12.5 of the remuneration report.
(ii) Other short term benefits include parking in Perth CBD.
(iii) Further details of the options and performance rights granted are contained in section 12.6 of the remuneration report.
(iv) No Director or Senior Management personnel appointed during the period received a cash payment as part of their consideration for agreeing to hold the position.
(v) Mr D Meehan did not receive any cash payment during the 2011 Financial Year.
(vi) Mr T Sewell was appointed 1 September 2011.

2010	Short-term benefits			Post employment benefits	Total cash based remuneration	Share based payments	Total remuneration	% of Compensation for the year consisting of share based payments
	Salary & fees $	Bonus (i) $	Other (ii) $	Superannuation $	$	Options (iii) (iv) $	$	
Non-executive Directors								
Mr G Jones *	36,400	-	1,485	3,600	41,485	-	41,485	-
Mr G Wedlock (vi)	210,000	-	-	-	210,000	-	210,000	-
Mr K Talbot (vi)	60,000	-	-	-	60,000	-	60,000	-
Mr C Oliver (vi)	67,500	-	-	-	67,500	-	67,500	-
Mr J Jones * (vi)	10,000	-	-	-	10,000	-	10,000	-
Executive Directors								
Mr D Lewis (vi)	563,000	100,000	12,465	12,000	687,465	249,207	936,672	27%
Senior Management								
Mr R Longley	399,996	-	7,965	-	407,961	36,803	444,764	8%
Mr P Canterbury	256,249	10,000	11,400	23,062	300,711	25,922	326,633	8%
Mr J Carr-Gregg (vi)	248,771	50,000	-	31,995	330,766	194,133	524,899	37%
Mr P DeNardi *	143,730	-	4,579	12,936	161,245	26,256	187,501	14%
Mr T Quaife*	129,375	-	3,345	11,644	144,364	26,002	170,366	15%
Mr R Bogne (vii)	136,758	-	24,458	-	161,216	25,922	187,138	14%
					2,582,713		**3,166,958**	

* Part year only

(i) Mr D Lewis, Mr P Canterbury and Mr J Carr-Gregg were all awarded a cash bonus on 31 December 2009. The Nomination and Remuneration Committee awarded the bonus based on achievement against the agreed work program.

(ii) Includes parking in the Perth CBD for Australian based personnel and housing and other allowances for Mr R Bogne based in the Republic of Cameroon.

(iii) Employees were granted options under the employee share option plan on 10 February 2010. Further details of the options granted are contained in section 12.5 of the remuneration report.

(iv) Upon the death of Mr D Lewis and Mr J Carr-Gregg the accounting treatment for share based payments was accelerated such that any outstanding expense was accounted for to 30 June 2010, rather than being expensed over the vesting period.

(v) No Director or Senior Management personnel appointed during the period received a cash payment as part of their consideration for agreeing to hold the position.

(vi) Messrs Wedlock, Lewis, Talbot, Oliver, J Jones and Carr-Gregg died on 19 June 2010 in the aircraft accident in the Republic of Congo.

(vii) Due to a movement in the internal structure of Sundance, Mr Bogne is no longer considered a KMP of Sundance Resources Ltd. Mr Bogne continues in the role of CEO of Cam Iron SA.

12. REMUNERATION REPORT (CONT.)

12.5. Short Term Incentive (STI) payments earned during the financial year

2010 STI Payments

Short term incentive payments were paid at the discretion of the Board upon the recommendation of the Nomination and Remuneration Committee and the Chief Executive Officer, based on the achievement of the Corporate KPI's set for the period. Individual KPI's were not assessed for the period. Employees were entitled to elect to receive the incentive payment in cash or performance rights. The payments were made on an assessment of the achievement of stated corporate objectives during the 2010 calendar year (January 2010 to December 2010).

The KPI's used in the assessment of Corporate KPI's were drawn from the following categories:

- Completion of an Environmental and Social Assessment
- Engagement of a Strategic Partner for the Mbalam Iron Ore Project
- Completion of Mbalam Iron Ore Project Definitive Feasibility Study
- Progress in the Government Conventions for the Mbalam Iron Ore Project
- Resource Targets
- Cash Position
- Total Shareholder Returns

The assessment provided for an achievement of 82% of the Corporate Targets achieved, resulting in the forfeiture of 18% of the potential incentive payments. Details of the payments are provided below:

2011	Potential Variable Remuneration STI (% of Fixed)	Potential Incentive Payment $	Actual Payment $	Potential Incentive Forfeited $
Mr P Canterbury	20%	95,854	78,600	17,254
Mr P DeNardi	20%	58,773	48,194	10,579
Ms N Gill (i)	20%	26,795	19,346	7,449
Mr R Longley	20%	80,000	65,600	14,400
Mr T Quaife	20%	60,304	49,449	10,855

(i) Ms Gill elected to receive performance rights in respect of this payment.

2009 STI Payments

In the comparative period short term incentive payments were paid at the discretion of the Board upon the recommendation of the Nomination and Remuneration Committee and the Chief Executive Officer. Individual KPI's were not assessed for the period and these cash bonuses were based on contribution to corporate objectives and achieving work program milestones. The payments were made on 31 December 2009 in relation to the 2009 calendar year (January 2009 to December 2009) These have been disclosed in the 'short term benefits – bonuses' column of the 2010 Remuneration of Directors and Senior Management table in section 12.4.

12.6. Share-based payments granted for the current financial year

The following forms of share based payments have been provided to the Directors and Senior Management during the 2010 and 2011 calendar years:

- Share options issued pursuant to the Employee Share Option Plan ("ESOP");
- Directors' options issued with the approval of Shareholders;
- Directors' shares issued with the approval of Shareholders; and
- Performance rights issued pursuant to the Performance Rights Plan ("PRP")

Share Options

Directors Options

At the Company's AGM held on 24 November 2010 the shareholders approved the issue of options to the Directors.

The Company considers the issue of options or share rights to non-executive Directors may be appropriate in certain circumstances. The quantum of cash fees that the Group believes it is prudent to pay where the Company is still in the development phase of its operations may not always represent an adequate reward, and in the particular circumstances that existed in 2010, may not provide sufficient compensation for the significant risk and workload required to be undertaken by the non-executive Directors as the Company rebuilt and further developed its capabilities.

The issue of options aligns the interest of the Directors with those of the shareholders and also recognises the difficulty that Directors have in buying shares on market due to the ongoing activities being undertaken by the Company and the insider trading provisions of the Corporations Act.

The number of options issued to each Director was determined based upon a consideration of:

- The workload and responsibilities of the Director;
- The remuneration of the Director;
- The Directors' wish to ensure that the remuneration offered is competitive with market standards; and
- The quantum required to attract and ensure continuity of service of Directors with appropriate knowledge and expertise.

Pursuant to shareholders approval, on 22 December 2010 the Company issued the following options to Non-Executive Directors:

Name	Options Exercisable at $0.30 per share Expiring 22 December 2013 (i)	Options Exercisable at $0.40 per share Expiring 22 December 2013 (i)
Directors of Sundance Resources Limited		
Mr G Jones	2,500,000	2,500,000
Mr M Blakiston	1,000,000	1,000,000
Mr B Eldridge	1,000,000	1,000,000
Ms F Harris	1,000,000	1,000,000
Mr A Marshall	1,000,000	1,000,000

(i) The options will vest on the earlier of the achievement of financing on the Mbalam Iron Ore Project or 22 December 2012. For accounting purposes these options have been expensed over the period beginning at grant date and concluding at 22 December 2012.

12. REMUNERATION REPORT (CONT.)

12.6. Share-based payments granted for the current financial year (cont.)

Name	Option series (i)	No. Granted	No. Vested	% of grant vested (iii)	% of grant forfeited	% of remuneration consisting of options (ii)
Non executive Directors of Sundance Resources Limited						
Mr G Jones	Issued 22 December 2010	5,000,000	-	-	-	32%
Mr M Blakiston	Issued 22 December 2010	2,000,000	-	-	-	56%
Mr B Eldridge	Issued 22 December 2010	2,000,000	-	-	-	52%
Ms F Harris	Issued 22 December 2010	2,000,000	-	-	-	53%
Mr A Marshall	Issued 22 December 2010	2,000,000	-	-	-	61%

(i) The issue of these options was approved by shareholders at the company's AGM held on 24 November 2010. All options were granted for nil consideration.
(ii) The percentage of remuneration comprising options is calculated with reference to the amount recognised in remuneration over the vesting period in accordance with Australian accounting standards.
(iii) Options vest on the earlier achievement of financing the Mbalam Iron Ore Project or 22 December 2012.

The following table summarises the value of options granted, exercised or lapsed during the year to Directors:

Name	Value of options granted at the grant date (i) $	Value of options exercised at the exercise date (ii) $	Value of options lapsed at the date of lapse (iii) $
Directors of Sundance Resources Limited			
Mr G Jones	1,107,500	N/A	N/A
Mr M Blakiston	443,000	N/A	N/A
Mr B Eldridge	443,000	N/A	N/A
Ms F Harris	443,000	N/A	N/A
Mr A Marshall	443,000	N/A	N/A

(i) The value of options granted during the period is recognised in remuneration over the vesting period in accordance with Australian accounting standards.
(ii) During the year, no Directors or members of Senior Management exercised options that were granted to them as part of their remuneration.
(iii) The value of options lapsing during the period due to the failure to satisfy a vesting condition is determined assuming the vesting condition has been satisfied.

Employee Share Option Plan

An Employee Share Option Plan ('ESOP') has been approved by the shareholders of the Company. A copy of the ESOP is available from the Company website.

The following share-based grants were made in prior financial years pursuant to the ESOP arrangements, and are held by Senior Management. There were no share based grants, pursuant to the ESOP, to Senior Management in the current financial year.

Option series	Grant date	Expiry date	Grant date fair value	Vesting date (i)
(14) Issued 9 April 2009	10/10/08	31/03/13	$0.029	31/03/09
(15) Issued 9 April 2009	10/10/08	31/03/13	$0.035	31/03/10
(16) Issued 9 April 2009	10/10/08	31/03/13	$0.037	31/03/11
(25) Issued 10 February 2010	10/02/10	30/01/12	$0.046	30/01/11
(26) Issued 10 February 2010	10/02/10	30/01/12	$0.049	30/01/11
(28) Issued 10 February 2010	10/02/10	30/01/13	$0.060	30/01/12
(29) Issued 10 February 2010	10/02/10	30/01/13	$0.066	30/01/12
(31) Issued 10 February 2010	10/02/10	29/01/12	$0.038	28/01/11
(32) Issued 10 February 2010	10/02/10	30/01/12	$0.038	30/01/11
(33) Issued 10 February 2010	10/02/10	29/01/13	$0.057	28/01/12
(34) Issued 10 February 2010	10/02/10	30/01/13	$0.057	30/01/12
(35) Issued 10 February 2010	10/02/10	30/01/14	$0.070	30/01/13
(36) Issued 10 February 2010	10/02/10	30/01/14	$0.070	30/01/13
(37) Issued 10 February 2010	10/02/10	30/01/14	$0.071	30/01/13
(38) Issued 10 February 2010	10/02/10	31/03/13	$0.029	30/01/10

(i) The vesting of the interest in the Options is conditional on both continuity of service and previously agreed corporate objectives.

Share Options

The following share-based grants, not made pursuant to the ESOP arrangements, were held by Senior Management and Directors. These options were not based on any performance criteria.

Option series	Grant date	Expiry date	Grant date fair value	Vesting date
(5) Issued 30 January 2007	30/01/07	04/01/12	$0.090	05/01/08
(6) Issued 12 April 2007	12/04/07	05/01/12	$0.170	01/05/08
(42) Issued 22 December 2012	24/11/10	11/12/13	$0.233	*
(43) Issued 22 December 2012	24/11/10	22/11/10	$0.210	*

* These options vest at the earlier of achieving project financing for the Mbalam Iron Ore Project or 22 December 2012.

Shares

During the financial year 1,000,000 shares in Sundance Resources Ltd were issued to a nominee of Mr George Jones. The value of these shares amounted to $370,000 and equated to 41% of Mr Jones remuneration.

