ANNUAL REPORT 2009

SUNDANCE RESOURCES

CONTENTS

CORPORATE DIRECTORY

Directors
Geoff Wedlock (Chairman from 1 September 2009)
George Jones (Chairman until 31 August 2009)
Don Lewis (Managing Director)
Ken Talbot
Craig Oliver

Company Secretary
John Carr-Gregg

ABN
19 055 719 394

Registered Office/Head Office
Level 17, 140 St George's Terrace,
Perth WA 6000, Australia
Telephone: +61 (8) 9220 2300
Facsimile: +61 (8) 9220 2311
www.sundanceresources.com.au

Auditors
Deloitte Touche Tohmatsu,
Level 14, Woodside Plaza,
240 St George's Terrace,
Perth WA 6000, Australia
Telephone: +61 (8) 9365 7000

Share Registry
Computershare Investor Services
Pty Limited
Level 2, Reserve Bank Building
45 St. George's Terrace
Perth Western Australia 6000
Telephone: +61 1300 557 010

Cover photograph shows costean on the Mbarga Deposit exhibiting near-surface High Grade hematite exposure.

Mbalam Iron Ore Project, West Africa

- World-scale Indicated and Inferred Mineral Resource Inventory of 2.5 billion tonnes over the Mbarga, Mbarga South and Metzimevin Deposits, comprising:
  - 215 million tonnes of High Grade hematite grading 60.2% Fe; and
  - 2,325 million tonnes of Itabirite hematite grading 38.0% Fe.
- Exploration portfolio significantly expanded through acquisition of 85% direct interest in Congo Iron SA, including the prospective Nabeba Deposit.
- Project Exploration Target* for High Grade hematite targeted to support production of 35Mtpa of Direct Shipping Ore (DSO) quality product for the first 10 years of operations.
- Beneficiation of Itabirite hematite expected to underpin 25 year mine life based on production of Blast Furnace and Direct Reduction grade pellet feed concentrates.
- Framework Agreement signed with the Government of Cameroon setting out in-principle terms for Project development.
- Sundance subsidiary, CamIron SA, selected as preferred developer of the iron ore export terminal as part of the Kribi multi-user port proposed by the Cameroon Government.
- Upgrade of the iron ore terminal to "Chinamax" capacity proposed to deliver key competitive shipping advantage.
- Discussions underway with prospective strategic partners and investors to underpin Project development.

Corporate

- Experienced Australian iron ore executive Geoff Wedlock appointed as Chairman, effective 1 September 2009.
- Representative office opened in Brazzaville, the capital of the Republic of Congo.
- $15.8 million capital raising completed in April 2009, including $10.8 million raised from Share Purchase Plan.

See note re. Exploration Target on page 7

"Mbalam is an iron ore asset of considerable strategic value. We are well placed to progress project development during 2010 against a backdrop of improving global economic conditions..."

Geoff Wedlock, Chairman

DEAR SHAREHOLDERS

2009 will long be remembered as one of the most tumultuous periods in economic history as the impact from the Global Financial Crisis was felt throughout the world.

As you will be well aware, Sundance was not spared from the fall-out of this crisis and the Board took immediate and appropriate actions during the year to respond to this rapidly changing financial environment.

Having defined a world-scale JORC-Code compliant resource at our Mbalam Iron Ore Project, we elected to complete the first phase of our drilling activities at the end of 2008 whilst maintaining a limited exploration program focused on identifying key targets for increasing our resource inventory. I am pleased to report that, in light of stabilising economic conditions and strengthening commodities markets, the Board has resolved to re-commence drilling and we are currently mobilising a new diamond drill rig to site to progress exploration at a number of exciting new prospects.

Sundance continued work on key elements of the Project Feasibility Study through the reporting year despite the uncertain financial conditions. This work focused on resource definition with successful conversion of a significant part of our Inferred Resources to Indicated category in May 2009. We have since made substantive progress on mine pit optimisation modelling with definition of indicative ore reserves from the Mbarga Deposit consistent with the announced Indicated Resource. Design development, site investigations, financial analysis and extensive community consultation has also continued through the reporting period in respect of mine, transport and port infrastructure.

I am pleased to advise shareholders that the Project Feasibility Study is scheduled to be submitted to the Cameroon Government in September 2009. This will represent an important milestone and will trigger final negotiations with the Cameroon Government on fiscal and development terms for the Project. These terms are expected to follow those defined in the Framework Agreement signed in December 2008 between CamIron SA and the Prime Minister of Cameroon.

In parallel with this work, Sundance has also continued to engage with a range of international parties with a view to concluding suitable partnerships to underpin financing of the Project. Site inspections have been completed by a number of groups during the year and I am confident of concluding suitable partnerships to pave the way forward for development of the Project.

As a result of these actions, Sundance enters the new financial year well placed to develop a world-scale iron ore business based on the Mbalam Project. This now encompasses our original exploration assets in Cameroon as well as those acquired in the neighbouring Republic of Congo. This acquisition offers significant upside for the Company due to the potential for definition of additional High Grade resources which could facilitate development of regional iron ore opportunities spanning Cameroon, Congo and Gabon based on an integrated transport and export infrastructure network. This could offer the benefit of economies of scale.

Our positive outlook for the Project has been reinforced in recent months by evidence of recovery in key markets – particularly China – and more optimistic predictions for a return to global economic growth next year.

I have strong belief in the increasingly important role that Asia will play in the global economy and I am confident that China will continue to grow strongly for many decades to come, underpinning long-term demand for commodities worldwide.

Sundance's Year in Review

Sundance achieved a number of important milestones over the past year in the development of the Mbalam Project as the foundation for a long-life international iron ore business.

Since commencing exploration in 2007, we have completed more than 80,000 metres of drilling over the Mbarga, Mbarga South and Metzimevin Deposits. This has delivered a very significant resource inventory, which now comprises a combined total of 2.5 billion tonnes of High Grade and Itabirite hematite. This can support 35Mtpa production for over 20 years, initially based on start-up DSO-quality production,

transitioning to high quality pellet feed concentrate production from Itabirite ore for the balance of the mine life.

In April 2009, the Company increased its Project Exploration Target* for High Grade hematite to 315 - 465 million tonnes at 55% to 65% Fe. This target is based on currently defined resources on Exploration Permit 92 in Cameroon plus the Exploration Target* defined for the Nabeba Deposit in Congo.

Definition of additional High Grade resources within the Company's exploration landholdings has the potential to significantly enhance shareholder value.

In December 2008, our Cameroon operating subsidiary, CamIron SA, signed a Framework Agreement with the Government of Cameroon which set out in-principle fiscal terms for Project development. This will form the basis of the Mbalam Convention, which is expected to be ratified by the Parliament of Cameroon.

The signing of the Framework Agreement represents an important milestone for Cameroon, Sundance and our shareholders and I would like to take this opportunity to acknowledge the strong and proactive support of the Government of Cameroon for the Mbalam Project.

Important steps were also taken during the year towards the development of a dedicated iron ore export terminal as part of a proposed multi-user port development at Kribi. CamIron SA was selected by the Cameroon Government in January 2009 to develop this terminal in collaboration with the Government. The new multi-user port is expected to become a major shipping hub servicing other emerging industries in the region.

Cameroon also offers exciting opportunities for downstream processing and value-added industries which could emerge as a result of the development of the Mbalam Project. In this regard, we have identified potential for development of a pellet plant near the proposed port site south of Kribi based on locally available natural gas reserves.

This letter would be far from complete without acknowledging, on behalf of the Board, management and staff of Sundance and our subsidiary companies, CamIron SA and Congo Iron SA, the contribution made by my predecessor, George Jones, to the strategic development of the Company and the Mbalam Project.

George is widely known and respected in the iron ore industry and he has left a lasting imprint on Sundance in helping to set the strategy which we expect will lead to the development of an international iron ore business. I would like to extend our sincerest thanks to George and wish him and his family all the best for the future.

I would also like to thank my fellow directors, especially our Managing Director Don Lewis, and our management and teams in Australia, Cameroon and Congo for their tireless efforts over the past year. Their hard work and dedication has positioned Sundance for a bright future. Last, but not least, thank you to all shareholders for your patience and support during what has been a tumultuous year.

The Mbalam Project is an iron ore asset of considerable strategic value which is attracting interest from around the world. We are well placed to progress project development during 2010 against a backdrop of improving global economic conditions. I look forward to leading the Company forward as we embrace these opportunities and continue to focus on building shareholder value.

Geoff Wedlock
Chairman

** See note re. Exploration Target on page 7*

"The Mbalam Project can act as a catalyst for development of regional iron ore projects in Cameroon, Congo and Gabon, driven by growing demand for high quality iron ore from the world's emerging economies."

Don Lewis, Managing Director & CEO

Sundance Resources Limited ("Sundance", or the Company) is an Australian resources company focused on developing the Mbalam Iron Ore Project ("the Project") based on significant iron ore deposits held by the Company in the Republic of Cameroon and the neighbouring Republic of Congo in West Africa.

Operational Highlights

Sundance has remained focused on its key strategic objectives over the past year and our achievements speak for themselves in what has been a challenging period. In summary:

- The first phase of Resource Definition drilling was completed with definition of total combined JORC-Code compliant Indicated and Inferred Mineral Resources of 2.5 billion tonnes of High Grade and Itabirite hematite over the Mbarga, Mbarga South and Metzimevin Deposits.
- The Nabeba Deposit located in the neighbouring Republic of Congo emerged as a potentially significant High Grade hematite deposit.
- Drilling activities will recommence in late 2009 with the aim of increasing High Grade resources to support DSO-quality production for up to the first 10 years of Project operations.
- The Project Feasibility Study has been updated with submission to the Cameroon Government scheduled for September 2009.
- Mine planning has been advanced for a 35Mtpa operation initially producing DSO-quality product from a blend of ore feed from the Mbarga, Mbarga South and Metzimevin Deposits, subsequently transitioning to Itabirite concentrate production.
- Infrastructure planning has progressed for the preferred transport corridor from mine to port with development of the marine works scope for the proposed Iron Ore Export Facility at Lolabé to accommodate Chinamax capacity shipping.
- Environmental baseline studies and intensive stakeholder consultation were completed with the Environmental and Social Assessment (ESA), together with associated management plans, to be submitted to Government in September 2009.

The Company has clearly made substantial progress over the past 12 months and I would like to take this opportunity to thank all the members of our team in Australia, Cameroon and Congo for their efforts during the year.