The issue of these shares to Mr Jones was approved by shareholders at the Company's AGM held on 24 November 2010 in recognition of the additional services provided by Mr Jones to the Company after the aircraft accident in June 2010. There were no conditions attached to these shares.

12. REMUNERATION REPORT (CONT.)

12.6. Share-based payments granted for the current financial year (cont.)

Performance Rights

Performance Rights Plan

A Performance Rights Plan ('PRP') has been approved by both the shareholders at the Company's AGM held on 24 November 2010. A copy of the PRP is available from the Company website.

During the financial year, the following performance rights were made pursuant to the PRP arrangements.

Performance Right series	Grant date	Grant date fair value	Vesting date (i)
(1) Issued 22 December 2010	24/11/10	$0.37	03/11/11
(1) Issued 22 December 2010	24/11/10	$0.37	03/11/12
(1) Issued 22 December 2010	24/11/10	$0.37	03/11/13
(2) Issued 20 January 2011	20/01/11	$0.515	20/1/11

(i) Upon vesting of the performance rights, shares will automatically be issued to the participant, unless the Company is in a "Blackout Period" (as defined in the Company's Share Trading Policy) or the Company determines in good faith that the issue of Shares at that time may breach the insider trading provisions of the Corporations Act, in which case the Company will issue the shares as soon as reasonably practical thereafter.

The issue of Performance Rights to Mr Casello was made to attract a candidate of the calibre of Mr Casello. It is considered that the issue of Performance Rights encourages Mr Casello to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. The Company considers that these performance rights are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash remuneration.

The Performance Rights will vest only if Mr Casello continues to be employed by the Company at the vesting date, there are no other performance conditions attached to these rights. All performance rights are forfeited upon termination of employment.

Name	Performance Rights Series	No. Granted	No. Vested	% of grant vested	% of grant forfeited	% of compensation consisting of Performance Rights
Directors of Sundance Resources Limited						
Mr G Casello	Issued 22 December 2010 (i)	7,950,000	-	-	-	75%
Senior Management of Sundance Resources Limited						
Ms N Gill	Issued 20 January 2011 (ii)	39,482	39,482	100%	-	6%

(i) The issue of performance rights to Mr Casello was approved by shareholders at the Company's AGM held on 24 November 2010. Upon vesting of the performance rights, shares will automatically be issued to the participant, unless the Company is in a 'Blackout Period' (as defined in the Company's Share Trading Policy) or the Company determines in good faith that the issue of Shares at that time may breach the insider trading provisions of the Corporations Act, in which case the Company will issue the shares as soon as reasonably practical thereafter. All performance rights are granted for nil consideration.

(ii) Short term incentive payments were paid at the discretion of the Board upon the recommendation of the Nomination and Remuneration Committee and the Chief Executive Officer. Employees were entitled to elect to receive the payment in cash or performance rights. Ms Gill elected to receive performance rights in respect of this payment. These rights immediately entitled the holder to an equivalent number of ordinary shares in Sundance Resources Ltd.

The following table summarises the value of rights granted during the year to Directors and Senior Management:

Name	Value of rights granted at the grant date (i) $
Directors of Sundance Resources Limited	
Mr G Casello	2,941,500
Senior Management of Sundance Resources Limited	
Ms N Gill	19,346

(i) The value of rights granted during the period is recognised in remuneration over the vesting period in accordance with Australian accounting standards.

12. REMUNERATION REPORT (CONT.)

12.7. Key terms of employment/consulting contracts

Executive Service Agreements

Remuneration and other terms of employment for the executives disclosed in this Remuneration Report are contained in service agreements. The terms of the executive service agreements are as follows:

Executive	Date of Agreement Commencement	Term of Agreement	Fixed Remuneration (per annum) (i)	Variable Remuneration STI (% of Fixed) (iii)	Payment of termination benefit on termination by employer (other than for gross misconduct) (iii)&(iv)	Notice required on termination
Mr G Casello (ii) Managing Director & Chief Executive Officer	08/11/2010	Ongoing	$525,000(ii)	25%	12 months	3 months
Mr P Canterbury (ii) Chief Financial Officer	01/05/2007	Ongoing	$354,250(ii)	20%	2 months	2 months
Mr P DeNardi (ii) General Manager - Finance & Commercial	11/01/2010	Ongoing	$330,270(ii)	20%	2 months	2 months
Ms N Gill Business Services Manager	1/02/2011	Ongoing	$315,775	20%	1 month	1 month
Mr N Hackett Company Secretary	02/07/10	Annual	$220 per hour	NIL	4 weeks	4 weeks
Mr R Longley (ii) General Manager - Geology	30/01/2010	2 years	$414,866(ii)	20%	2 months	2 months
Mr D Meehan Project Director	01/06/2011	Ongoing	$600,000	20%	3 months	3 months
Mr T Sewell HSECS Group Manager	01/9/2011	Ongoing	$375,775	20%	8 weeks	8 weeks

(i) Fixed remuneration is inclusive of superannuation and leave entitlements.
(ii) Car parking in the Perth CBD, of a value to the employee or consultant of approximately $15,000, is provided to:
a. Mr G Casello;
b. Mr P Canterbury;
c. Mr P DeNardi; and
d. Mr R Longley.
(iii) There is no entitlement to STI on termination.
(iv) Entitlement to Employee Share Options on termination is subject to the terms and conditions of the ESOP. This may allow for a specified period following termination in which options may be exercised.

13. SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

Issuing Entity	Expiry Date	Exercise Price	Number of Options	Class of Shares
Sundance Resources Ltd	03 January 2012	$0.200	20,000,000	Ordinary
Sundance Resources Ltd	04 January 2012	$0.100	3,800,000	Ordinary
Sundance Resources Ltd	05 January 2012	$0.150	2,000,000	Ordinary
Sundance Resources Ltd	29 January 2012	$0.250	1,250,000	Ordinary
Sundance Resources Ltd	30 January 2012	$0.200	4,522,500	Ordinary
Sundance Resources Ltd	10 March 2012	$0.450	1,000,000	Ordinary
Sundance Resources Ltd	14 March 2012	$0.250	500,000	Ordinary
Sundance Resources Ltd	31 March 2012	$0.350	4,501,666	Ordinary
Sundance Resources Ltd	05 April 2012	$0.250	10,000,000	Ordinary
Sundance Resources Ltd	08 October 2012	$0.400	2,000,000	Ordinary
Sundance Resources Ltd	29 January 2013	$0.250	1,250,000	Ordinary
Sundance Resources Ltd	30 January 2013	$0.225	7,705,000	Ordinary
Sundance Resources Ltd	31 January 2013	$0.200	502,000	Ordinary
Sundance Resources Ltd	18 February 2013	$0.500	500,000	Ordinary
Sundance Resources Ltd	18 February 2013	$0.700	500,000	Ordinary
Sundance Resources Ltd	14 March 2013	$0.250	500,000	Ordinary
Sundance Resources Ltd	01 June 2013	$0.350	2,000,000	Ordinary
Sundance Resources Ltd	22 December 2013	$0.400	6,500,000	Ordinary
Sundance Resources Ltd	22 December 2013	$0.300	6,500,000	Ordinary
Sundance Resources Ltd	29 January 2014	$0.250	250,000	Ordinary
Sundance Resources Ltd	30 January 2014	$0.250	7,705,000	Ordinary
Sundance Resources Ltd	30 January 2014	$0.225	502,000	Ordinary
Sundance Resources Ltd	14 March 2014	$0.250	500,000	Ordinary
Sundance Resources Ltd	30 January 2015	$0.250	502,000	Ordinary

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or any other body corporate or registered scheme.

Shares issued on exercise of options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows (there were no amounts unpaid on the shares issued):

Issuing Entity	Number of Shares	Amount paid on each share	Class of Shares
Sundance Resources Ltd	8,200,000	$0.100	Ordinary
Sundance Resources Ltd	3,182,500	$0.200	Ordinary
Sundance Resources Ltd	1,650,000	$0.350	Ordinary

14. DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital and options in shares of the Company, as notified by the Directors to the Australian Securities Exchange ("ASX") in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary shares	Options over ordinary shares	Performance Rights over ordinary shares
Mr G Jones	16,062,500	5,000,000	-
Mr G Casello	-	-	7,950,000
Mr M Blakiston	-	2,000,000	-
Mr B Eldridge	-	2,000,000	-
Ms F Harris	-	2,000,000	-
Mr A Marshall	-	2,000,000	-

15. INDEMNIFYING OFFICER OR AUDITOR

The Company, during the financial year, in respect of any person who is or has been an officer or auditor of the Company or any related body corporate:

- has not indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor.
- has paid a premium of $54,000 for a policy of insurance to cover legal liability and expenses for the directors and executive officers in the event of any legal action against them arising from their actions as officers of the Company.

The insurance policy does not contain details of the premiums paid in respect of individual officers of the Company.

16. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been included on page 25.

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, Deloitte Touche Tohmatsu have provided a signed auditor's independence declaration to the directors in relation to the year ended 30 June 2011. This declaration has been attached to the independent audit report to the members ofthe Company.

Non-audit services were provided to the Company by the auditors, Deloitte Touche Tohmatsu, details of which are outlined in Note 8 to the financial statements. The directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298 (2) of the Corporations Act 2001, in Perth, Western Australia on 29 September 2011.

On behalf of the Directors

Mr George Jones
Chairman of Sundance Resources Ltd

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Sundance Resources Limited
Level 35 Exchange Plaza
2 The Esplanade
Perth WA 6000

29 September 2011

Dear Chairperson

Sundance Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sundance Resources Limited.

As lead audit partner for the audit of the financial statements of Sundance Resources Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2011

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

Introduction

Following the Congo aircraft accident in June 2010, Strategic advisors supervised the Company's operations until 2 July 2010 when, after consultation with key stakeholders, the ASX and ASIC, the strategic advisors declared themselves de facto directors. Additional independent non-executive directors were invited to act as de facto directors on 2 and 12 July 2010. Subsequently all directors were formally elected by shareholders on 16 August 2010.

Since 2 July 2010 the directors have updated the Corporate Governance Policies and Practices of the Company, and in November 2010 appointed a new Chief Executive Officer to operate as Managing Director and lead the management of the Company.

The Company's practices are consistent with the ASX Corporate Governance Council.

The following section addresses the Company's practices in complying with the ASX Corporate Governance Council Guidelines.

Principle 1: Laying Solid Foundations for Management and Oversight

Role and Responsibilities of the Board

The Board exists to lead and oversee the management and direction of the Company. The Board operates in accordance with the broad principles set out in its Charter, a copy of which is on the Company's website. The Charter details the board's composition and functions.

The Board:

- defines and sets the business objectives and monitors performance and achievement of those objectives;
- as appropriate appoints or removes the Chief Executive Officer, approves other key executive appointments and plans for executive succession;
- oversees the reporting on matters of compliance with corporate policies and laws, takes responsibility for risk management processes;
- monitors and approves financial performance and budgets;
- ensures that shareholders and the financial market as a whole are fully informed of all material developments in relation to the Company and its operations; and
- reports and is accountable to shareholders.

Matters reserved for the Board have been agreed by way of a Board Approved Delegation of Authority.

Letters of appointment are provided to all directors which address the roles and responsibilities of individual directors. The Company has a policy for the selection and remuneration of non-executive directors, a copy is provided on the Company's website.

Performance evaluation of Executives

The Board has introduced short term and long term incentive plans for senior management that have associated Key Performance Indicators and require an annual performance assessment of Executives against those KPI's by the Managing Director. This annual performance review has been completed during the financial year.

Principle 2: Structuring the Board to Add Value

Composition of the Board

The names of the directors of the Company and their qualifications are set out in the section headed Directors' Report.

The composition of the Board is determined so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to achieve the business objectives of the Company.

The recommendations of best practice are that a majority of the directors and in particular the chairperson should be independent. An Independent Director is one who:

- is not a substantial shareholder of the Company or an officer or otherwise associated directly or indirectly with a substantial shareholder of the Company;
- is not an employee and has not within the last 3 years been employed in an executive capacity by the Company or another group member or been a director after ceasing to hold such employment;
- has not within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another group member; or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of, or otherwise associated directly or indirectly with a significant supplier or customer;
- has no material contractual relationship with the Company or any other group member other than as a director of the Company.

Of the current board members Mr George Jones, Mr Barry Eldridge, Mr Robin Marshall and Ms Fiona Harris meet these criteria.

Chairperson & Chief Executive Officer

The Company has at all times maintained a separation between the Chairman and Chief Executive Officer roles, with Mr Peter Canterbury taking on the role of Acting Chief Executive Officer after the Congo aircraft accident until 8 November 2010. The day-to-day management of the Company is overseen by the Managing Director and Chief Executive Officer, Mr Giulio Casello who was appointed on 8 November 2010.

Board Committees

The Board's Charter allows it to establish committees if and when required to assist in the execution of the duties of the Board. As at the date of this Report the Board has established an Audit and Risk Management Committee, a Nomination and Remuneration Committee and a Project Oversight Committee, each having its own Charter approved by the board that sets the standards for the operation of the Committees. The Chairpersons and majority of members of each Committee are independent non-executive directors.

Audit & Risk Management Committee

The Board has established an Audit & Risk Management Committee, with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. A copy of the Charter is on the Company's website.

The Committee currently has 3 members, consists only of non-executive directors, has a majority of independent non-executive directors, and the Chairman is an independent non-executive director who is not the Chairman of the Board.

Each board member has access to the external auditors and the auditor has access to each board member and members of management.

Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee, with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. A copy of the Charter is on the Company's website.

All Committee members including the Chairman are independent non-executive directors.

The Chairman and Nomination and Remuneration Committee will ensure that membership of the Board is reviewed on an ongoing basis and determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives.

Project Oversight Committee

The Board has established a Project Oversight Committee, with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. A copy of the Charter is on the Company's website.

The Committee consists of two independent non-executive directors and the Managing Director. The Chairman is also an independent non-executive director.

Board Performance Assessment

As at the date of the Annual Report the Board was undertaking a process of self assessment of its collective and individual performance utilising questionnaires.

Independent Advice

Each of the directors is entitled to seek independent advice at the Company's expense to assist them to carry out their responsibilities, however, prior approval of the Chairman is required which is not unreasonably withheld.

One third of the directors retire annually in accordance with the Constitution and are able to seek re-election by shareholders.

Each member of the Board has committed to spending sufficient time to enable them to carry out their duties as a director of the Company.

Principle 3: Promotion of Ethical and Responsible Decision-Making

The Company has adopted a Vision, Values and established a number of key Policies and a formalised Code of Conduct, copies of which are available on the Company's website.

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised. The Company's Values are an integral part of all employees' ongoing performance management.

Principle 3: Promotion of Ethical and Responsible Decision-Making (cont.)

Directors are required to disclose to the Board at each board meeting, actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision making process or discussions where that conflict does arise.

The Company has adopted a Securities Trading Policy, a copy of which is available on the Company's website.

Directors are required to make disclosure of any Securities trading. The Company policy in relation to securities trading is that officers are prohibited from trading whilst in possession of potential or actual inside information concerning the Company or during designated 'blackout periods' throughout the year. All directors are required to discuss any proposal to acquire or sell securities with the Chairman, Chief Executive Officer and the Company Secretary prior to doing so to ensure that there is no price sensitive information of which that director might not be aware of. The undertaking of any trading in securities by directors must be notified to the ASX.

All directors, executives and staff of the Company and of all controlled entities, if any, are required to abide by the legal requirements and high standards of ethical conduct as recognised in each relevant jurisdiction in which the Consolidated Entity operates.

Diversity

The Company has adopted a Diversity Policy, a copy of which is available on the Company's website.
The Company intends to disclose and report against measurable objectives in the future.

Principle 4: Safeguarding Integrity in Financial Reporting

Audit & Risk Management Committee

The Board has established an Audit & Risk Management Committee, with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. A copy of the Charter is on the Company's website.

The Committee currently has 3 members, consists only of non-executive directors, has a majority of independent non-executive directors, and the Chairman is an independent non-executive director who is not the Chairman of the Board.

Each board member has access to the external auditors and the auditor has access to each board member and members of management.

External auditors

The performance of the external auditor is reviewed annually and, if necessary, applications for tender of external audit services will be requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. Deloitte Touche Tohmatsu are the appointed external auditors of the Company. It is Deloitte policy to rotate audit engagement partners on listed companies at least every five years. An analysis of fees paid to the external auditors, including a breakdown of any fees for any nonaudit services, is provided in Note 8 to the financial statements. The external auditors provide an annual declaration of their independence to the Company.

The external auditor is required to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The nomination of external auditors and the review of the adequacy of external audit arrangements is the responsibility of the Board of Directors as a whole.

Principle 5: Making Timely and Balanced Disclosure

The Company has a Continuous Disclosure Policy and Shareholder Communications Policy, a copy of which is on the Company's website.

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Securities Exchange and high standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the Listing Rules.

The Chief Executive Officer and Company Secretary have been nominated as the persons responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Principle 6: Respecting the Rights of Shareholders

The Board's fundamental responsibility to shareholders is to work towards meeting the Company's objectives so as to add value for them. The Board's policy is to seek to inform shareholders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports;
- preparing quarterly cash flow reports and reports as to activities;
- making announcements in accordance with the Listing rules and the Continuous Disclosure obligations;
- hosting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the annual report (if requested) together with notice of meeting and proxy form; and
- voluntarily releasing other information to the market as a whole which it believes is in the interest of shareholders.

The Annual General Meeting enables shareholders to receive the reports and participate in the meeting by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed annually for the voting on the appointment of directors and so as to enable them to have discussion at the Annual General Meeting with the directors and/or the auditor of the Company who is invited to the Annual General Meeting. Shareholders that have made an election, receive a copy of the Company's Annual Report by mail. Otherwise, the Annual Report is available on the Company's website.

Principle 7: Recognising and Managing Risk

The Board has adopted a formal Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company. A copy of the Policy is available on the Company's website.

The Policy requires the board and management to design and implement risk management processes and systems to identify and manage the Company's material business risks and report to the Board on whether those risks are being managed effectively. For the year ended 30 June 2011 management has reported to the Board that the material risks are being appropriately managed.

The Board is regularly briefed and involved in discussions in relation to many of the material business risks facing the Company. Risk Management is a standing item at all Board Meetings.

The Chief Executive Officer is accountable to the Board, through its Audit and Risk Management Committee, for the implementation of the risk management process and is ultimately responsible for the management of risks in the business.

All Sundance employees are responsible for managing risks within their area of accountability and responsibility.

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks. For the year ended 30 June 2011 the declarations have been made by the Chief Executive Officer and the Chief Financial Officer.

Principle 8: Remunerate Fairly and Responsibly

The Board has established a Nomination and Remuneration Committee, with a Charter that sets out its roles, responsibilities, composition, structure and membership requirements. A copy of the Charter is on the Company's website.

The Committee currently has three members and all committee members, including the Chairman, are independent non-executive directors.

The Committee has established a Remuneration Policy for the Company. A copy of the Remuneration Policy is available on the Company's website.

The Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and the Corporations Regulations. It also provides the remuneration disclosure required by AASB124 Related Party Disclosures.

The Company's Remuneration Policy clearly distinguishes the structure of executive and non-executive remuneration, and contains a prohibition on directors and employees entering into hedging arrangements to mitigate the risk of changes in value of unvested performance rights or options by the use of financial instruments. Any such arrangements entered into in relation to vested entitlements are required to be reported to the board and must only occur within the trading periods allowed under the Securities Trading Policy. There are no schemes for retirement benefits, other than superannuation, for non-executive directors.

The Committee has established a LTI plan for senior management and employees in consultation with external independent remuneration advisors, as outlined in the Remuneration Report.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011

The directors declare that:

(a) 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;

(b) in the directors' opinion the attached financial statements, notes thereto and the additional disclosures included in the directors' report designated as audited are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity;

(c) in the directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in note 2 to the financial statements; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Mr George Jones
Chairman of Sundance Resources Ltd

29 September 2011
Perth, Western Australia

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 $	2010 $
CONTINUING OPERATIONS			
Other income	3	2,888,359	2,530,200
Administration expense	4	(1,681,587)	(818,651)
Consultants fees expensed		(258,815)	(985,791)
Depreciation and amortisation expense	4	(2,348,974)	(2,508,242)
Employee benefits expense	4	(13,730,490)	(5,008,220)
Exchange rate losses		(170,734)	(39,328)
Impairment expense		(249,757)	(638,230)
Legal fees		(865,318)	(395,390)
Listing and registry fees		(549,593)	(406,321)
Occupancy costs		(1,134,788)	(603,861)
Professional fees	4	(678,429)	(293,503)
Transport & logistics		(246,506)	(9,533)
Travel expenses		(1,679,848)	(861,420)
Other expenses	4	(1,031,620)	(716,261)
Loss from continuing operations before tax		(21,738,100)	(10,754,551)
Income tax expense	6	-	-
LOSS FOR THE PERIOD		(21,738,100)	(10,754,551)
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		(5,599,745)	(19,250,656)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the period		(5,599,745)	(19,250,656)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(27,337,845)	(30,005,207)
Loss attributable to:			
Owners of the parent		(20,163,283)	(9,877,180)
Non-controlling interests		(1,574,817)	(877,371)
NET LOSS ATTRIBUTABLE TO MEMBERS		(21,738,100)	(10,754,551)
Total comprehensive income attributable to:			
Owners of the parent		(24,897,303)	(27,914,574)
Non-controlling interests		(2,440,542)	(2,090,633)
NET COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS		(27,337,845)	(30,005,207)
LOSS PER SHARE			
From continuing operations			
Basic (cents per share)	10	(0.74)	(0.40)
Diluted (cents per share)	10	(0.73)	(0.40)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 $	2010 $
CURRENT ASSETS			
Cash and cash equivalents	11	70,332,853	76,762,275
Trade and other receivables	12	3,022,137	2,291,175
Inventory	13	3,290,893	2,603,114
Other current assets	14	663,995	418,955
Total Current Assets		77,309,878	82,075,519
NON CURRENT ASSETS			
Property, plant & equipment	15	7,305,038	6,895,147
Mine development	16	134,981,338	-
Exploration & evaluation	17	-	97,920,829
ntangibles	18	-	331,486
Total Non-Current Assets		142,286,376	105,147,462
TOTAL ASSETS		219,596,254	187,222,981
CURRENT LIABILITIES			
Trade and other payables	20	5,190,714	7,657,285
Total Current Liabilities		5,190,714	7,657,285
NON CURRENT LIABILITIES			
Total Non-Current Liabilities		—	—
TOTAL LIABILITIES		5,190,714	7,657,285
NET ASSETS		214,405,540	179,565,696
EQUITY			
Issued capital	21	349,048,100	290,568,003
Reserves	22	(6,184,644)	(5,148,216)
Accumulated losses		(123,569,330)	(103,406,047)
Equity attributable to owners of the Company		219,294,126	182,013,740
Non-controlling interests		(4,888,586)	(2,448,044)
TOTAL EQUITY		214,405,540	179,565,696

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Issued capital	Foreign currency translation reserve	Share based payments reserve	Accumulated Losses	Attributable to owners of the parent	Non-controlling interest	Total Equity
	$	$	$	$		$	$
Balance at 1 July 2009	204,494,938	1,853,910	10,072,207	(93,528,867)	122,892,188	(357,411)	122,534,777
Loss for the year	-	-	-	(9,877,180)	(9,877,180)	(877,371)	(10,754,551)
Foreign currency reserve	-	(18,037,394)	-	-	(18,037,394)	(1,213,262)	(19,250,656)
Total comprehensive income for the year	-	(18,037,394)	-	(9,877,180)	(27,914,574)	(2,090,633)	(30,005,207)
Funds from securities issued	90,692,864	-	-	-	90,692,864	-	90,692,864
Equity raising costs	(4,619,799)	-	-	-	(4,619,799)	-	(4,619,799)
Share based payment	-	-	963,061	-	963,061	-	963,061
At 30 June 2010	290,568,003	(16,183,484)	11,035,268	(103,406,047)	182,013,740	(2,448,044)	179,565,696
Loss for the year	-	-	-	(20,163,283)	(20,163,283)	(1,574,817)	(21,738,100)
Foreign Currency	-	(4,734,020)	-	-	(4,734,020)	(865,725)	(5,599,745)
Total comprehensive income for the year	-	(4,734,020)	-	(20,163,283)	(24,897,303)	(2,440,542)	(27,337,845)
Funds from securities issued	61,603,940	-	-	-	61,603,940	-	61,603,940
Equity raising costs	(3,123,843)	-	-	-	(3,123,843)	-	(3,123,843)
Share based payments	-	-	3,697,592	-	3,697,592	-	3,697,592
At 30 June 2011	349,048,100	(20,917,504)	14,732,860	(123,569,330)	219,294,126	(4,888,586)	214,405,540

The accompaning notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(19,225,946)	(7,487,902)
Interest received		2,783,501	2,114,203
Net Cash used in Operating Activities	25	(16,442,445)	(5,373,699)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(3,168,369)	(4,222,562)
Exploration and development expenditure		(45,232,928)	(19,900,596)
Net Cash used in Investing Activities		(48,401,297)	(24,123,158)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		61,603,940	90,692,865
Share issue expenses		(3,123,843)	(4,619,799)
Net Cash generated by Financing Activities		58,480,097	86,073,066
Net (Decrease)/Increase in Cash Held		(6,363,645)	56,576,209
Cash and cash equivalents at beginning of year		76,762,275	20,384,940
Effect of exchange rates on cash and cash equivalents		(65,777)	(198,874)
Cash and cash equivalents at end of Year	11	70,332,853	76,762,275

NOTE 1. GENERAL INFORMATION

Sundance Resources Limited A.C.N. 055 719 394 (the Company) is a public company listed on the Australian Stock Exchange (trading under the symbol 'SDL'), incorporated in Australia and operating in Australia and Africa.