We have put in place a world-scale mineral resource inventory and demonstrated the potential for significant growth in our resource base as exploration continues over our large landholding.

The Company has refined the key parameters of the Project based on high-margin DSO-quality production from start-up before transitioning to long term production of premium quality pellet feed concentrates sourced from Itabirite feed ore.

Sundance has 'weathered the economic storm', whilst continuing to advance the Mbalam Project and successfully raising funds to support its ongoing work program whilst engaging with potential strategic partners.

This review details the Company's achievements in 2009, however, it is also important to acknowledge the impact that the changed world economic conditions have had over the past year and to understand how this is likely to affect projects such as Mbalam over coming years.

The financial crisis has impacted on global commodities markets with benchmark Free-on-Board (FOB) contract prices for iron ore falling by between 33% (for DSO Fines) and 44% (for DSO Lump).

Despite this sharp fall in prices, the global market for iron ore has remained robust and there is evidence of strengthening demand, with spot prices recovering from mid 2009 in response to strong imports from China. This recovery is forecast to extend to other economies through 2010 as stimulus packages implemented around the world begin to take effect.

Notwithstanding this anticipated recovery, the financial crisis has demonstrated that major new iron ore projects such as Mbalam must be robust throughout the economic cycle and will depend, in large part, on demand and pricing strength driven by the world's emerging economies. In this sense, Chinese off-take will become increasingly important for the development of world-scale iron ore projects – all of which have significant infrastructure requirements.

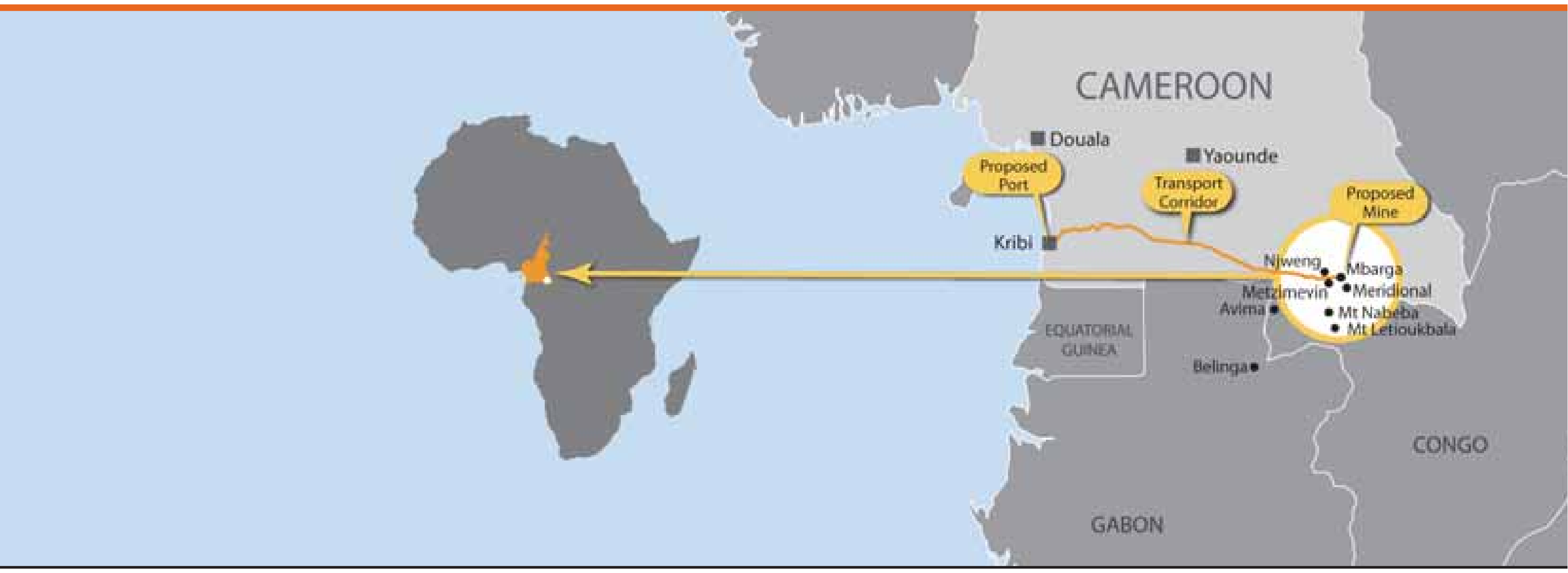


FIGURE 1 – LOCATION OF THE MBALAM IRON ORE PROJECT

In concert, major iron ore customers will increasingly depend upon production from emerging producers to ensure that alternatives are available to traditional major suppliers from Brazil and Australia.

Sundance believes that the Mbalam Project can act as a catalyst for development of regional iron ore projects in Cameroon, Congo and Gabon, driven by growing demand for high quality iron ore from the world's emerging economies, particularly China. This increasing focus on product quality is a reflection of rising energy costs and environmental factors faced by major steel producers and will benefit sales of high quality iron ore from independent producers.

Moving forward, the Company's focus will be to secure product sales and project financing in collaboration with key strategic partners as we continue our regional exploration programs and complete final feasibility studies. We will continue to work collaboratively with the Cameroon and Congo Governments to secure the development terms and approvals necessary to conclude project financing and deliver a world competitive project that will also enhance the prosperity and standard of living of people across this region.

Sundance is focused on delivering these core objectives with the appropriate allocation of its capital. I believe that our achievements this year have advanced the Company tremendously but I also recognise that the market has yet to appreciate the potential of our business.

I am confident that the quality of our assets, management and execution strategy will be reflected in growing shareholder value in 2010. Our team is focused on this outcome and we look forward to the coming year with enthusiasm.

Mbalam Iron Ore Project

The Mbalam Project is based around iron ore deposits located ~485km east of the coastal city of Kribi in southwest Cameroon (refer Figure 1). These deposits were first investigated in work funded by the United Nations Development Programme between 1976 and 1984.

The major focus for 2009 was the completion of the first phase of resource definition drilling at Mbalam. The Company successfully completed this program in December 2008. This work confirmed that Mbarga is one of the world's largest undeveloped iron ore deposits.

A highlight for the year was the emergence of the Nabeba Deposit, located on Mineral Research Permit 2007-362 in the neighbouring Republic of Congo, as a potentially significant High Grade hematite deposit. If the Exploration Target* defined for Nabeba is achieved, this deposit has the potential to be comparable to Mbarga in terms of tonnage of High Grade hematite.

The Company aims to develop the Project on the basis of staged mining of High Grade hematite and Itabirite hematite, delivering up to 35Mtpa of high quality iron ore products. This will commence by grade-blending of High Grade ore sourced from the deposits in Cameroon and potential deposits in Congo. The forecast high margin DSO-quality product from this operation is key to financing of Project infrastructure. As High Grade resources are depleted, the mining operation will transition into long term production of high-quality (+65% Fe) pellet feed concentrate from beneficiation of the Mbarga Itabirite.

The Company's focus for 2010 is to continue exploration to increase resources of High Grade hematite, secure approval of the Project Feasibility Study and Environmental and Social Assessment, finalise development terms with the Cameroon Government and secure, with strategic partners, Project financing.

** See note re. Exploration Target on page 7*

Resource Definition

The exploration portfolio controlled by Sundance comprises Exploration Permit 92 (EP92) and Exploration Permit 143 (EP143) in Cameroon and Mineral Research Permits 2007-362 (MRP362) and 2007-363 (MRP363) in the Congo. These four permits cover a total landholding of 3,750 km^2.

EP92 and EP143 are held by CamIron SA, a private company incorporated in Cameroon in which Sundance holds a 90% interest. MRP362 and MRP363 are held by Congo Iron SA, a private company incorporated in Congo in which Sundance holds an 85% interest.

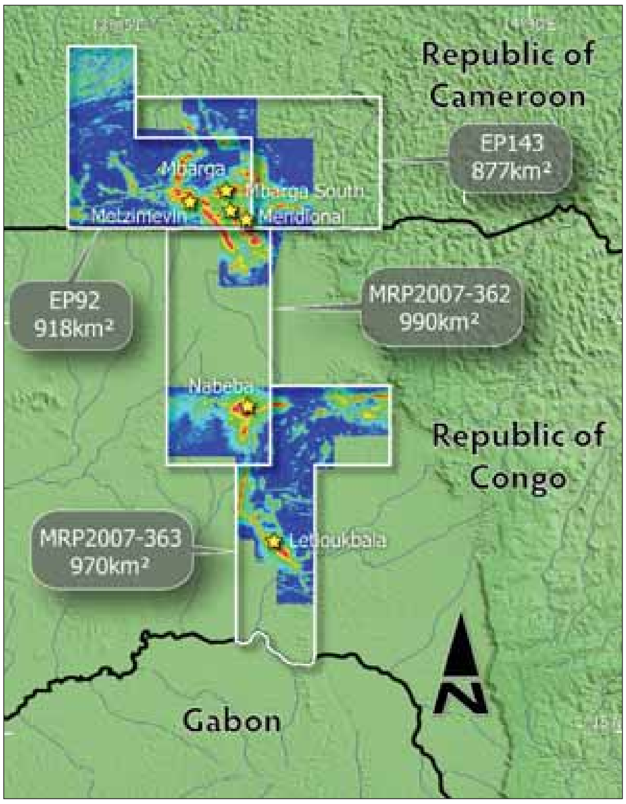


FIGURE 2 – EXPLORATION PERMITS AND KEY DEPOSITS CONTROLLED BY SUNDANCE (ALSO SHOWING RESULTS FROM AEROMAGNETIC SURVEY RESULTS)

The first phase of Resource definition drilling was completed during the reporting period with a total of 381 drill holes on EP92 through to December 2008 for a total of 80,595 metres drilled.

Significant upgrades to the Mineral Resource Inventory of the Mbalam Project were announced in May 2009. This followed the processing of geological, assays, downhole surveys and geophysical data collected from all drilling completed at Mbalam, re-survey of drill hole collars, evaluation of assay QA/QC data and a re-evaluation of density data from the drilling program. High conversion of resource from Inferred to Indicated category was testament to the quality of the resource definition program and the extent of drilling completed over the Mbarga Deposit on EP92.

High Grade Hematite Resources

Key Strategic Objective: Definition of a minimum 300 million tonnes of High Grade hematite

The JORC-Code compliant High Grade hematite resource defined to date at the Mbarga, Mbarga South and Metzimevin Deposits on EP92 totals 215 million tonnes at 60.2% Fe (refer Table 1). This resource consists of:

- Indicated Resource of 168.7 million tonnes grading 60.5% Fe (at the Mbarga Deposit only); and
- Inferred Resource of 46.5 million tonnes at 59.4% Fe (at Mbarga, Mbarga South and Metzimevin Deposits).

The Company's resource development strategy has been to maintain an average 60% Fe grade with acceptable contaminant content in preference to maximising resource tonnage.

The Indicated Resource of High Grade hematite at the Mbarga Deposit represents a 94% conversion from Inferred to Indicated category. All resources at the Mbarga South and Metzimevin Deposits, together with approximately 10 million tonnes of resource at the Mbarga Deposit, remain classified as Inferred due to the density of drilling completed to date.

The defined resources of High Grade hematite is sufficient to provide High Grade ore feed for the first five years production of DSO-quality product from the Mbalam Project based on grade blending of ore feed to optimise the product specification. Ongoing exploration aims to increase the tonnage of High Grade resources to support DSO-quality production for up to the first 10 years operation.

FIGURE 3 – DRILL CORE FROM THE MBARGA DEPOSIT

TABLE 1 – SUMMARY OF INDICATED AND INFERRED RESOURCES OF HIGH GRADE HEMATITE

Deposit	Resource Category	Tonnage (MT)	Grade				
			Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga	Indicated	168.7	60.5	9.5	2.1	0.08	**1.4**
Mbarga	Inferred	10.4	57.5	13.0	2.7	0.06	**1.6**
Mbarga South	Inferred	21.8	58.8	9.4	3.0	0.06	**2.9**
Metzimevin	Inferred	14.3	61.8	10.3	3.6	0.09	**1.8**
Total - Indicated and Inferred Resource		**215.2**	**60.2**	**9.8**	**2.3**	**0.08**	**1.6**

Exploration Target for High Grade Hematite*

Sundance continued regional exploration activities during the year over its landholdings in Cameroon and Congo. This work focused on the Company's key strategic objective of defining a minimum of 300 million tonnes of JORC-Code compliant High Grade resources.

Airborne geophysical surveys were undertaken over selected areas of the Company's exploration portfolio by New Resolution Geophysics of South Africa (refer Figure 2). This work confirmed that areas of high magnetic response extend through EP92 into the northern parts of the adjacent MRP362 in the Republic of Congo. The results also confirmed a significant magnetic response over the Nabeba Deposit on MRP362, as identified in previous exploration undertaken by Bureau de Recherches Géologiques et Minières (BRGM) in 1986, and a 15km linear magnetic anomaly in the Mt Letioukbala locality on MRP363.

Field sampling was undertaken over prospects on EP92 and EP143 as well as at the Nabeba Deposit. No access has yet been established to the Letioukbala prospect on MRP363.

On the basis of this regional exploration program, the overall Project Exploration Target* for High Grade hematite was upgraded during the year to 315 to 465 million tonnes at 55% to 65% Fe. This target is made up of the Indicated and Inferred Resources reported in Table 1 plus the Exploration Target announced for the Nabeba Deposit in April 2009 (refer Table 2).

TABLE 2 – REPORTED RESOURCES AND EXPLORATION TARGETS* FOR HIGH GRADE HEMATITE

Deposit	Category	Tonnage (Million Tonnes)	Grade (Fe %)
Mbarga / Mbarga South / Metzimevin Deposits	Indicated and Inferred Resources	215 Mt	60%
Nabeba Deposit	Exploration Target*	100 – 250 Mt	55% – 65%
TOTAL PROJECT EXPLORATION TARGET*		**315 – 465 Mt**	**55% - 65%**

** While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets in excess of Inferred or Indicated Mineral Resources is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource in excess of that estimated for the Mbarga, Mbarga South or Metzimevin Deposits and it is uncertain if further exploration will result in determination of a Mineral Resource for the Nabeba Deposit or other prospects on the Company's landholdings.*

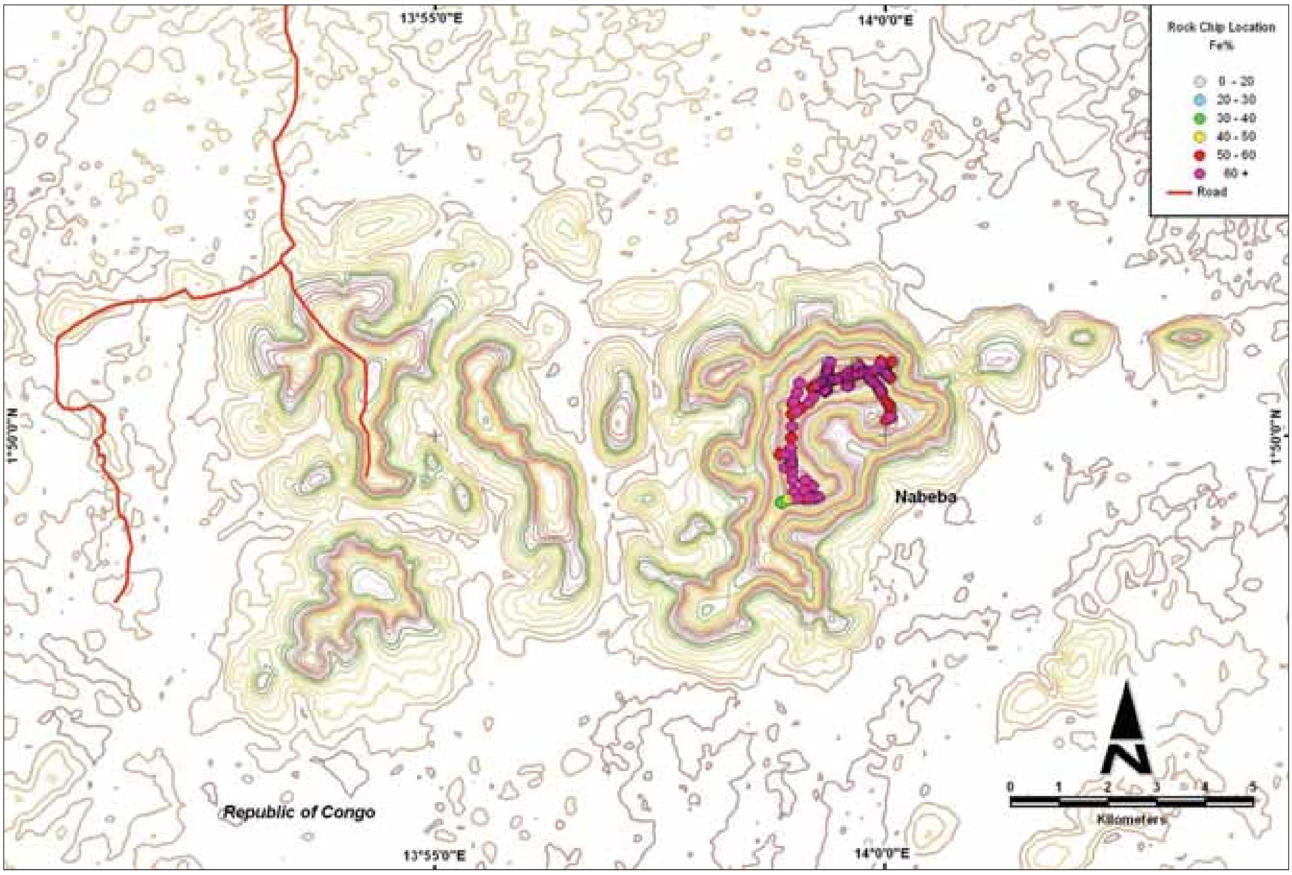


FIGURE 3 – SURFACE SAMPLE RESULTS REPORTED OVER THE NABEBA DEPOSIT

BRGM completed four diamond core holes at Nabeba to depths ranging from approximately 54m to 100m but their results have not yet been independently drill tested by the Company.

Surface sampling at the Nabeba Deposit during the year did, however, return 94 samples with field Niton-XRF grades greater than 58% Fe (averaging 64.5%), out of a total of 124 surface samples collected over a 5 km2 area of the deposit (refer Figure 3).

The Project Exploration Target* does not include any potential for identification of additional High Grade hematite resources from any other prospects within the landholding controlled by Sundance in Cameroon and Congo.

This is considered to be a conservative assumption given encouraging High Grade surface samples collected from outcrop at various prospects to the south of the Mbarga Deposit including the Meridional Deposit.

Project drilling activities will re-commence later in 2009 with an initial focus on the Nabeba Deposit. This deposit will be accessible from Sundance's existing exploration base at Mbalam and offers potential for the definition of additional resources close to the Company's planned mine and production infrastructure in Cameroon.

** See note re. Exploration Target on page 7*

Sundance has purchased a new diamond drill rig for this program and the drilling work will be undertaken by the Company. Work is in progress to secure the necessary approvals to construct access to the Nabeba Deposit.

The Company will also continue to undertake exploration research, mapping and sampling programmes over other areas in the Cameroon-Congo iron ore province considered prospective for either High Grade hematite or enriched Itabirite. The aim of this work is to secure additional resources and/or increase the utilisation of Project transport/port infrastructure.

Itabirite Hematite Resource

Key Strategic Objective: Definition of a minimum 2,000 million tonnes of Itabirite hematite

The JORC-Code compliant Itabirite hematite resource defined at the Mbarga Deposit totals 2,325 million tonnes at an average grade of 38.0% Fe (refer Table 3). This resource consists of:

- Indicated Resource of 1,431 million tonnes at 38.0% Fe, and
- Inferred Resource of 894 million tonnes at 38.0% Fe.

TABLE 3 – SUMMARY OF INDICATED AND INFERRED RESOURCES OF ITABIRITE HEMATITE

Deposit	Resource Category	Tonnage (MT)	Grade Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga	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 - Indicated and Inferred Resource		**2,325**	**38.0**	**44.4**	**0.48**	**0.04**	**0.36**

The Indicated Resource of Itabirite hematite at the Mbarga Deposit, representing 62% conversion from Inferred to Indicated category, is situated primarily in the upper portion of the deposit where the current drill spacing is sufficient for upgrading of the resource category (refer Figure 4). The Company is confident that a high proportion of the deeper Inferred Resource will be upgraded to Indicated category once sufficient drilling is completed within the deeper parts of the deposit.

The Indicated Resource of Itabirite hematite at Mbarga already provides sufficient beneficiation ore feed for proposed production of high quality Direct Reduction grade and Blast Furnace grade pellet feed concentrates for the first 20 years of Project operations (after initial production of DSO-quality product). As a result, at the time of writing this report, no further exploration is planned to increase the Itabirite resource tonnage.