Sundance Resources Limited's registered office and its principal place of business are as follows:

Registered office	**Principal place of business**
Level 35	Level 35
Exchange Plaza	Exchange Plaza
2 The Esplanade	2 The Esplanade
Perth WA 6000	Perth WA 6000

The Company's principal activities are the exploration for iron ore in the Republic of Cameroon and Republic of Congo.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the separate consolidated financial statements of the Consolidated Entity.

Accounting Standards include Australian equivalents to the International Financial Reporting Standards ('A-IFRS'). Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 29 September 2011.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Directors continue the ongoing and active management of the expenditure incurred by the Consolidated Entity and the Company to protect the current cash levels. The cash flow forecast indicates that that there are sufficient cash resources available to fund the activities and commitments of the entities for at least the next twelve months. In the unlikely event that unbudgeted costs are incurred, the Consolidated Entity and the Company do have various alternatives available including the ability to reduce discretionary expenditure whilst additional finance is sought through either debt financing or capital raising arrangements.

The Directors have reviewed the Consolidated Entity's and the Company's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances. Should the Consolidated Entity and Company be unable to continue as going concerns, they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Consolidated Entity and Company be unable to continue as going concerns.

Basis of Preparation of Accounts

The financial report has been prepared on an accruals basis and is based on the historical cost basis, except for the revaluation of certain financial instruments. Costs are based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

Critical accounting judgements and the key sources of estimation uncertainty

In the application of the Consolidated Entity's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The 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 if the revision affects both current and future periods. Refer to Note 1(m) for further details.

Accounting Policies

a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members in the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of the consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the fair value of those interests at the date of the original business combination and the non-controlling interest's share of the changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value of initial recognition for subsequent accounting under AASB 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associated or jointly controlled entity.

b) Foreign currency

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environments in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Sundance Resources Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing in the month of the transactions. At each balance sheet date, monetary items are translated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in the profit or loss on disposal of the net investment.

On consolidation, assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing at the balance date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed. Any exchange differences that have previously been attributed to non-controlling interests are derecognised but they are not classified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of the transition to Australian Accounting Standards are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date. Goodwill arising on acquisitions before the date of the transition to Australian Accounting Standards is treated as an Australian dollar denominated asset.

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified within operating cash flows.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black Scholes or binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions have been determined can be found in Note 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the equity instruments that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest.
The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with the corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payments transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are at the fair value of the equity instrument granted, measured at the date the entity obtains the goods or the counterparty renders the service.

f) Income Tax

Current Tax

Current income tax is calculated by reference to the amount of income taxes payable or recoverable in respect to the taxable profit or tax loss for the period. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences arising between the tax bases of an asset or liability and its carrying amount in the financial statements. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets or liabilities

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity) in which case, the tax is also recognised outside of profit or loss.

g) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

h) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

i) Property, plant and equipment

Buildings, plant & equipment, IT & communications and furniture & fittings are stated at cost less accumulated depreciation and impairment. Construction in progress is stated at cost. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The following useful lives are used in the calculation of depreciation:

Buildings	–	15 years
Plant & equipment	–	3 to 15 years
IT& communications	–	2 to 10 years
Furniture & fittings	–	3 to 15 years

j) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

The following useful lives are used in the calculation of amortisation:

Patents & licences	10 – 20 years

k) Impairment of long-lived assets excluding goodwill

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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

l) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and that they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

m) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

n) Critical accounting estimates and judgements

Significant accounting judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out below. The application of this policy necessarily 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. 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.

Capitalised mine development assets

The Group's accounting policy for capitalised mine development is set out below. The application of this policy necessarily requires management to make certain estimates and assumptions as to future. 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 25 Share Based Payments.

o) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and on allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

p) Mine Development

When the economic viability of a project is determined, capitalised exploration and evaluation expenditure is reclassified as Mine Development and separately disclosed in the Financial Statements.

All subsequent expenditure on the area of interest is capitalised including mine infrastructure, pre-production development costs, development excavation, project execution costs and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

Development costs are carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are to be amortised over the life of economically recoverable reserves.

q) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to each particular class of inventory, with all categories being valued on a first in first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

r) Financial liabilities and equity instruments issued by the Group

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Adoption of new and revised accounting standards

At the date of the authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective. Initial application of the following Standards will not affect the amounts recognised in the financial report, but may change the disclosures presently made in relation to the Group and the Company's financial report:

Standard	Effective for the annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	30 June 2014
AASB 9 Financial Instruments (December 2010), AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	30 June 2014
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of Minimum Funding Requirement	1 January 2011	30 June 2012
AASB 1054 *Australian Additional Disclosures*	1 July 2011	30 June 2012
AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*	1 July 2011	30 June 2012
AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements*	1 July 2013	30 June 2014
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2011	30 June 2012
AASB 124 Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards	1 January 2011	30 June 2012
AASB 2010-5 Amendments to Australian Accounting Standards	1 January 2011	30 June 2012
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	1 July 2011	30 June 2012
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	30 June 2013
AASB 10 *Consolidated Financial Statements*	1 January 2013	30 June 2014
AASB 11 *Joint Arrangements*	1 January 2013	30 June 2014
AASB 12 *Disclosure of Interests in Other Entities*	1 January 2013	30 June 2014
AASB 13 *Fair Value Measurement*	1 January 2013	30 June 2014
AASB 127 *Separate Financial Statements (2011)*	1 January 2013	30 June 2014
AASB 128 *Investments in Associates and Joint Ventures (2011)*	1 January 2013	30 June 2014
AASB 119 *Employee Benefits (2011)*	1 January 2013	30 June 2014
Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)	1 January 2012	30 June 2013

The following new and revised Standards and Interpretations have been adopted in these financial statements and have had no effect on the amounts reported but have resulted in changes to the Group's presentation of or disclosure in its financial statements.

Standards/Interpretations	Effective for the annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2010	30 June 2011
AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 July 2010	30 June 2011
AASB 2010-4 Further Amendments to Australian Accounting S tandards arising from the Annual Improvements Project	1 January 2010	30 June 2011

The following new and revised Standards and Interpretations have been adopted in these financial statements, but have had no effect on the amounts, presentation or disclosures reported.

Standard	Effective for the annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions	1 January 2010	30 June 2011
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues	1 February 2010	30 June 2011
Interpretation 19 Extinguishing Financial Liabilities with Equity	1 July 2010	30 June 2011

NOTE 3. OTHER INCOME

Other income from continuing operations

	2011 $	2010 $
Interest revenue	2,734,965	2,522,700
Other income	153,394	7,500
Total Other Income	2,888,359	2,530,200

NOTE 4. EXPENSES

Expenses from continuing operations

	2011 $	2010 $
Depreciation and amortisation expense:		
- Depreciation of property, plant & equipment	2,348,974	2,490,795
- Amortisation of intangible assets	-	17,447
	2,348,974	2,508,242
Employee and Director benefit expense:		
- Share based payment	3,697,592	845,265
- Salaries and superannuation	10,032,898	4,162,955
	13,730,490	5,008,220
Administration expense:		
- Corporate expenses	532,649	110,294
- General and administration expenses	727,906	461,777
- Telephone and internet	421,032	246,580
	1,681,587	818,651
Professional fees:		
-Audit, accounting and tax	323,474	228,786
-Public relations	354,955	64,717
	678,429	293,503
Other expenses:		
- Consumables	111,300	33,102
- Insurance	583,078	133,965
- Loss on disposal of plant & equipment	2,915	62,269
- Motor vehicles	165,637	99,490
- Other	168,690	387,435
	1,031,620	716,261

NOTE 5. SEGMENT INFORMATION

5.1. Products and services from which reportable segments derive their revenues

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Consolidated Entity's Chief Executive Officer for the purposes of resource allocation and assessment of performance is specifically focused on the Project being developed. The only project currently under development is the Mbalam Iron Ore Project which includes the deposits in Cameroon and in Congo. The reporting to the chief operating decision maker has changed as a result of the change of management during the period to reflect the operations as a single project. Previously the segments were allocated on the basis of geography, but have been changed to show the project as a single segment.

The Consolidated Entity's reportable segments under AASB 8 are therefore as follows:

- Mbalam Iron Ore Project

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Consolidated Entity's accounting policies.

The following is an analysis of the Consolidated Entity's revenue and results by reportable operating segment for periods under review. Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the requirements of AASB 8. The accounting policies of the new reportable segments are the same as the Group's accounting policies as described in Note 2.

5.2. Segment revenues and results

The following is an analysis of the Consolidated Entity's revenue and results by reportable operating segment.

	Segment Revenue		Segment Loss	
	2011	2010	2011	2010
	$	$	$	$
Continuing operations				
- Mbalam Project	—	—	(7,605,636)	(5,838,457)
Total segments	—	—	(7,605,636)	(5,838,457)
Interest income			2,734,965	2,522,700
Unallocated expenses	—		(16,867,429)	(7,438,779)
Profit/(loss) before tax			(21,738,100)	(10,754,551)
Consolidated segment revenue and loss for the period			(21,738,100)	(10,754,551)

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the year.

Segment loss represents the loss attributed to each segment without allocation of central administration costs and director's salaries and investment revenue. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTE 5. SEGMENT INFORMATION (CONT.)

5.3. Segment assets and liabilities

The following is an analysis of the Consolidated Entity's assets by reportable operating segment:

	2011 $	2010 $
Segment assets		
- Mbalam Project	147,798,968	110,385,981
Total segment assets	147,798,968	110,385,981
Unallocated assets	71,797,286	76,837,000
Consolidated assets	219,596,254	187,222,981
Segment liabilities		
- Mbalam Project	3,251,050	5,335,471
Total segment liabilities	3,251,050	5,335,471
Unallocated liabilities	1,939,666	2,321,814
CONSOLIDATED LIABILITIES	5,190,716	7,657,285

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the usage by individual reportable segments; and
- All liabilities are allocated to reportable segments other than 'other financial liabilities', current and deferred tax liabilities, and 'other' liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

5.4. Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2011	2010	2011	2010
	$	$	$	$
Mbalam Project	2,199,145	2,368,616	26,528,380	26,503,637
Other	149,829	139,626	295,887	80,820
	2,348,974	2,508,242	26,824,267	26,584,457

In addition to the depreciation and amortisation reported above, impairment losses of $249,757 (2010: $638,230) were recognised in respect of exploration and evaluation assets. These impairment losses were attributable to the following reportable segments.