Feasibility Study

Key Strategic Objective: Completion of Project Feasibility Study based on production of 35Mtpa iron ore

Work continued during the year on updated the Project Feasibility Study for submission to the Cameroon Government. This is scheduled to be presented in September 2009.

The Feasibility Study draws on the extensive resource and development work carried out in 2008/09. This includes:

- Development of the Mbarga mine pit model;
- Metallurgical testwork on High Grade and Itabirite hematite from the Mbarga deposit;
- Updated rail route optimisation modelling based on latest topographic data;
- Development of the port design to accommodate "Chinamax" capacity bulk carriers;
- Updating of engineering and costings to reflect the latest resource tonnages;
- Engagement with potential suppliers and engineering and construction contractors in China;
- Ongoing investigation of gas and power supply options;
- Financial modelling based on proposed fiscal and development terms; and
- Completion of baseline studies and stakeholder consultation for the Environmental and Social Assessment (ESA).

Mine Planning

Pit optimisation modelling of the Mbarga Deposit continued as resource definition was refined.

Figure 4 shows a typical cross-section of the Mbarga Deposit and its characteristic High Grade and Itabirite hematite mineralisation. Mine pit development has been designed to take maximum advantage of the near-surface, High Grade resource which can support start-up production of DSO-quality product based on blending of feed ore sourced from the Mbarga, Mbarga South and Metzimevin Deposits (and potentially the Nabeba Deposit in Congo, subject to exploration drilling to commence in late 2009). Development of the underlying Itabirite resource will only proceed upon depletion of the High Grade resource.

The Mbarga pit design includes approximately 136 million tonnes of High Grade hematite ore plus 1.8 billion tonnes of Itabirite hematite. The pit model does not include High Grade resources from the Mbarga South or Metzimevin Deposits. This additional High Grade ore will be blended with the Mbarga High Grade feed.

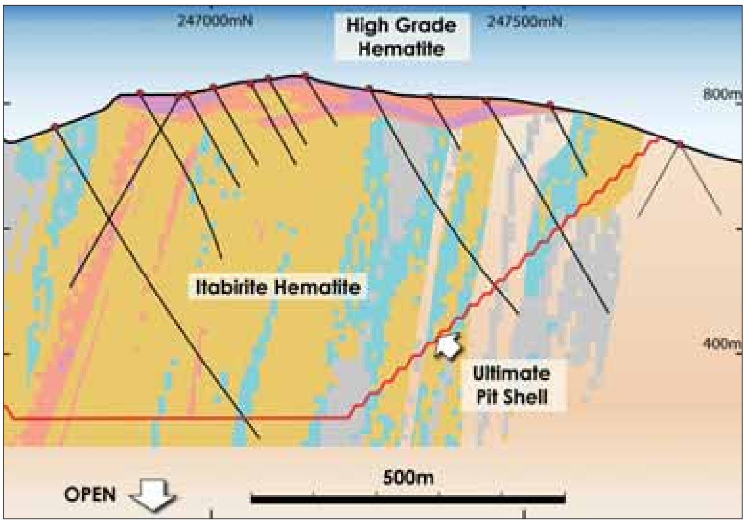


FIGURE 4 – CROSS SECTION OF THE MBARGA DEPOSIT

FIGURE 5 – PROPOSED TRANSPORT CORRIDOR

Process Design for DSO-Quality Hematite Product

The DSO process plant scope is based on processing and handling of High Grade hematite feed to produce up to 35 million tonnes per annum of DSO-quality product.

Testwork to date on High Grade material from the Mbarga Deposit has been carried out on limited core samples (as the majority of drilling has been RC drilling), with results indicating a relatively soft ore with low crushing and screening costs but low lump yield (<20%).

Testwork is currently underway to determine the potential for low-cost upgrading of transition hematite material from Mbarga, and possibly other deposits, to enhance the grade of the transition material to deliver additional DSO-quality product.

Sighter tests on a composite RC sample of transition material has provided encouraging results from sizing and gravity separation processes. Specialist process consultant, GRD Minproc, has been appointed to assist in follow-up sampling and testwork to develop an appropriate flowsheet.

Initial assessment of previously reported assays from drilling at the Nabeba Deposit conducted by BRGM suggests that blending of material from Nabeba with ore from the Cameroon deposits is also likely to yield a marketable DSO-quality product.

Process Design for Itabirite Beneficiation

Metallurgical testwork has indicated that the Mbarga Itabirite is amenable to being upgraded to produce a high quality hematite concentrate using conventional flotation beneficiation. Results indicate that optimal concentrate recovery and product quality may be achieved by utilising a medium primary grind and float followed by selective re-grind and re-float of the middling products.

A primary grind of 75µm, with a 38µm re-grind for the middlings products, gives a blast furnace (BF) grade pellet feed concentrate at 66% to 67% Fe with an anticipated weight recovery of ~40%. The results also indicate that a finer primary grind of 53µm can provide both a direct reduction (DR) grade pellet feed concentrate at 68% Fe (with approximately 2% combined SiO_2 and Al_2O_3) and a BF grade pellet feed concentrate at 65% Fe with a similar gross weight recovery.

The next phase of testwork will be designed to confirm and optimise these process flowsheets with a target to improve weight recovery towards 45%.

Infrastructure

- **Transport Infrastructure**

Infrastructure planning work continued during the year to develop the preferred transport corridor alignment from the mine to the proposed port site at Lolabe.

Further rail route optimisation modelling work commenced in June 2009 using high-resolution LIDAR-sourced topographic data collected over the proposed rail corridor. This modelling, undertaken by the Calibre-Engenium JV, has confirmed the transport route from mine to port with updated CAPEX and OPEX estimates based on latest train operations simulation modelling (refer Figure 5).

Initial review of the rail capital and operating cost estimates, specifically in the areas of rolling stock and equipment supply, was carried out during the year. Cost savings were identified in a number of areas but this review is ongoing and subject to completion of the rail route optimisation modelling. Route modelling has shown an increase in earthworks quantities. This work is incomplete but initial estimates indicate a potential earthworks cost increase of around US$200 million. Further optimisation modelling is planned to reduce this increase.

Slurry pipeline transport of concentrate from mine to port remains a viable option but assessment of this option is on hold pending the results of the rail optimisation modelling.

- **Port Infrastructure**

During the year, the Company reviewed the design and layout of the marine works scope for its proposed port facility at Lolabe. This review improved the functionality of the marine facilities while taking into account land-side planning requirements of the adjacent Government-sponsored Kribi multi-user port development. Importantly, the review highlighted the potential to expand the capacity of the iron ore export facility to accommodate "Chinamax" bulk carriers (300,000 to 380,000 DWT) at only modest additional marine works cost.

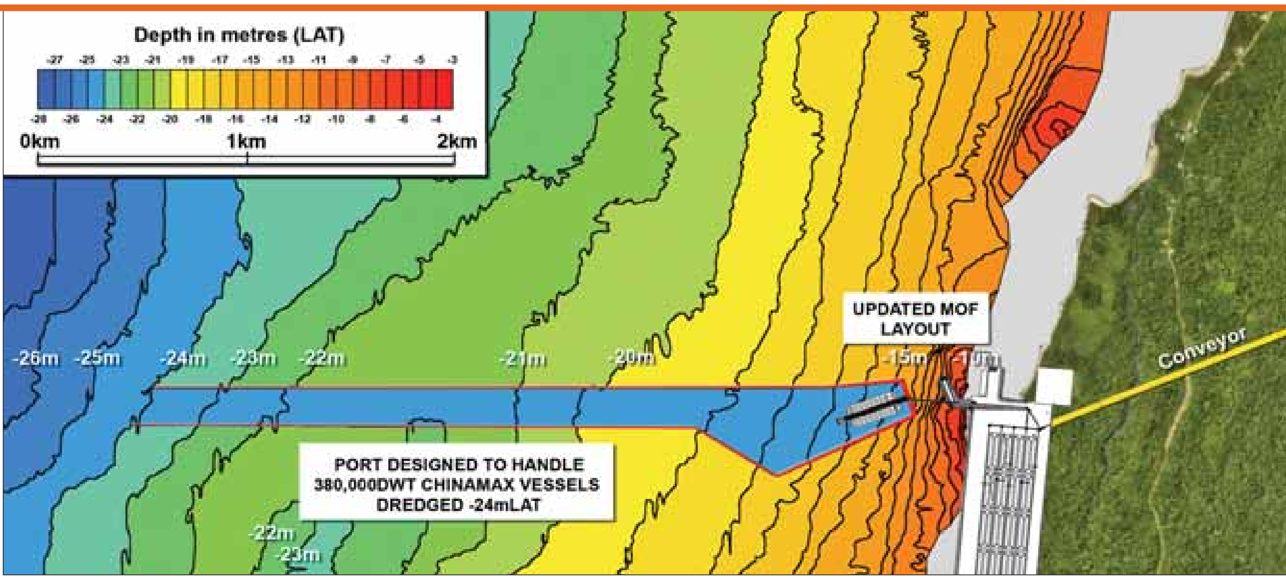


FIGURE 6 – PROPOSED PORT LAYOUT SUITABLE FOR CHINAMAX SHIPPING

"Chinamax" vessels are a new development in the international transportation of bulk iron ore. These massive bulk carriers are proposed to service dedicated routes to China.

The new carriers will approximately double the carrying capacity of Cape-size ships and enhance the competitiveness of iron ore projects in Brazil and Africa, including Mbalam, in comparison to Australian producers.

Very few iron ore export facilities in the world can accommodate "Chinamax" ships, with most ports being depth and tide constrained to mid Cape-size ships.

Figure 6 shows the current port layout at Lolabe suitable for loading of "Chinamax" ships. The principal change to the previous port design is the increased berth / channel depth to 24m Chart Datum.

Sustainability

The development of the Mbalam Project will deliver significant economic, environmental and social benefits to Cameroon and the Republic of Congo.

The Project will have a direct multi-billion dollar financial benefit to these countries over the life of the mine. It will provide significant employment and many direct and indirect business opportunities.

It will be the first large scale mining project in Cameroon and will support the development of key regional infrastructure including a major deepwater port at Lolabe, an access corridor from the port to the mine at Mbalam, and ultimately the reticulation of power across southern Cameroon. Skills development associated with the Project is expected to be a catalyst for further industrial development in the country.

From an environmental perspective, much of the forest along the proposed infrastructure corridor from mine to port has already been logged and is subject to high hunting pressure. This has depleted wildlife populations and the forest resources of indigenous people.

CamIron will establish a sustainability fund receiving 0.5% of after tax profit during operations to build community skills, infrastructure capacity and develop sustainable forest management practices which will conserve wildlife and support indigenous communities. These programs will be implemented in partnership with Government and key Non-Government Organisations (NGOs) such as the World Wildlife Fund (WWF). The development of the Mbalam Project can therefore help to reduce the current degradation of the regional forests and improve the long term prospects for wildlife through sustainable use of these forests.

Environment and Community

Care and respect for the environment and communities in which Sundance operates is a core value of the Company.

The Mbalam exploration program continued to operate in compliance with the conditions of the Summary Environmental and Social Assessment (ESA) approved by the Cameroon Minister for the Environment in 2007.

A number of drilling access roads were barricaded off during the year to prevent unauthorised traffic and there was significant re-growth of vegetation in non-active areas of our operations. There was evidence of fauna in-migration during

"The Project will significantly benefit the people of the region"

2009 as a result of CamIron's enforcement of its no-hunting or bush meat policy on-site. The Project is functioning as an effective hunting barrier with wildlife densities in the vicinity of the Project increasing in comparison to regional forests where hunting pressure is higher.

The relationship with the local community remains strong and regular meetings were held during 2009 with local village chiefs and the local Baka community. The downsizing of the site workforce has had an impact on the Mbalam community and a number of people who migrated into the area looking for work departed during the year. There has, however, been little community tension as a result of the downsizing and the community remains very supportive of the Project in anticipation of the next phase of development.

A Summary ESA for the forthcoming exploration drilling program at the Nabeba Deposit in the Republic of Congo has been completed. This followed field investigations conducted in June/July 2009 in collaboration with Environment Plus, a Congolese environmental consulting company with experience in the mining sector. The ESA was submitted to the Congolese Ministry of Environment in August 2009 with drilling to commence on approval and once access to the Nabeba Deposit has been completed.

Sundance has established a representative office in Brazzaville, the capital of the Republic of Congo, to support the exploration programs proposed for MRP362 and MRP363. An in-country representative has been appointed in Brazzaville to assist with the corporate administration of Congo Iron SA and to interface with the Congo Government.

Health and Safety

While the geographically isolated nature of the Company's activities presents a challenge, the maintenance of a safe and healthy working environment with high standards of performance and compliance in respect of Health and Safety is a priority of the Board.

Sundance has therefore continued to implement and develop its Health and Safety Management System during the year. This management system covers our operations in Perth, Yaounde and on site and includes our operating subsidiaries in Cameroon and Congo.

Our medical and emergency response capacity was enhanced in 2009 with the appointment of expatriate Medical Safety and Security specialists with a permanent presence on site at Mbalam. This capability was also made available to the local community and there were a number of successful helicopter medical emergency evacuations of members of the community in 2009.

The Company's subsidiaries have Local Employment Policies and workforce health continued to be a primary focus during the year. Health services were also provided to the local community, particularly to sick children, but the focus was on facilitating improved medical capacity within the community to avoid dependence on the Mbalam Project.

The most dramatic safety incident in 2009 was a fire in the CamIron head office in Yaounde which destroyed the building. The incident fortunately occurred at night when the building was unoccupied and there were no injuries. Operations were re-established within days at an adjacent office, which is a credit to our Cameroon-based team. Local insurers have responded to the incident in accordance with CamIron's insurance policies.

Corporate Governance and Risk Management

The Board of Sundance is committed to achieving appropriate standards of corporate governance and risk management and recognises that effective management of this area is vital in terms of the creation, maintenance and growth of sustainable value for shareholders.

The Board's approach in relation to risk management, with the assistance of the Audit and Risk Management Committee, is to ensure that there are adequate processes and policies in place to assess, identify and mitigate risk.

Among the risk management achievements of the Company during the period under review were:

- comprehensive review of the Company's insurance policies which led to the appointment of a new broker and a restructuring and enhancement of the Company's portfolio of insurance policies;
- implementation of the Company's 'Anti-Corruption' Policy which the Company believes represents best practice in this area (and ensures compliance with applicable Australian, Cameroon and Congo laws).



Strategic and Corporate Activities

Mbalam Convention

Key Strategic Objective: Negotiate Project Convention to underpin project financing and development

The Government of Cameroon recognises that the Mbalam Project is a critically important long-term project that will be of significant benefit to both the people and the economy of Cameroon.

Significant progress was made with the Government during the year in respect of determining fiscal terms to support development of the Mbalam Project. Those discussions culminated in the signing of a Framework Agreement in December 2008.

The Framework Agreement provides the platform for negotiation and agreement of the Mbalam Convention and the subsequent granting of a Mining Permit and other statutory approvals.

The discussions which led to the signing of the Framework Agreement involved a series of meetings with a panel of independent experts (a "Cellule") appointed by the Prime Minister of Cameroon. Company representatives and the Cellule members worked together through a broad range of issues to finalise this important document which was signed by the Prime Minister.

Among the key issues agreed during these discussions was the need for fiscal competitiveness and State participation in the Project.

The Government recognises that fiscal incentives, to be finalised in the Mbalam Convention and ratified by Parliament, are critical to the success of the Project. The Framework Agreement established the mechanism for the Government to grant these additional incentives to ensure that the returns from the Mbalam Project are internationally competitive with similar, large-scale iron ore export projects elsewhere in the world.

The Agreement also allows for the Government of Cameroon to acquire a 15% contributing interest in CamIron (in addition to the 10% carried equity interest defined in the Mining Code). The 15% equity interest will be fully contributing to project financing, pro-rata to Sundance. The purchase price payable by the Government of Cameroon for its contributing interest in CamIron will be equal to 50% of the total costs incurred on the Project up to time of purchase.

The terms of the Framework Agreement represent a 'win-win' outcome for the Company and the Government of Cameroon. The Government will become a core project partner with common economic interests to Sundance and the other investors in the Project. This investment will provide significant security and support for project financing and operations. From the Government's perspective, the investment in CamIron will allow it to benefit directly from the Project's success and indirectly through the broader economic and employment benefits that will flow to Cameroon over long term operations.

A timetable has been agreed with the Minister for Mines to accelerate progress towards completion of the Mbalam Convention. This is based on submission of the Company's Feasibility Study and draft ESA in September 2009.

Kribi Port Development

CamIron was selected in January 2009 as the preferred developer of the Iron Ore Export Terminal as part of the Kribi multi-user port development proposed by the Cameroon Government.

The key stakeholders in the development – including CamIron, Government and the industry groups selected to participate in the process to scope and develop the multi-user port – participated in a series of planning meetings during the year to prepare an integrated master-plan of the development. The Government has since initiated a feasibility study for the development with detailed site investigations to be completedby end 2009. These investigations will encompass CamIron's proposed port site at Lolabé.

The Government has set a target of mid-2010 for commencement of development of the multi-user port and has initiated the process for compulsory acquisition of land required for the development. CamIron will continue to progress development of its iron ore export facilities, including the land acquisition and approvals process, on a stand-alone basis, however, the Government's commitment to the adjacent multi-user facility should assist CamIron to secure necessary approvals.

Project Environmental and Social Assessment

Key Strategic Objective: Complete Environmental and Social Assessment (ESA) of the Project

Environmental and social baseline studies and intensive stakeholder consultation were completed during the year consistent with the Terms of Reference for the Environmental and Social Assessment (ESA) approved by the Minister for the Environment in June 2008.

The draft ESA, together with associated management plans, has been completed. The ESA assumes 35Mtpa production over a minimum mine life of 25 years. The ESA takes into consideration all mining, processing, transport and port activities proposed by CamIron in Cameroon including both rail and slurry pipeline product transport options from mine to port.

Baseline data for the ESA was collected by our Cameroon-based consultant, Rainbow Environmental Consulting, in collaboration with CamIron and with input from non-governmental organisations (NGOs), including WWF (World Wildlife Fund) and CED (Centre for Environment and Development).

There was significant stakeholder engagement during 2009 including the convening of regional stakeholder workshops by the Governors of the South and East Regions. A number of workshops were also convened with key NGO's including WWF.

This consultation confirmed that the Mbalam Iron Ore Project is strongly supported by key stakeholders, including local communities, the Cameroon Government and NGOs, and there is a preparedness to collaborate with CamIron to make the Project a success. This support is based on the fact that the Project will significantly benefit the economic, social and environmental value of Cameroon. It will generate substantive economic wealth for the country, direct and indirect employment and support sustainable forest management that will help conserve wildlife in a remote and very poor part of Cameroon.

The draft ESA to the Cameroon Government will be submitted in September 2009. Once reviewed and completed, the ESA will be released for a four-to-six-month public review process convened by the Ministry of Environment and Nature Protection (MINEP).

In parallel with this process, the Cameroon Government will progress acquisition and expropriation processes in respect of land required for Project infrastructure which will then be leased to CamIron for the purposes of developing mine, transport and port infrastructure. This process will determine compensation arrangements for any impacted landowners or communities.

Regional Development Opportunities / Strategic Partnerships

Key Strategic Objective: Position Mbalam as the 'first mover' project in this West African iron ore province and target potential strategic partners for product off-take, construction and financing

Sundance expects that the Mbalam Project will act as a catalyst for development of regional iron projects in Cameroon, Congo and Gabon. The development of these projects will depend, at least in part, on their ability to meet Asia's growing demand for high quality iron ore. Infrastructure established for the Project could, subject to agreement, facilitate the economic development of a number of regional iron ore prospects (refer to Figure 7).

During the year, Sundance held discussions with a range of potential strategic partners and investors with an interest in product off-take, construction, investment and/or financing associated with the Mbalam Project. A number of parties visited site to conduct due diligence but, at the time of writing this report, no agreements had yet been concluded. The Company has received proposals from a number of major international investment banks to assist with arranging project finance in collaboration with such strategic partners.