	Impairement losses	
	2011	2010
	$	$
Mbalam Project	249,757	638,230
Other	-	-
	249,757	638,230

5.5. Geographical Information

The Group operates in two principal geographical areas – Australia (country of domicile) and Central West Africa (Republic of Cameroon and Republic of Congo).

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below.

	Revenue from external customers		Non-current assets	
	2011	2010	2011	2010
	$	$	$	$
Central West Africa	—	—	141,944,598	105,057,371
Australia	—	—	341,778	90,091
	—	—	142,286,376	105,147,462

NOTE 6. INCOME TAX

	2011 $	2010 $
The components of tax expense comprise:		
Current Income Tax		
- Current income charge	(5,382,700)	(3,381,056)
Deferred Income Tax		
- Relating to origination and reversal of temporary differences	(113,728)	126,452
- Timing differences not brought to account	5,496,428	3,254,604
Income tax expense reported in the statement of comprehensive income	—	—
The prima facie tax on loss from ordinary activities is reconciled to the income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2010: 30%)		
– consolidated group	(6,521,430)	(3,226,365)
Add:		
Tax effect of:		
– Tax rate difference for foreign operations	(1,169,135)	(746,467)
– Other non allowable items	2,373,449	1,043,658
– Losses not brought to account	5,430,844	-
– Unbooked tax losses recouped in the current year	-	(325,430)
– Timing differences not brought to account	(113,728)	3,254,604
Income tax attributable to entity	—	—
Unrecognised deferred tax balances		
Unrecognised deferred tax asset - losses	22,463,742	18,145,132
Unrecognised deferred tax assets - other	673,068	1,465,241
Unrecognised deferred tax liabilities - other	(128,651)	—
Deferred tax asset not brought to account	23,008,159	19,610,373

The deferred tax asset not brought to account will only be of benefit to the Consolidated Entity if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the entities in the Consolidated Entity are able to meet the continuity of ownership and/or continuity of business tests.

NOTE 7. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the Company and the Group is set out below.

	2011 $	2010 $
Short-term employee benefits	3,210,629	2,587,476
Post-employment benefits	190,065	95,237
Share-based payment	2,397,694	584,245
	5,798,388	3,266,958

Details of key management personnel

The directors and other members of key management personnel of the Group during the year were:

Non-executive Directors

George Jones	Chairman (declared de facto Director 2 July 2010, elected 16 August 2010)
Michael Blakiston	Director (declared de facto Director 2 July 2010, elected 16 August 2010)
Barry Eldridge	Director (declared de facto Director 2 July 2010, elected 16 August 2010)
Fiona Harris	Director (declared de facto Director 12 July 2010, elected 16 August 2010)
Andrew (Robin) Marshall	Director (appointed 14 October 2010)
Adam Rankine-Wilson	Director (declared de facto Director 2 July 2010, elected 16 August 2010, resigned 14 October 2010)

Executive Director

Giulio Casello	Managing Director & Chief Executive Officer (appointed 8 November 2010)

Key Management Personnel

Peter Canterbury	Chief Financial Officer
	Acting Chief Executive Officer (to 8 November 2010)
Paul DeNardi	General Manager – Finance & Commercial
Nicola Gill	Chief Financial Officer (Temporary) (appointed 21 July 2010); and
	Business Services Manager (from 1 February 2011)
Neil Hackett	Company Secretary (from 2 July 2010)
Robin Longley	General Manager – Geology
Terry Quaife	Study Director (resigned 13 July 2011)
David Meehan	Project Director (appointed 1 June 2011)

NOTE 7. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

Fully paid ordinary shares of Sundance Resources Limited

	Balance at 1 July No.	Granted as compensation No.	Shares Granted or Issued on the exercise of options No.	Net other change No.	Balance at 30 June No.
2011					
Mr G Jones	15,062,500	-	1,000,000	-	16,062,500
Mr M Blakiston	-	-	-	-	-
Mr B Eldridge	-	-	-	-	-
Ms F Harris	-	-	-	-	-
Mr A Rankine-Wilson (i)	13,107,546	-	-	13,107,546	-
Mr A Marshall	-	-	-	-	-
Mr G Casello	-	-	-	-	-
Mr R Longley	-	-	-	-	-
Mr P Canterbury	462,500	-	-	-	462,500
Mrs N Gill	-	39,482	-	-	39,482
Mr N Hackett	-	-	-	-	-
Mr P DeNardi	500,000	-	-	-	500,000
Mr T Quaife	-	-	-	-	-
2010					
Mr G Jones	15,062,500	-	10,000,000	(10,000,000)	15,062,500
Mr M Blakiston	-	-	-	-	-
Mr B Eldridge	-	-	-	-	-
Ms F Harris	-	-	-	-	-
Mr A Rankine-Wilson (i)	-	-	-	13,107,546	13,107,546
Mr G Wedlock (ii)	75,000	-	-	(75,000)	-
Mr K Talbot (ii)	434,107,142	-	-	(434,107,142)	-
Mr C Oliver (ii)	-	-	-	-	-
Mr J Jones (ii)	-	-	-	-	-
Mr D Lewis (ii)	1,312,500	-	-	(1,312,500)	-
Mr R Longley	-	-	-	-	-
Mr P Canterbury	462,500	-	-	-	462,500
Mrs N Gill	-	-	-	-	-
Mr N Hackett	-	-	-	-	-
Mr J Carr-Gregg (ii)	-	-	-	-	-
Mr P DeNardi	-	-	-	500,000	500,000
Mr T Quaife	-	-	-	-	-
Mr R Bogne (iii)	7,000,000	-	-	(2,000,000)	5,000,000

(i) Net change other refers to shares on hand at date of appointment, being 2 July 2010 and resignation, being 14 October 2010.
(ii) Net change other includes shares on hand at deceased date, being 19 June 2010.
(iii) Mr Bogne continues in the role of CEO of Cam Iron SA. Mr Bogne is not considered a KMP of Sundance Resources for the 2011 Financial year.

Share options of Sundance Resources Limited

	Balance at 1 July No.	Granted as compensation No.	Exercised No.	Forfeited No.	Bal at 30 June No.	Bal vested at 30 June No.	Vested and exercise-able No.	Vested and not exer-cise-able No.	Vested during the year
2011									
Mr G Jones	-	5,000,000	-	-	5,000,000	-	-	-	-
Mr M Blakiston	-	2,000,000	-	-	2,000,000	-	-	-	-
Mr B Eldridge	-	2,000,000	-	-	2,000,000	-	-	-	-
Ms F Harris	-	2,000,000	-	-	2,000,000	-	-	-	-
Mr A Marshall	-	2,000,000	-	-	2,000,000	-	-	-	-
Mr G Casello (i)		7,950,000			7,950,000				
Mr R Longley	5,676,666	-	-	-	5,676,666	3,670,000	3,670,000	-	1,003,333
Mr P Canterbury	4,010,000	-	-	-	4,010,000	2,670,000	2,670,000	-	670,000
Mrs N Gill	-	-	-	-	-	-	-	-	-
Mr N Hackett	-	-	-	-	-	-	-	-	-
Mr P DeNardi	2,000,000	-	-	-	2,000,000	1,000,000	1,000,000	-	1,000,000
Mr T Quaife	2,010,000	-	-	-	2,010,000	670,000	670,000	-	670,000
2010									
Mr G Jones	30,000,000	-	(10,000,000)	(20,000,000)	-	-	-	-	-
Mr G Wedlock (ii)	-	-	-	-	-	-	-	-	-
Mr K Talbot (ii)	-	-	-	-	-	-	-	-	-
Mr C Oliver (ii)	-	-	-	-	-	-	-	-	-
Mr J Jones (ii)	-	-	-	-	-	-	-	-	-
Mr D Lewis (ii)	30,000,000	4,020,000	-	-	34,020,000	30,000,000	30,000,000	-	-
Mr R Longley	3,000,000	2,676,666	-	-	5,676,666	2,666,667	2,666,667	-	333,333
Mr P Canterbury	2,000,000	2,010,000	-	-	4,010,000	2,000,000	2,000,000	-	-
Mrs N Gill	-	-	-	-	-	-	-	-	-
Mr J Carr-Gregg (ii)	1,635,000	2,010,000	-	-	3,645,000	1,090,000	1,090,000	-	545,000
Mr P DeNardi	-	2,000,000	-	-	2,000,000	-	-	-	-
Mr T Quaife	-	2,010,000	-	-	2,010,000	-	-	-	-
Mr R Bogne (iii)	-	2,010,000	-	-	2,010,000	-	-	-	-

(i) These figures relate to performance rights granted during the period.
(ii) Messrs Wedlock, Lewis, Talbot, Oliver, J Jones and Carr-Gregg died on 19 June 2010 in the aircraft accident in the Republic of Congo.
(iii) Mr Bogne continues in the role of CEO of Cam Iron SA. Mr Bogne is not considered a KMP of Sundance Resources for the 2011 Financial Year.

NOTE 8. AUDITORS REMUNERATION

	2011 $	2010 $
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	105,524	55,440
- corporate taxation services	52,065	20,049
- taxation services related to the Mbalam Iron Ore Project and strategic partner	511,231	-
- financial advisory related to the Mbalam Iron Ore Project and strategic partner	664,172	243,890
- other services including financial modelling and other ad-hoc advisory	30,622	-
	1,363,614	319,379
Remuneration of other auditors of subsidiaries for:		
- auditing or reviewing the financial report of foreign subsidiaries	147,923	49,170
	1,511,537	368,549

Deloitte Touche Tomatsu ("Deloitte") performs the audit of Sundance Resources Ltd and its subsidiaries.

During the Year the Board of Sundance Resource Ltd adopted a policy to specify the circumstances in which it is deemed appropriate for Management to contract the services of Deloitte for non-audit work.

This Policy provides that Sundance Resources Limited is only to enter into a non-audit contract or transaction with the external audit firm in the following circumstances:

a. Where any proposed transaction will not compromise the independence of the external auditors; and

b. Where it is believed that the external auditor is the best equipped to undertake the work after taking nto account:

- Experience;

- Expertise, particularly in the Republic of Cameroon and Republic of Congo where Deloitte were until recently the only significant accounting firm with permanent representation in the Republic of Cameroon, Republic of Congo and Australia;

- Knowledge of the group;

- Synergies of having the auditor perform the work; and

- Value for money.

Contracts for the auditors other services were, in large part, entered into prior to the specification of the above Policy. The Board has reviewed these contracts and does not believe it would be in the best interests of the Company to change service providers at this point in time.

NOTE 9. DIVIDENDS

No dividends have been paid or proposed during the year.

NOTE 10. LOSS PER SHARE

	2011 $	2010 $
a. Reconciliation of earnings to profit or loss from continuing operations		
Loss from continuing operations	(21,738,100)	(10,754,551)
Loss attributable to non-controlling interest	1,574,817	877,371
Earnings used to calculate basic & dilutive EPS	(20,163,283)	(9,877,180)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS.	2,736,761,602	2,445,738,861
c. Weighted average number of ordinary shares plus potential ordinary shares outstanding during the year used in calculating diluted EPS.	2,741,531,602	2,445,738,861

During the year ended 30 June 2011, 26,006,000 options to subscribe for ordinary shares were issued, 11,445,000 options were exercised, 3,465,000 options were forfeited, leaving 86,577,666 outstanding at 30 June 2011 (Note 21).

These options are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net loss from continuing operations per share.

NOTE 11. CASH AND CASH EQUIVALENTS

	2011 $	2010 $
Cash at bank and in hand	2,287,625	2,779,268
Short-term bank deposits	68,045,228	73,983,007
	70,332,853	76,762,275

The effective interest rate on short-term deposits was 5.61% (2010: 4.99%) these deposits have an average maturity of 32 days.

NOTE 12. TRADE AND OTHER RECEIVABLES

	2011 $	2010 $
CURRENT		
GST/VAT	1,753,267	1,809,695
Other receivables	1,268,870	481,480
	3,022,137	2,291,175

Other receivables are comprised entirely of accrued interest on short-term deposits. These deposits have an average maturity of 32 days.