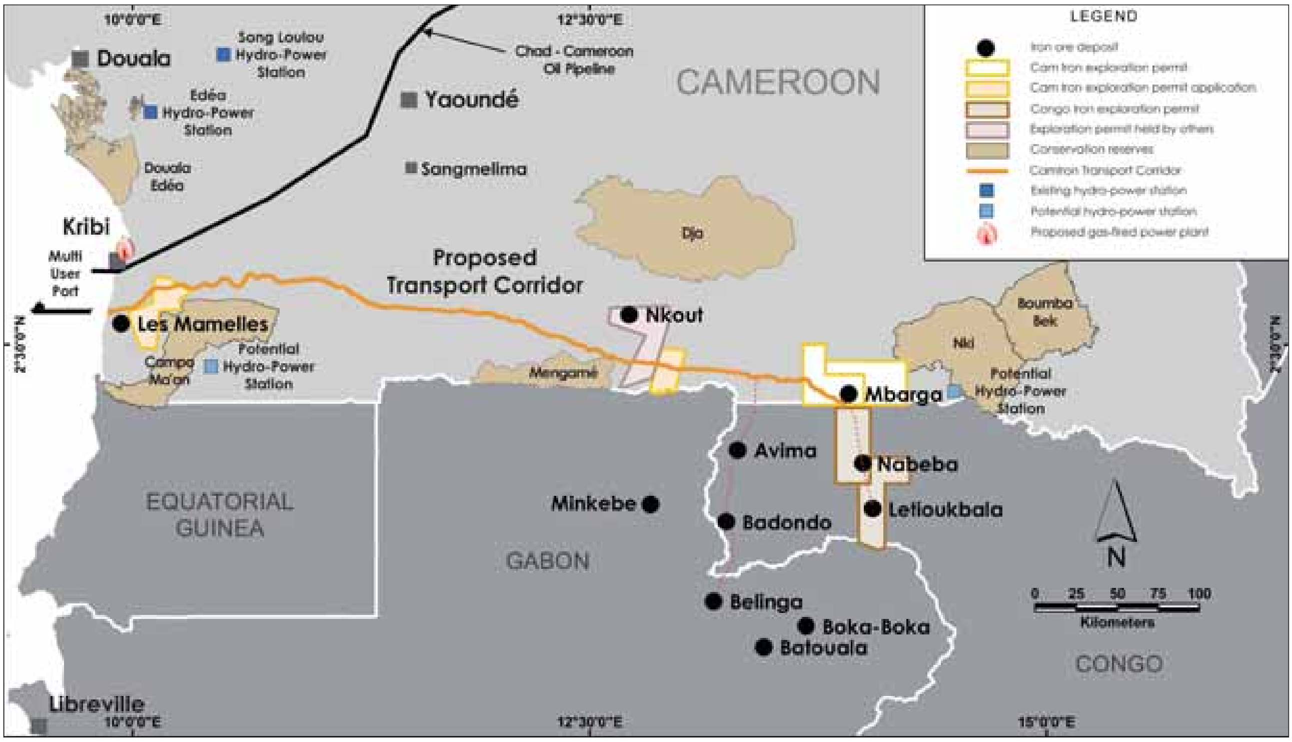


FIGURE 7 – EMERGING IRON ORE OPPORTUNITIES AND SUPPORTING INFRASTRUCTURE

Sundance is confident of concluding arrangements for the introduction of appropriate strategic partners to the Project. Sundance believes this could also facilitate aggregation of a number of regional resource opportunities that could increase utilisation of Project infrastructure.

Appointment of Geoff Wedlock as Chairman

Highly experienced iron ore executive Geoff Wedlock took over as Chairman of the Board of Directors, effective from 1 September 2009.

Geoff has been a Non-Executive Director of the Sundance since October 2007 and brings more than 40 years experience in the mining industry to the Chairman's role. His previous positions included Executive Vice President and Chief Executive of BHP Iron Ore, where he was directly involved with the development of four iron ore mines, upgrades of two ports and two railways, and the development of iron ore processing operations. He was also previously Managing Director of the successful Australian iron ore producer, Portman Ltd.

Capital Management

A $15.8 million capital raising was completed in April 2009 to ensure that Sundance had funding in place to progress exploration and development work programs on the Mbalam Project while discussions with potential strategic partners were progressed.These funds were raised via a Share Purchase Plan (SPP) and a separate share placement to its major shareholder, Talbot Group Investments Pty Ltd (TGI). TGI has been a cornerstone investor in Sundance since 2007.

The SPP offer was well supported by shareholders and raised A$10.8 million. The placement to TGI raised an additional A$5 million with the placement resulting in TGI's interest in Sundance increasing to 20.7% (including the interests of associates of TGI).

Don Lewis
Managing Director

Forward Looking Statements

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

Competent Persons Statement

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

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

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

The estimated quantity and grade of DSO quality supergene mineralisation and underlying itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at the Mbarga Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarga, Mbarga South and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <10% Al203; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarga South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value for the Mbarga Itabirite hematite is used.

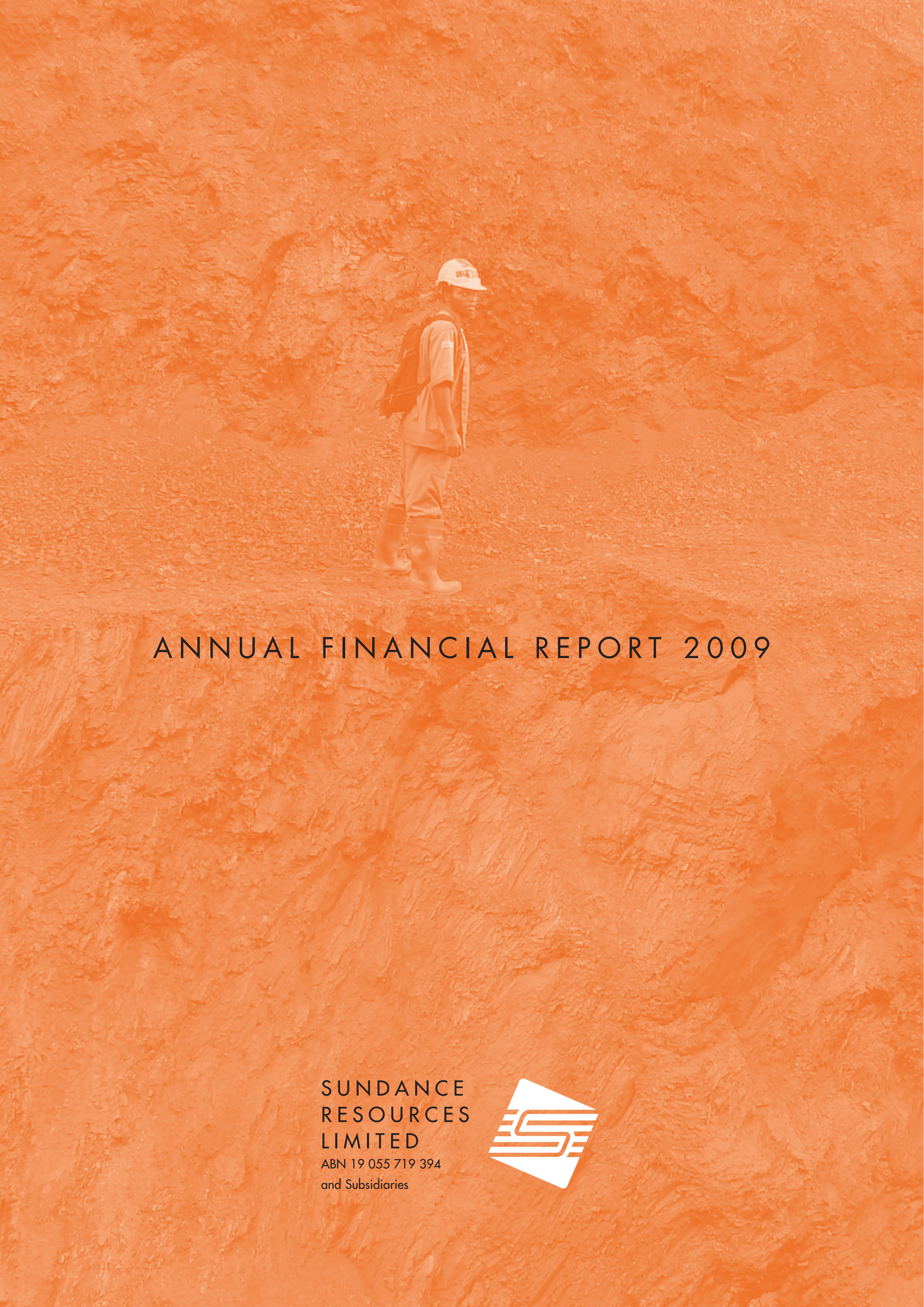
A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used 20m x 10m x 10m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying. Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs have been used in the evaluation.

The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying with a range of densities adopted from 3.4t/m^3 depending on the iron grade. A density of 3.6t/m^3 has been used for the majority of the near-surface High Grade Hematite and a value of2.6t/m^3 applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.

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

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

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets in excess of Inferred or Indicated Mineral Resources is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource in excess of that estimated for the Mbarga, Mbarga South or Metzimevin Deposits and it is uncertain if further exploration will result in determination of a Mineral Resource for the Nabeba Deposit or other prospects on the Company's landholdings.



ANNUAL FINANCIAL REPORT 2009

SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

and Subsidiaries

The Directors present their report together with the financial report of Sundance Resources Ltd ("the Company") and of the Consolidated Entity, being the Company and its subsidiaries, for the financial year ended 30 June 2009 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 the previous 3 years
Mr George F Jones B.Bus, FCIS, FAICD Chairman (Non-Executive)	64	Extensive experience in the mining, banking and finance industries Director since November 2006 Resigned 31 August 2009	Gindalbie Metals Limited Mundo Minerals Limited
Mr Geoff Wedlock Non-Executive Director Chairman (Non-Executive)	61	Extensive experience in resources project management and development, particularly in the iron ore industry. Director since October 2007 Appointed as Chairman 31 August 2009	Gindalbie Metals Limited Golden West Resources Limited Grange Resources Limited Gladiator Resources Limited Jupiter Mines Limited
Mr Donald P Lewis B.E (Hons), M.Eng (Calif); MIE (Aust) Managing Director	47	Chief Executive Officer Civil engineer with extensive experience in resource project development, construction and financing Director since November 2006	Greenwich Resources Plc
Mr Ken Talbot B.E, M.E, ASIA, FAICD, FAUSIMM Non-Executive Director	59	Mining engineer with extensive experience in resource project development and operations, particularly in carbon steel materials sector. Director since September 2007	Macarthur Coal Limited Talbot Group Holdings Pty Ltd
Mr Craig Oliver ACA, MBA Non-Executive Director	45	Extensive corporate, project development and operational experience in iron ore, coal and nickel. Director since April 2008	Western Areas NL De Grey Mining Limited
Dr John R Saunders B.Sc (Hons) Ph.D, FAICD, FTSC Non-Executive Director	64	Resigned 28 November 2008	
Mr Alec C Pismiris B.Comm, ICSA Executive Director	45	Resigned 28 November 2008	

2. COMPANY SECRETARY

Mr John Carr-Gregg joined Sundance Resources Ltd as Company Secretary and General Manager Corporate Services on 15 July 2008. Mr Carr-Gregg has an extensive corporate and legal background in the international resources industry.

3. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the year was iron ore exploration.

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 $14,313,262 (2008: $8,818,320) and $3,888,005 (2008: $279,853) for the Company.

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 2009.

6. DIRECTORS' MEETINGS

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

Director	Directors Meetings		Audit & Risk Management Committee Meetings		Nomination & Remuneration Committee Meetings (*)	
	A	B	A	B	A	B
Mr GF Jones (resigned 31 August 2009)	6	6	-	-	-	-
Mr DP Lewis	6	6	-	-	-	-
Mr AC Pismiris (resigned 28 November 2008)	3	3	-	-	-	-
Mr JR Saunders (resigned 28 November 2008)	1	3	1	1	-	-
Mr K Talbot	5	6	-	-	-	-
Mr GLW Wedlock	6	6	2	2	-	-
Mr CB Oliver	5	6	1	1	-	-

(*) No formal meetings held
A - Number of meetings attended
B - Number of meetings held while the director held office

7. STATE OF AFFAIRS

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

The Company raised a total of A$10.76 million (before expenses) via a Share Purchase Plan which closed on 24 April 2009. This was subscribed to by 2,966 shareholders.

The company also completed an additional A$5 million share placement to its major shareholder, Talbot Group Investments Pty Limited on 29th April 2009. This placement resulted in the Talbots Group's interest in Sundance increasing to 20.7%.

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.

The Consolidated Entity remained compliant during the reporting period with the requirement of the Cameroon Mining Code and the conditions of a Brief Environmental Impact Assessment approved by the Cameroon Ministry of Environment and Nature Protection (MINEP) in 2007.

The Consolidated Entity completed an Environmental and Social Assessment for the 2009/2010 drilling programme proposed in the Republic of Congo.

10. DIVIDENDS

In respect of the year ended 30 June 2009, no dividends have been paid or proposed (2008: nil).

11. EVENTS SUBSEQUENT TO REPORTING DATE

On 3 July 2009 it was announced that Mr Geoff Wedlock had been appointed Chairman of the Board of Directors with effect from 1 September 2009. The company's previous Chairman, Mr George Jones, retired on 31 August 2009.

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.

12. REMUNERATION REPORT (AUDITED)

The remuneration report, which forms part of the directors' report, sets out information about the remuneration of Sundance Resources Limited directors and senior management for the financial year ended 30 June 2009. The prescribed details for each person covered by this report are detailed below under the following headings:

- Director and senior management details
- Remuneration policy
- Relationship between the remuneration policy and Company performance
- Remuneration of directors and senior management
- Bonuses and share-based payments granted as compensation for the current financial year
- Key terms of employment contracts

12.1 Director and senior management details

The directors and key management personnel of the Company and the Consolidated Entity at any time during the reporting period are listed below. Unless otherwise indicated directors and key management personnel were appointed for the entire period:

Non-executive directors	
George Jones	Chairman (resigned 31 August 2009)
Geoff Wedlock	(appointed 24 September 2007)
Ken Talbot	(appointed 17 September 2007)
Craig Oliver	(appointed 8 April 2008)
John Saunders	(resigned 28 November 2008)
Alec Pismiris	(resigned 28 November 2008)
Executive directors	
Donald Lewis	Managing Director & CEO (appointed 13 November 2006)
Executive officers	
John Carr-Gregg	Company Secretary (appointed 15 July 2008)
Peter Canterbury	Chief Financial Officer
Robin Longley	General Manager - Geology
David Morgan	General Manager - Mining
Roger Bogne	Chief Executive Officer - Cam Iron S.A.

Mr John Carr-Gregg was appointed company secretary on 15 July 2008. On the same date, Mr Alec Pismiris resigned his role as company secretary, however, remained a non-executive director of the Company until 28 November 2008.

12.2 Remuneration policy

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the board on compensation 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 a periodic basis. The overall objective is the retention of a high quality board and executive team, to maximise value of the shareholders' investment.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity. Compensation levels for key management personnel of the Company and the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced directors and executives. Share options may also be issued as an added incentive to executives to maximise Shareholder value. Details regarding the issue of share options are provided below.

The employment conditions of all key management personnel are formalised in contracts of employment. Mr P Canterbury, Mr D Morgan, Mr J Carr-Gregg and Mr R Bogne are the only executives who are permanent employees of the Consolidated Entity. Mr D Lewis and Mr R Longley are employed under executive consulting contracts.

Non-Executive Directors' fees

Fees and payments to non-executive directors reflect the responsibilities of the directors.

Senior Management Salary

The remuneration of senior management is generally reviewed annually, taking into consideration the contribution of the individual commensurate with the performance of the Consolidated Entity and comparable employment market conditions.

12.3 Relationship between remuneration policy and Company performance

The Company did not have a formal cash incentive or bonus scheme for the year ended 30 June 2009.

An Employee Share Option Plan has been approved by both the directors and shareholders of the Company. Under this plan these options vest progressively over a three year period and vesting is subject to continuing employment. The objective of this plan is to recognise the ability and efforts of the employees of the Company who have contributed to the success of the Company; provide an incentive to the employees to achieve the long term objectives of the Company and improve the performance of the Company; attract persons of experience and ability to the Company and foster and promote loyalty between the Company and its employees. The award of options is aligned to the overall strategic objectives of the Company and are awarded by the Nomination and Remuneration Committee based on the recommendation of the CEO.

There is no Board policy in relation to limiting the recipient exposure to risk in relation to securities.

The tables below set out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to June 2009:

	30 June 2009 $	30 June 2008 $	30 June 2007 $	30 June 2006 $	30 June 2005 $*
Revenue	1,474,177	4,533,689	978,425	1,181,980	206,174
Net loss before tax	(14,313,262)	(8,818,320)	(9,317,989)	(1,704,664)	(1,718,605)
Net loss after tax	(14,313,262)	(8,818,320)	(9,317,989)	(1,704,664)	(1,718,605)

* Sundance Resources Limited adopted the Australian equivalents to International Financial Reporting Standards with effect from 1 July 2004.

	30 June 2009 $	30 June 2008 $	30 June 2007 $	30 June 2006 $	30 June 2005 $
Share price at start of year	0.33	0.46	0.08	0.01	0.01
Share price at end of year	0.16	0.33	0.46	0.08	0.01
Basic earnings per share	(0.71)	(0.47)	(0.68)	(0.27)	(0.49)
Diluted earnings per share	(0.71)	(0.47)	(0.68)	(0.27)	(0.49)

12.4 Remuneration of directors and senior management

	Short-term benefits			Post-employment benefits	Share based payments		
2009	Salary & fees $	Bonus $	Other (*) $	Super-annuation $	Options & rights $	Total $	% of compensation for the year consisting of options
Non-executive directors							
G Jones	240,000	-	13,446	-	-	253,446	-
J Saunders	25,000	-	-	-	-	25,000	-
A Pismiris	30,000	-	-	-	-	30,000	-
G Wedlock[1]	60,000	-	-	-	-	60,000	-
K Talbot	60,000	-	-	-	-	60,000	-
C Oliver	60,000	-	-	-	-	60,000	-
Executive officers							
D Lewis	544,000	-	15,906	-	-	559,906	
P Canterbury	248,333	-	14,802	22,350	-	285,485	-
R Longley	395,833	-	14,802	-	33,523	444,158	8%
D Morgan	270,000	-	14,802	30,000	171,327	486,129	35%
J Carr-Gregg	226,156	-	7,465	20,354	48,919	302,894	17%
R Bogne	137,600	-	64,000	-	-	201,600	-
						2,768,618	

No other share based payments were made to key management personnel during the financial year.

	Short-term benefits			Post-employment benefits	Share based payments		
2008	Salary & fees $	Bonus $	Other (*) $	Super-annuation $	Options & rights $	Total $	% of compensation for the year consisting of options
Non-executive directors							
G Jones	230,000	-	6,600	-	-	236,600	-
J Saunders	60,000	-	-	-	-	60,000	-
G Wedlock[1]	41,290	-	-	-	-	41,290	-
K Talbot	47,377	-	-	-	-	47,377	-
C Oliver	13,833	-	-	-	-	13,833	-
Executive officers							
D Lewis	528,000	100,000	6,600	-	-	634,600	-
A Pismiris	120,000	-	-	-	-	120,000	-
P Canterbury	230,000	35,000	6,600	20,000	-	291,600	-
R Longley	348,315	-	6,600	-	-	354,915	-
D Morgan	201,774	-	4,950	22,419	269,563	498,706	54%
R Bogne	145,123	-	35,750	-	-	180,873	-
						2,479,794	

(*) includes parking for Australian based personnel and housing and other allowances for R Bogne.

No director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

1. Mr Wedlock provides consulting services to the entity through Keypalm Pty Ltd as disclosed in note 28 to the accounts.

12.5 Bonuses and share-based payments granted as compensation for the current financial year

Bonuses

No discretionary cash performance bonuses were granted to key management personnel during the reporting period.

Employee share options

Options are issued to executives as part of their remuneration. These options are not issued based on performance criteria, but are issued to increase goal congruence between executives and shareholders.

The following grants of share based payment compensation to senior management relate to the current financial year.

						Terms & Conditions for Each Grant	
	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	First Exercise Date	Last Exercise Date
Executive Officer							
J Carr-Gregg	545,000	545,000	10.10.2008	0.029	0.35	31.03.2009	31.03.2013
J Carr-Gregg	-	545,000	10.10.2008	0.035	0.35	31.03.2010	31.03.2013
J Carr-Gregg	-	545,000	10.10.2008	0.037	0.35	31.03.2011	31.03.2013
R Longley	333,334	333,334	10.10.2008	0.029	0.35	31.03.2009	31.03.2013
R Longley	-	333,333	10.10.2008	0.035	0.35	31.03.2010	31.03.2013
R Longley	-	333,333	10.10.2008	0.037	0.35	31.03.2011	31.03.2013

All options are granted for nil consideration.

During the year 1,000,000 options granted to D Morgan on 30 August 2007 vested. These options remained unexercised as at 30 June 2009.