NOTE 13. INVENTORY

	2011 $	2010 $
CURRENT		
Consumables	3,290,893	2,603,114
	3,290,893	2,603,114

Inventories are carried at lower of cost and net realisable value. The cost of inventories recognised as an expense during the period in respect of continuing operations was $nil (2010: $nil). All inventory consumed is capitalised to mine development or exploration and evaluation expenditure as appropriate.

Inventories are expected to be consumed within 12 months.

NOTE 14. OTHER CURRENT ASSETS

	2011 $	2010 $
CURRENT		
Prepayments	404,930	323,617
Other current assets	259,065	95,338
	663,995	418,955

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

	2011 $	2010 $
Cost or valuation	12,131,359	12,004,191
Accumulated depreciation	(4,826,321)	(5,109,044)
	7,305,038	6,895,147
Buildings	1,683,584	1,761,752
Plant and equipment	4,324,668	4,330,230
IT and communications	819,422	440,102
Furniture and fittings	477,364	363,063
	7,305,038	6,895,147

NOTE 15. PROPERTY, PLAN AND EQUIPMENT (CONT.)

Cost

	Buildings $	Plant & Equipment $	IT & Communi-cations $	Furniture & Fittings $	Total $
Balance at 1 July 2009	2,302,553	6,589,790	572,982	660,963	10,126,288
Effect of movement in exchange rates	(469,776)	(1,279,583)	(106,556)	(118,008)	(1,973,923)
Additions	169,874	3,938,681	207,834	33,298	4,349,687
Disposals	-	(441,622)	(56,239)	-	(497,861)
Balance at 30 June 2010	2,002,651	8,807,266	618,021	576,253	12,004,191
Effect of movement in exchange rates	(98,193)	(417,672)	(26,132)	(25,716)	(567,713)
Additions	112,856	2,108,306	622,119	250,097	3,093,379
Disposals	-	(2,386,472)	(12,026)	-	(2,398,498)
Balance at 30 June 2011	2,017,314	8,111,428	1,201,982	800,634	12,131,359

Accumulated depreciation and impairment

	Buildings $	Plant & Equipment $	IT and Commu-nications $	Furniture and Fittings $	Total $
Balance at 1 July 2009	(160,023)	(3,236,660)	(193,577)	(153,025)	(3,743,286)
Effect of movement in exchange rates	41,575	712,142	35,999	27,395	817,111
Eliminated on disposal	-	278,298	29,628	-	307,926
Depreciation expense	(122,452)	(2,230,814)	(49,969)	(87,560)	(2,490,795)
Balance at 30 June 2010	(240,900)	(4,477,034)	(177,919)	(213,190)	(5,109,044)
Effect of movement in exchange rates	11,812	205,354	10,435	9,776	237,376
Eliminated on disposal	-	2,386,472	7,849	-	2,394,320
Depreciation expense	(104,642)	(1,901,551)	(222,925)	(119,855)	(2,348,973)
Balance at 30 June 2011	(333,730)	(3,786,760)	(382,560)	(323,270)	(4,826,321)

NOTE 16. MINE DEVELOPMENT

	2011 $	2010 $
Mbalam Iron Ore Project		
Carrying amount at beginning of year	-	-
Transfer from Exploration and Evaluation Assets	127,078,656	-
Additions	7,902,682	-
	134,981,338	-

NOTE 17. EXPLORATION AND EVALUATION ASSETS

	2011 $	2010 $
Mbalam Iron Ore Project		
Carrying amount at beginning of year	97,920,829	93,510,918
Effect of movement in exchange rates	(3,981,754)	(17,393,031)
Additions	33,389,338	22,448,532
Impairment	(249,757)	(645,590)
Transfer to Mine Development Assets	(127,078,656)	-
	-	97,920,829

At 30 June 2011, the Company held a 90% interest in Cam Iron S.A. which holds a 100% interest in the Mbalam Iron Ore Project in The Republic of Cameroon; and an 85% interest in Congo Iron S.A. which holds a 100% interest in the Mbalam Iron Ore Project in The Republic of Congo.

The definitive feasibility study and determination of economically recoverable reserves on the Mbalam Iron Ore Project was completed during the financial year. As a result, expenditure previously recorded as Exploration and Evaluation Assets has been recognised as Mine Development Assets where it relates to the advancement of stage 1 of the Mbalam Iron Ore Project.

The ultimate recoupment of costs capitalised for both as Mine Development Assets and Exploration and Evaluation Assets for specific areas of interest is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas. The commercial exploitation of some areas of interest may require the satisfactory settlement of land title claims.

NOTE 18. INTANGIBLES

	2011 $	2010 $
Cost	374,811	374,811
Accumulated Amortisation	(43,325)	(43,325)
Reclassification	(331,486)	-
	-	331,486

NOTE 19. CONTROLLED ENTITIES

	Principal Activity	Country of Incorporation	Percentage Owned (%)	
			2011	2010
Parent Entity:				
- Sundance Resources Limited	Corporate	Australia	—	—
Subsidiaries of Sundance Resources Limited:				
- Cam Iron S.A.	Iron ore exploration	Cameroon	90	90
- Sundance Minerals Pty Ltd	Holding	Australia	100	100
- Sundance Exploration Pty Ltd	Holding	Australia	100	100
- Sundance Mining Pty Ltd	Holding	Australia	100	100
- Congo Iron SA	Iron ore exploration	Congo	85	85

NOTE 20. TRADE AND OTHER PAYABLES

	2011 $	2010 $
CURRENT		
Trade payables	2,378,318	6,394,350
Sundry payables and accrued expenses	2,812,396	1,262,935
	5,190,714	7,657,285

Sundry creditors are non-interest bearing and generally on 30 day terms.

NOTE 21. ISSUED CAPITAL

	2011 $	2010 $
2,870,927,169 fully paid ordinary shares (2010: 2,709,995,932)	349,048,100	290,568,003
	349,048,100	290,568,003

Movements in issued capital	Number of shares	Share capital $
Balance at 1 July 2009	**2,102,042,808**	**204,494,938**
Shares issued 31 August 2009	10,000,000	1,000,000
Shares issued 19 November 2009	315,511,294	47,326,685
Shares issued 23 November 2009	1,295,127	194,260
Shares issued 7 December 2009	31,286,457	4,692,900
Shares issued 22 December 2009	248,891,386	37,333,699
Shares issued 31 December 2009	968,860	145,320
Capital raising costs	—	(4,619,799)
Balance at 30 June 2010	**2,709,995,932**	**290,568,003**
Shares issued 16 December 2010	400,000	140,000
Shares issued 22 December 2010	1,000,000	-
Shares issued 7 January 2011	250,000	87,500
Shares issued 21 January 2011	338,236	-
Shares issued 11 February 2011	167,500	33,500
Shares issued 18 February 2011	250,000	87,500
Shares issued 16 March 2011	2,200,000	220,000
Shares issued 22 March 2011	400,000	80,000
Shares issued 1 April 2011	3,000,000	300,000
Shares issued 1 April 2011	670,000	134,000
Shares issued 15 April 2011	3,000,000	300,000
Shares issued 15 April 2011	167,500	33,500
Shares issued 28 April 2011	670,000	134,000
Shares issued 5 May 2011	148,148,001	59,999,940
Shares issued 17 June 2011	270,000	54,000
Capital raising costs	—	(3,123,843)
At the end of the financial year	**2,870,927,169**	**349,048,100**

At 30 June 2011 there were 86,577,666 unissued ordinary shares for which options were outstanding. These comprise the following:

- 3,800,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 10 cents per share and expire on 4 January 2012;
- 2,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 15 cents per share and expire on 5 January 2012;
- 20,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 20 cents per share and expire on 3 January 2012;
- 2,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 40 cents per share and expire on 8 October 2012;
- 500,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 50 cents per share and expire on 18 February 2013;
- 500,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 70 cents per share and expire on 18 February 2013;
- 1,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 45 cents per share and expire on 10 March 2013;
- 5,251,666 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 35 cents per share and expire on 31 March 2013;
- 2,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 35 cents per share and expire on 1 June 2013;
- 5,360,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 20 cents per share and expire on 30 January 2012;
- 7,705,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 22.5 cents per share and expire on 30 January 2013;
- 7,705,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 30 January 2014;
- 1,250,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 29 January 2012;
- 1,250,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 29 January 2013;
- 250,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 29 January 2014;
- 6,500,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 30 cents per share and expire on 22 December 2013;
- 6,500,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 40 cents per share and expire on 22 December 2013;
- 500,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 14 March 2012;
- 500,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 14 March 2013;
- 500,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 14 March 2014;

NOTE 21. ISSUED CAPITAL (CONT.)

- 502,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 20 cents per share and expire on 31 January 2013;
- 502,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 22.5 cents per share and expire on 30 January 2014;
- 502,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 30 January 2015;
- 10,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 25 cents per share and expire on 5 April 2012.
- There were also 7,950,000 performance rights on issue.

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of, and amounts paid up, of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at any meeting of the Company.

NOTE 22. RESERVES

	2011 $	2010 $
Share based payments premium reserve	14,732,860	11,035,267
Foreign currency translation reserve (i)	(20,917,504)	(16,183,483)
	(6,184,644)	(5,148,216)

(i) Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Movements in share based payments premium reserve	2011 $	2010 $
At the beginning of the financial year	**11,035,267**	**10,072,207**
Options Expensed (Issued in 2007/08) (*)	-	41,391
Options Expensed (Issued in 2008/09) (*)	6,614	123,591
Options Expensed (Issued in 2009/10) (*)	1,288,062	798,078
13,000,000 options issued 22 December 2010	748,434	—
7,950,000 performance rights issued 22 December 2010	1,040,633	—
1,000,000 share rights issued 22 December 2010	370,000	—
338,326 share rights issued 20 January 2011	174,192	—
1,506,000 options issued 24 May 2011	69,658	—
At the end of the financial year	**14,732,860**	**11,035,267**

(*) includes net of options expensed and options forfeited during the year.

The share based payments premium reserve is used to accumulate the fair value of shares, options or performance rights issued.

Details of the valuation of options issued during the financial year are disclosed in the table contained in Note 26 Share Based Payments.

NOTE 23. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

	2011 $	2010 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements. Payable – minimum lease payments:		
Not later than 12 months	1,231,849	458,383
Between 12 months and 5 years	1,860,274	—
Greater than 5 years	—	—
	3,092,123	458,383

The Company's premises at Level 35, Exchange Plaza are sub leased from third parties. This lease expires on 31 January 2014.

The office premises lease of Cam Iron S.A. extends for a period of 36 months to 30 October 2013. The Congo Iron SA office premises are leased for a period of 12 months through to 6 November 2011.

Cam Iron S.A. provides residential premises for two employees, while Congo Iron SA provides one. Each of these leases are for 12 months and have the option of being renewed.

NOTE 24. CONTINGENT ASSETS AND LIABILITIES

The group is aware of the following contingencies as at 30 June 2011.

Congo Aircraft Accident

On 19 June 2010 all directors of the Company died in the Congo aircraft accident. The enquiry into the events has not yet concluded and may give rise to further costs, which in turn, may or may not lead to further costs being incurred by the Company.

Absolute Analogue & David Porter v Sundance

The Company has an ongoing dispute with Absolute Analogue & David Porter. Absolute Analogue presented invoices claiming a total of $129,977. An offer of settlement was made in respect of these invoices for a total of $81,545, plus interest. This offer of settlement was not accepted.

An additional claim has been made by Absolute Analogue & David Porter against the Company for the issue of 30 million options (20 million options with an exercise price of $0.10 and 10 million options with an exercise price of $0.20), exercisable at any time before 29 May 2009. In the opinion of the Board, no liability should be accounted for in respect of this claim.

The Company has filed its formal defence in this matter. Mediation was held in June 2010 and was not successful in resolving the litigation. Interlocutory proceedings have occurred during August 2011 and witness statements are being provided by various parties over the second half of 2011. The plaintiffs are expected to enter the matter for trial in December 2011 with a likely hearing date being March 2012.

NOTE 25. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss after income tax

	2011 $	2010 $
Loss after tax	(21,738,100)	(10,754,551)
Non-cash items in loss after tax		
Cost of share based payments	3,697,592	963,061
Loss on sale of plant and equipment	2,915	62,269
Depreciation of plant and equipment	2,348,974	2,508,242
Impairment expense	249,757	638,230
Foreign exchange (gains)/losses	252,840	-
Changes in assets and liabilities		
(Decrease) / increase in trade creditors	(280,421)	1,120,538
(Increase) / decrease decrease in other debtors and prepayments	(976,002)	88,512
Net cash used in operating activities	(16,442,445)	(5,373,699)
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the year is shown in the accounts as:		
Cash and cash equivalents	70,332,853	76,762,275
Cash and cash equivalents at the end of the financial year	70,332,853	76,762,275

NOTE 26. SHARE BASED PAYMENTS

The following share-based payment arrangements were in existence during the current and comparative reporting periods:

Series	Number	Grant Date	Expiry Date	Exercise price $	Fair value at grant date $
(1) Issued 1 December 2005	2,000,000	01/12/05	31/05/10	0.020	0.0180
(2) Issued 8 January 2007	50,000,000	08/01/07	03/01/12	0.200	0.0259
(3) Issued 8 January 2007	30,000,000	08/01/07	04/01/12	0.100	0.0418
(4) Issued 30 January 2007	2,000,000	30/01/07	04/01/12	0.100	0.0397
(5) Issued 12 April 2007	2,000,000	12/04/07	05/01/12	0.150	0.0777
(6) Issued 30 August 2007	1,000,000	30/08/07	08/10/12	0.400	0.2312
(7) Issued 30 August 2007	1,000,000	30/08/07	08/11/12	0.400	0.2410
(8) Issued 15 September 2007	1,000,000	15/09/07	08/11/12	0.500	0.3431
(9) Issued 15 September 2007	1,000,000	15/09/07	08/11/12	0.700	0.3023
(10) Issued 14 January 2008	1,000,000	14/01/08	18/02/13	0.500	0.1180
(11) Issued 14 January 2008	1,000,000	14/01/08	18/02/13	0.700	0.1077
(12) Issued 10 March 2008	1,000,000	10/03/08	10/03/13	0.450	0.0584
(13) Issued 9 April 2009	2,178,334	10/10/08	31/03/13	0.350	0.0290
(14) Issued 9 April 2009	2,178,333	10/10/08	31/03/13	0.350	0.0350
(15) Issued 9 April 2009	2,178,333	10/10/08	31/03/13	0.350	0.0370
(16) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0732
(17) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0765
(18) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0796
(19) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0827
(20) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0856
(21) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0884
(22) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0912
(23) Issued 31 August 2009	250,000	31/08/09	01/06/13	0.350	0.0938
(24) Issued 13 June 2011 (iii)	10,000,000	15/09/09	05/04/12	0.250	0.0750
(25) Issued 10 February 2010	7,035,000	10/02/10	30/01/12	0.200	0.0460
(26) Issued 10 February 2010	1,340,000	10/02/10	30/01/12	0.200	0.0490
(27) Issued 10 February 2010	670,000	10/02/10	28/01/12	0.200	0.0460
(28) Issued 10 February 2010	7,035,000	10/02/10	30/01/13	0.225	0.0600
(29) Issued 10 February 2010	1,340,000	10/02/10	30/01/13	0.225	0.0660
(30) Issued 10 February 2010	670,000	10/02/10	28/01/13	0.225	0.0600
(31) Issued 10 February 2010	1,000,000	10/02/10	28/01/12	0.250	0.0380
(32) Issued 10 February 2010	250,000	10/02/10	30/01/12	0.250	0.0380
(33) Issued 10 February 2010	1,000,000	10/02/10	28/01/13	0.250	0.0570
(34) Issued 10 February 2010	250,000	10/02/10	30/01/13	0.250	0.0570
(35) Issued 10 February 2010	670,000	10/02/10	28/01/14	0.250	0.0700
(36) Issued 10 February 2010	7,285,000	10/02/10	30/01/14	0.250	0.0700
(37) Issued 10 February 2010	1,340,000	10/02/10	30/01/14	0.250	0.0710
(38) Issued 10 February 2010	666,666	10/02/10	31/03/13	0.350	0.0290
(39) Issued 24 May 2011 (iii)	500,000	15/04/10	14/04/12	0.250	0.0310
(40) Issued 24 May 2011 (iii)	500,000	15/04/10	14/04/13	0.250	0.0760

NOTE 26. SHARE BASED PAYMENTS (CONT.)

Series	Number	Grant Date	Expiry Date	Exercise price $	Fair value at grant date $
(41) Issued 24 May 2011 (iii)	500,000	15/04/10	14/04/14	0.250	0.0920
(42) Issued 22 December 2010	6,500,000	24/11/10	22/12/13	0.300	0.2330
(43) Issued 22 December 2010	6,500,000	24/11/10	22/12/13	0.400	0.2100
(44) Issued 22 December 2010 (i)	2,650,000	24/11/10	22/12/13	n/a	0.3700
(45) Issued 22 December 2010 (i)	2,650,000	24/11/10	22/12/13	n/a	0.3700
(46) Issued 22 December 2010 (i)	2,650,000	24/11/10	22/12/13	n/a	0.3700
(47) Issued 22 December 2010 (ii)	1,000,000	24/11/10	n/a	n/a	0.3700
(48) Issued 20 January 2011 (i)	338,236	20/01/11	n/a	n/a	0.5150
(49) Issued 24 May 2011	502,000	24/05/11	31/01/12	0.200	0.1760
(50) Issued 24 May 2011	502,000	24/05/11	30/01/13	0.225	0.1880
(51) Issued 24 May 2011	502,000	24/05/11	30/01/14	0.250	0.2330

(i) These relate to performance rights rather than share options.
(ii) These relate to shares issued to Mr G Jones, as approved by Shareholders.
(iii) These options were issued in the current period but have grant dates in the prior comparative period.

Employee share option plan

The Consolidated Entity has an ownership-based compensation plan for executives and senior employees. Each employee share option converts into one ordinary share of Sundance Resources Limited on exercise. No amounts are paid or payable by the recipient on the receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options vested is calculated in accordance with the performance criteria approved by the Nomination and Remuneration Committee. The performance criteria reward executives and senior management to the extent of the Group's and the individuals achievement judged against achievement of corporate and operation objectives.

The weighted average fair value of the share options granted during the financial year is $0.1549 (2010: $0.0576). The weighted average fair value of the performance rights granted during the financial year is $0.3753 (2010: Nil). Options were priced using a binomial option pricing model. Expected volatility is based on the historical share price volatility of other entities listed on the Australian Stock Exchange with similar profiles to Sundance Resources Limited.

Inputs into the share based payments pricing model:

Series	Grant date share price $	Exercise price $	Expected volatility	Risk free interest rate	Vesting Date
(24) Issued 13 June 2011 (iii)	0.1650	0.250	105.40%	4.62%	15/09/09
(39) Issued 24 May 2011 (iii)	0.1600	0.250	65.00%	5.12%	15/04/11
(40) Issued 24 May 2011 (iii)	0.1600	0.250	95.00%	5.43%	15/04/12
(41) Issued 24 May 2011 (iii)	0.1600	0.250	94.80%	5.63%	15/04/13
(42) Issued 22 December 2010	0.3700	0.300	89.70%	5.46%	22/12/12
(43) Issued 22 December 2010	0.3700	0.400	89.70%	5.46%	22/12/12
(44) Issued 22 December 2010 (i)	0.3700	n/a	90.00%	5.14%	3/11/11
(45) Issued 22 December 2010 (i)	0.3700	n/a	90.00%	5.32%	3/11/12
(46) Issued 22 December 2010 (i)	0.3700	n/a	88.30%	5.46%	3/11/13
(47) Issued 22 December 2010 (ii)	0.3700	n/a	n/a	n/a	24/11/10
(48) Issued 20 January 2011 (i)	0.5150	n/a	n/a	n/a	20/01/11
(49) Issued 24 May 2011	0.3500	0.200	59.20%	5.07%	31/01/12
(50) Issued 24 May 2011	0.3500	0.225	62.30%	5.17%	30/01/13
(51) Issued 24 May 2011	0.3500	0.250	86.10%	5.23%	30/01/14

(i) These relate to performance rights rather than share options.
(ii) These relate to share issues.
(iii) These options were issued in the current period but have grant dates in the prior comparative period.

The following reconciles the outstanding share options at the beginning and end of the financial year

	2011		2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	75, 481,666	$0.22	75,535,000	$0.18
Granted	26,006,000	$0.30	32,551,666	$0.23
Forfeited	(3,465,000)	$0.24	(22,605,000)	$0.20
Exercised	(11,445,000)	$0.14	(10,000,000)	$0.10
Outstanding at year-end	86,577,666	$0.25	75,481,666	$0.22
Exercisable at year-end	60,771,666	$0.22	43,373,333	$0.21

NOTE 26. SHARE BASED PAYMENTS (CONT.)

Exercised during the financial year

There were 11,445,000 options exercised during the year ended 30 June 2011. These options had a weighted average share price of $0.45 at exercise date.

Option series	Number exercised	Exercise date	Share price at exercise date $
2011			
(14) Issued 9 April 2009	400,000	16/12/10	0.47
(14) Issued 9 April 2009	250,000	07/01/11	0.60
(26) Issued 10 February 2010	167,500	11/02/11	0.49
(14) Issued 9 April 2009	250,000	18/02/11	0.51
(4) Issued 8 January 2007	2,200,000	16/03/11	0.43
(26) Issued 10 February 2010	400,000	22/03/11	0.45
(4) Issued 8 January 2007	3,000,000	01/04/11	0.46
(26) Issued 10 February 2010	670,000	01/04/11	0.46
(4) Issued 8 January 2007	3,000,000	15/04/11	0.46
(26) Issued 10 February 2010	167,500	15/04/11	0.46
(26) Issued 10 February 2010	670,000	28/04/11	0.41
(26) Issued 10 February 2010	270,000	17/06/11	0.35
2010			
(4) Issued 8 January 2007	10,000,000	31/08/09	0.18

Balance at end of financial year

The options outstanding at 30 June 2011 had a weighted average exercise price of $0.24 (2010: $0.22) and a weighted average remaining contractual life of 1.01 years (2009: 2.15 years). Exercise prices range from $0.10 to $0.70 in respect of options outstanding at 30 June 2011.

NOTE 27. EVENTS AFTER THE REPORTING PERIOD

On 18 July 2011, Sundance announced that it had received a letter of intention to make a conditional cash offer for 100 per cent of Sundance at a price of A$0.50 per share under a scheme of arrangement from Hanlong Mining. On 4 October 2011, Sundance directors unanimously recommended Hanlong's increased cash offer of $0.57 per share via a scheme of arrangement.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 28. RELATED PARTY TRANSACTIONS

The Company is a single entity and is not controlled by any other entity.

Azure Capital Limited received $25,731 from the Company for services performed by Mr Adam Rankine-Wilson, a director of the Company from 2 July 2010 to 14 October 2010 (2010: NIL).

Blakiston & Crabb received $1,315,211 from the Consolidated Entity for legal services rendered during the period. Michael Blakiston is a Director of the Company and during the period was partner of Blakiston & Crabb. All services provided were carried out on an arms-length basis, under commercial terms.

Prior to Mr Blakiston's appointment to the Board of Sundance, Blakiston & Crabb had been long standing legal advisors to Sundance; having accumulated extensive knowledge of the Company and understanding of the activities in the Republic of Cameroon and Republic of Congo. Upon Mr Blakiston's appointment it was determined that having regard to this experience, expertise and knowledge Blakiston & Crabb should continue to advise Sundance in relation to these matters, although it was agreed that other legal advisors should also be engaged as appropriate.

Subsequent to year end, the partners of Blakiston & Crabb joined Gilbert + Tobin. Mr Blakiston is a partner of Gilbert + Tobin.

Sundance has adopted a policy to specify the circumstances in which it is deemed appropriate for Management to contract the services of a Director-Related Entity. This Policy provides that Sundance is only to enter into a transaction with a Director-Related enity in the following circumstances:

(a) Where any proposed transaction is at arm's length and on normal commercial terms; and

(b) Where it is believed that the Director-Related entity is the best equipped to undertake the work after taking into account:

- Experience;
- Expertise;
- Knowledge of the group; and
- Value for money.

At 30 June 2011, directors and their related entities held directly, indirectly or beneficially 16,062,500 ordinary shares in the Company and 13,000,000 options over ordinary shares in the Company.

At 30 June 2010, directors and their related entities held directly, indirectly or beneficially 28,170,046 ordinary shares in the Company and nil options over ordinary shares in the Company.

NOTE 29. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Group's policy is that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk and liquidity risk. The Board reviews each of these risks on a regular basis.

Credit risk

The Group and the Company's maximum exposures to credit risk, without taking account of the value of any collateral obtained at balance date, in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. Credit risk on unrecognised financial instruments refers to the potential financial loss to the Group or the Company that may result from counter parties failing to meet their contractual obligations. The Group and the Company manage their counterparty credit risk by limiting transactions to only those counterparties of sound credit worthiness and by ensuring a diversified number of counterparties, avoiding undue exposure to any single counterparty. Neither the Group nor the Company faced any significant credit exposures at balance date (other than intercompany balances).

Foreign currency Risk

As a result of significant investment operations in Africa, the Group's balance sheet can be affected significantly by movements in the XAF/A$ exchange rates. The Group also has exposure to movements in US$/A$ exchange rates under two drilling contracts it has in place. Both contracts have termination clauses which allow early release from contractual commitments thereby mitigating the overall exposure under these contracts. The Group does not currently hedge this exposure.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		Assets	
	2011 $	2010 $	2011 $	2010 $
Euro (EUR)	-	-	26,227	865
US Dollars (USD)	4,719	779,435	1,444	2,038
Central African Franc (XAF)	2,966,808	4,985,232	627,206	3,363,972
South African Rand (ZAR)	24,005	11,193	-	-

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate assessed by management as the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates and increase in profit and other equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss and other equity, and the balances below would be negative. Due to the nature of foreign currency denominated assets and liabilities, the figures below will only impact the loss, there would be no effect on other equity.

AUD Movement	EUR Impact		USD Impact		XAF Impact		ZAR Impact	
	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $
10% Increase	2,623	86	(328)	(77,740)	(233,960)	(162,126)	2,401	1,119
10% Decrease	(2,623)	(86)	328	77,740	233,960	162,126	(2,401)	(1,119)

Capital risk

The Group and Company manage their capital to ensure the Group and the Company will be able to continue as a going concern while maximising the development outcomes from its exploration expenditure. The Group's and the Company's overall strategy remains unchanged from 2009.

The capital structure of the Group and the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves, carried forward losses and non-controlling interests. The Group and the Company are debt free.

The Group has exploration expenditure commitments under the exploration permits it has in place and the Board regularly reviews commitments as part of the overall exploration program.

Interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Group and the Company are exposed to interest rate risk as entities in the Group deposit funds at both short-term fixed and floating rates of interest. Neither the Group nor the Company have any interest bearing liabilities. The Group and the Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity

A change in interest rates would not have a material impact on the carrying value of the Group or the Company's financial instruments as at the current or prior year end given that cash reserves were held predominantly in fixed interest rate instruments as at balance date.

Liquidity risk

The Consolidated Entity manages liquidity risk by maintaining adequate reserves through the monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Ultimate responsibility for liquidity risk management rests with the board of directors, who oversee a liquidity risk management framework for the management of the Group and the Company's funding and liquidity management requirements. The Group and the Company manage liquidity risk by regularly monitoring forecast and actual cash flows and ensuring there are appropriate plans in place to finance these future cash flows.

NOTE 29. FINANCIAL INSTRUMENTS (CONT.)

Liquidity and interest rate risk tables

The tables below have been drawn up based on the undiscounted cash flows (including both interest and principal cash flows expected) using contractual maturities of financial assets and the earliest date on which the Group and the Company can be required to pay financial liabilities. Amounts for financial assets include interest earned on those assets except where it is anticipated the cash flow will occur in a different period.

	Weighted average effective interest rate	Less than 1 month	1 to 3 months	Total
	%	$	$	$
2011				
Financial assets				
Variable interest rate instruments	3.75%	2,287,625	-	2,287,625
Fixed interest rate instruments	5.61%	33,445,228	34,600,000	68,045,228
		35,732,853	34,600,000	70,332,853
Financial liabilities				
Trade Payables	-	5,190,714	-	5,190,714
2010				
Financial assets				
Variable interest rate instruments	3.25%	2,779,269		2,779,269
Fixed interest rate instruments	4.99%	44,198,379	29,784,627	73,983,006
		46,977,648	29,784,627	76,762,275
Financial liabilities				
Trade Payables	-	7,657,285	-	7,657,285

Fair values

The aggregate fair values of the Consolidated Entity's financial assets and financial liabilities both recognised and unrecognised are as follows:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
Consolidated				
Cash and cash equivalents	70,332,853	70,332,853	76,762,275	76,762,275
Receivables	3,022,137	3,022,137	2,710,130	2,710,130
Payables	5,190,714	5,190,714	7,657,285	7,657,285

The following methods and assumptions are used to determine the fair value of financial assets and liabilities:

Cash assets and financial assets are carried at amounts approximating fair value because of their short term to maturity. Receivables and payables are carried at amounts approximating fair value.

The fair values of other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value. For other assets and other liabilities the fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Consolidated Entity intends to hold these assets.

NOTE 30. EXPENDITURE COMMITMENTS

Exploration Permits

The Cameroon Ministry of Mines required total minimum exploration expenditure under Exploration Permit No.92 of XAF12,000,000,000 (approximately AUD$30 million) over the three year period which commenced on 29 September 2005. This minimum exploration expenditure requirement was met during the permit period. The Cameroon Ministry of Mines granted a 2 year permit extension from 29 September 2008, requiring a total minimum exploration expenditure of XAF4,000,000,000 (approximately AUD$10 million) which was met prior to the conclusion of the 2 year term. The Cameroon Ministry of Mines has now granted a further 2 year permit extension, which commenced on 29 September 2010 which requires a total minimum expenditure of XAF6,900,000,000 (approximately AUD$13.5 million). It is expected that Cam Iron SA, a member of the Consolidated Entity, will exceed this minimum expenditurerequirement within the permit period. The expenditure requirements of Exploration Permit No.92 are denoted in Central African CFA franc (XAF).

The Republic of Congo Ministry of Mines requires commitment to a program of work under Decree No 2007-362 (Nabeba – Bamegod) and Decree No 2007-363 (Ibanga) over the 3 year term of Mineral Research Permits Nabeba – Bamegod and Ibanga, which commenced on 2 August 2007. An application was lodged with the Congo Ministry of Mines in June 2010 for a 2 year permit extension. Congo Iron SA, a member of the Consolidated Entity, received confirmation of the permit extension as a result of a meeting of the council of ministers held on 23 February 2011. On 5 April 2011 Decree No 2011-280 for the Nabeba – Bamegod permit and Decree No 2011-281 for the Ibanga permit were issued. These outline a total minimum exploration expenditure requirement of XAF 5,800,000,000 (approximately AUD$11.5 million) which the Consolidated Entity expects to exceed within the permit period.

Cam Iron SA and Congo Iron SA as appropriate are not legally bound to meet the minimum expenditure commitments detailed in Exploration Permits. Failure to meet the required level of minimum expenditure could potentially result in revocation of the said permit.

NOTE 31. PARENT ENTITY FINANCIAL INFORMATION

	30 June 2011 $	30 June 2010 $
Financial Position		
Current assets	71,506,319	76,679,068
Non-current assets	209,180,386	149,904,811
Total assets	280,686,705	226,583,879
Current liabilities	1,939,666	2,321,815
Non-current liabilities	-	-
Total liabilities	1,939,666	2,321,815
Net assets	278,747,039	224,262,064
Shareholders' equity		
Contributed equity	349,048,100	290,568,003
Share based payments premium reserve	14,732,860	10,917,471
Retained earnings	(85,033,921)	(77,223,410)
Total equity	278,747,039	224,262,064
Financial Performance		
Loss for the year	(7,810,511)	(1,854,790)
Total comprehensive income	(7,810,511)	(1,854,790)

Contingent Liabilities

Congo Aircraft Accident

On 19 June 2010 all directors of the Company died in the Congo aircraft accident. The enquiry into the events has not yet concluded and may give rise to further costs, which in turn, may or may not lead to further costs being incurred by the Company.

Absolute Analogue & David Porter v Sundance

The Company has an ongoing dispute with Absolute Analogue & David Porter. Absolute Analogue presented invoices claiming a total of $129,977. An offer of settlement was made in respect of these invoices for a total of $81,545, plus interest. This offer of settlement was not accepted.

An additional claim has been made by Absolute Analogue & David Porter against the Company for the issue of 30 million options (20 million options with an exercise price of $0.10 and 10 million options with an exercise price of $0.20), exercisable at any time before 29 May 2009. In the opinion of the Board, no liability should be accounted for in respect of this claim.

The Company has filed its formal defence in this matter. Mediation was held in June 2010 and was not successful in resolving the litigation. Interlocutory proceedings have occurred during August 2011 and witness statements are being provided by various parties over the second half of 2011. The plaintiff's are expected to enter the matter for trial in December 2011 with a likely hearing date being March 2012.

There have been no other significant changes in contingent liabilities since the last annual reporting date.

Deloitte.

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Independent Auditor's Report to the Members of Sundance Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Sundance Resources Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 73 to 119.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sundance Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Sundance Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 48 to 62 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Sundance Resources Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 29 September 2011

ADDITIONAL INFORMATION
AS AT 30 SEPTEMBER 2011

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary share capital

2,896,314,669 fully paid ordinary shares are held by 23,916 individual shareholders.
No ordinary shares have been partly paid.

All issued ordinary shares carry one vote per share.

Options

57,510,166 options are held by 21 individual option holders.

Options do not carry a right to vote

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

	Fully Paid Ordinary Shares $	Options $
1 – 1,000	1,296	-
1,001 – 5,000	5,554	-
5,001 – 10,000	4,372	-
10,001 – 100,000	10,338	-
100,001 and over	2,356	21
	23,916	21
Holding less than a marketable parcel	1,481	-

ADDITIONAL INFORMATION
AS AT 30 SEPTEMBER 2011

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

As at 30 September 2011	Number of Shares	Percentage of Total
Hanlong (Africa) Mining Investment Limited	433,791,352	14.98
JP Morgan Nominees Australia Limited <cash income A/C>	261,102,804	9.02
JP Morgan Nominees Australia Limited	248,460,118	8.58
National Nominees Limited	225,036,670	7.77
HSBC Custody Nominees (Australia) Limited	123,448,244	4.26
Citicorp Nominees Pty Limited	75,105,740	2.59
Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	59,515,439	2.05
HSBC Custody Nominees (Australia) Limited - A/C 3	21,296,258	0.74
UBS Nominees Pty Ltd	16,807,463	0.58
Connemara Investments Pty Ltd <The Jones Family A/C>	15,062,500	0.52
Warbont Nominees Pty Ltd <Settlement Entrepot A/C>	12,622,790	0.44
AMP Life Limited	10,468,732	0.36
Bond Street Custodians Limited <Officium Emerging Res A/C>	9,875,095	0.34
Credit Suisse Securities (Europe) Ltd <Collateral A/C>	9,170,000	0.32
Share Direct Nominees Pty Ltd <10026 A/C>	9,046,808	0.31
ACP Investments Pty Ltd <The ACP Investment A/C>	9,000,000	0.31
Grandor Pty Ltd <Mark Scott Family P/F A/C>	8,788,916	0.30
Queensland Investment Corporation	8,473,525	0.29
Miss Yu Chuan Chen	8,200,000	0.28
Mr Jose Manuel Do Rego Medeiros	7,400,000	0.26
	1,572,672,454	54.30%

SUBSTANTIAL SHAREHOLDERS

Ordinary Shareholders	Fully Paid Ordinary Shares Number
Sichuan Hanlong Group Co., Limited	514,957,708
Deutsche Bank AG and its related bodies corporate	204,770,158
	601,871,109

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Sundance Resources Ltd