The following table summarises the value of options granted, exercised or lapsed during the year to directors and senior management:

Name	Value of options granted at the grant date (i) $	Value of options exercised at the exercise date $	Value of options lapsed at the date of lapse (ii) $
J Carr-Gregg	15,756	-	-
J Carr-Gregg	18,822	-	-
J Carr-Gregg	20,233	-	-
R Longley	9,637	-	-
R Longley	11,512	-	-
R Longley	12,374	-	-

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

(ii) 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.

12.6 Key terms of employment contracts

This report discloses remuneration details for the executives and non-executive directors.

Remuneration of Executives

Remuneration for executives is comprised of:

- fixed remuneration which is made up of base salary, superannuation and car parking; and
- variable remuneration in the form of employee share options are subject to the evaluation of the executive's contribution to the attainment of the Company's strategic objectives.

The remuneration structure is designed to reflect an appropriate balance between fixed and variable remuneration to ensure that the Company's executives are rewarded in a manner which aligns with the Company's performance.

Fixed Remuneration

Base Salary

Base salaries are determined by reference to the size and influence of the role, the executive's performance and experience, and to the nature and extent of overseas activities. Comparative data is also obtained from a group of Australian companies within the resources sector, both in Australia and worldwide, with similar activities. Base salaries are reviewed annually.

Superannuation

Sundance contributes to its Australian based employee's superannuation accounts at a minimum rate of 9%. In foreign jurisdictions the Consolidated Entity makes contributions in compliance with statutory requirements.

Variable Remuneration

Cash Bonus

The Nomination and Remuneration Committee, upon recommendation by the Chairman or CEO, may award cash bonuses to its executives based on the attainment of Key Performance Indicators and contribution to corporate objectives.

Employee Share Options

Under this plan these options vest progressively over a one, two and three year period and vesting is subject to continuing employment. The objective of this plan is to recognise the ability and efforts of the employees of the Company who have contributed to the success of the Company; provide an incentive to the employees to achieve the long term objectives of the Company and improve the performance of the Company; attract persons of experience and ability to the Company and foster and promote loyalty between the Company and its employees. The award of options are aligned to the overall strategic objectives of the Company and are awarded by the Nomination and Remuneration Committee based on the recommendation of the CEO.

Non-Executive Directors' Remuneration

Article 13.8 of the Company's constitution provides that the directors (excluding any directors who are employees of the Company) may be paid such remuneration as is determined from time to time in general meeting, and that remuneration accrues from day to day. The remuneration may be divided among the directors in such proportion as they from time to time agree and, in default of agreement, equally. ASX Listing Rule 10.17 provides that the Company must not increase the total amount of directors' fees payable by it or any of its controlled entities without the approval of holders of its ordinary securities.

Non-executive directors do not participate in any cash bonus, options or share plans that may be developed for executives. Other fees or allowances may be payable in special circumstances as agreed by the Board. Executive directors are not paid directors' fees.

Executive Service Agreements

Remuneration and other terms of employment for the executives disclosed in this Remuneration Report are contained in service agreements.

Key Management Personnel Service Agreements

Executive	Date Commenced	Term	Fixed Remuneration (per annum) for year ended 30/06/08 (a)	Payment of termination benefit on termination by employer (other than for gross misconduct)	Notice required on termination
D Lewis *CEO*	01/01/2009	1 Year	$550,600	Remainder of contract with a minimum of six months	3 months
P Canterbury *CFO*	01/05/2009	8 Months	$287,302	2 Months variable remuneration	2 months
R Longley *General Manager Geology*	01/02/2009	1 Year	$414,802	2 months variable remuneration	2 months
D Morgan *General Manager Mining*	24/09/2007	2 Years	$314,802	3 months variable remuneration	3 months
R Bogne *CEO - Cam Iron SA*	01/03/2009	10 Months	$215,336	2 months variable remuneration	2 months

(a) Fixed remuneration is inclusive of superannuation, annual leave and parking.

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	3 January 2012	$0.20	20,000,000	Ordinary
Sundance Resources Ltd	4 January 2012	$0.10	12,000,000	Ordinary
Sundance Resources Ltd	5 January 2012	$0.15	2,000,000	Ordinary
Sundance Resources Ltd	8 October 2012	$0.40	2,000,000	Ordinary
Sundance Resources Ltd	18 February 2013	$0.50	500,000	Ordinary
Sundance Resources Ltd	18 February 2013	$0.70	500,000	Ordinary
Sundance Resources Ltd	10 March 2013	$0.45	1,000,000	Ordinary
Sundance Resources Ltd	31 March 2013	$0.35	5,935,000	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	2,000,000	$0.02	Ordinary
Sundance Resources Ltd	10,000,000	$0.10	Ordinary

14. DIRECTORS' INTERESTS

The relevant interest of each director in the share capital of the Company, as notified by the directors to the Australian Stock Exchange in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary shares	Option over ordinary shares
G Jones	25,562,500	-
D Lewis	1,312,500	30,000,000
K Talbot	434,107,142	-
G Wedlock	75,000	-
C Oliver	-	-

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:

- has not indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor.
- has paid a premium of $43,859 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 INDEPENDENCE DECLARATION

The auditor's independence declaration has been included on page 31.

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 2009. This declaration has been attached to the independent audit report to the members of the Company.

Non-audit services were provided to the Company by the auditors, Deloitte Touche Tohmatsu. 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.

Signed in accordance with a resolution of directors, made pursuant to s.298 (2) of the Corporations Act 2001, at Perth, Western Australia on 14 September 2009.

GL Wedlock
Director

DP Lewis
Director

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

Introduction

The Directors are focused on fulfilling their responsibilities individually, and as a board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Corporate Governance Principals and Recommendations" established by the ASX Corporate Governance Council.

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which it considers will enable it to meet the principles of good corporate governance.

The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it. At the end of this statement a table is included detailing the recommendations with which the Company does not strictly comply.

The following section addresses the Company's practices in complying with the 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.

After appropriate consultation with executive management, the Board:

- defines and sets its business objectives and subsequently monitors performance and achievements of those objectives;
- it oversees the reporting on matters of compliance with corporate policies and laws, takes responsibility for risk management processes and a review of executive management of the Company;
- monitors and approves financial performance and budgets; and
- reports to shareholders.

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 represent shareholders and fulfil 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:

- does not hold an executive position;
- is not a substantial shareholder of the Company or an officer or otherwise associated directly or indirectly with a substantial shareholder of the Company;
- 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;
- is not a principal of a professional adviser to the Company or another group member;
- is not a significant 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 significant contractual relationship with the Company or any other group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company.

Of the current board members, Mr Geoff Wedlock and Mr Craig Oliver meet these criteria.

Nomination of Other Board Members

Membership of the Board of Directors is reviewed on an on going basis by the Nomination and Remuneration Committee to 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. The Nomination and Remuneration Committee does not believe that at this point in the Company's development it is necessary to appoint additional directors.

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.

Principle 3: Promotion of Ethical and Responsible Decision-Making

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.

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.

Directors are required to make disclosure of any share trading. The Company policy in relation to share trading is that officers are prohibited to trade whilst in possession of unpublished price sensitive information concerning the Company. That is information which a reasonable person would expect to have a material effect on the price or value of the Company's shares. It is recommended that an officer discuss the proposal to acquire or sell shares with the Chief Executive Officer or the Company Secretary prior to doing so to ensure that there is no price sensitive information of which that officer might not be aware. The undertaking of any trading in shares by directors must be notified to the ASX.

Principle 4: Safeguarding Integrity in Financial Reporting

An Audit & Risk Management Committee has been established. The executive director has an active role in monitoring the daily affairs of the Company.

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

The Chief Executive Officer and the Chief Financial Officer make a statement to the Audit Committee 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.

Two directors make a statement to the shareholders 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.

Principle 5: Making Timely and Balanced Disclosure

All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Stock Exchange and the highest standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the listing rules.

The Company Secretary is the person responsible for overseeing and co-ordinating disclosure of information to ASX as well as communicating with the ASX.

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 seeks 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 together with notice of meeting and proxy form; and
- voluntarily releasing other information 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.

Principle 7: Recognising and Managing Risk

The Board is conscious of the need to continually maintain systems of risk management and controls to manage all of the assets and affairs of the Company.

As an ordinary part of the Company's business involves holding assets in countries where sovereign risk is considered higher than in Australia, the directors are sensitive to the need for risk management. The risk management includes asset risk, operational risk, personnel health and safety risk, currency fluctuation risk, amongst others. The Company identifies, manages and reports to the board on those risks on a case by case and overall corporate basis.

Principle 8: Remunerate Fairly and Responsibly.

A Nomination and Remuneration Committee has been established. The committee reviews the remuneration of executives and directors. Directors remuneration is set out in the in the Directors' Report.

One third of the directors' retire annually in accordance with the Constitution and are free 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.

A maximum amount of remuneration for non-executive directors is fixed by shareholders in a General Meeting and can be varied in that same manner. In determining the allocation the board takes account of the time demands made on the directors together with such factors as fees paid to other corporate directors and to the responsibilities undertaken by them.

Table of Departures and Explanations (from the Recommendations of the ASX Corporate Governance Council)

Recommendation Reference	Departure	Explanation
1.1	There was no formalisation and disclosure of separate functions between the Board and management during the reporting period.	Throughout the reporting period the Board consisted of between one and three non-executive and between one and two executive directors. The executive directors were involved in the overall management of the Company. The practices followed were compatible with the Principle.
2.1	Majority of the current Board members are not independent. (As at 30 June 2009 the majority of the Board members were independent).	Given the nature and size of the Company, its business interests and the stage of development, the board is of the view that there is an adequate and broad mix of skills required and that, given their experience, each of the directors are aware of and capable of acting in an independent manner and in the best interests of the shareholders.

Recommendation Reference	Departure	Explanation
5.1	No written policy exists to ensure compliance with ASX Listing Rules disclosure requirements are met at senior management level.	The Board and management consists of appropriately qualified and experienced members and the board does not consider that a written policy is at this time required. The Board's practice is to comply strictly with ASX Listing Rules and disclosure requirements and whenever in doubt, contact has been made promptly with the ASX seeking advice. This is a standing item on the Board's agenda and is discussed at each Board meeting.
6.1	The Company has no formal communication policy in place for the benefit of its shareholders.	The Board is very conscious of the need to continually keep shareholders and markets advised. Regular investor presentations provides a continuous communication channel which ensures shareholders and the markets are adequately informed about its activities.
7.1 and 7.2	There has been no written implementation of policy on risk oversight and management or for senior management to make statements to the board concerning those matters.	Given the nature and size of the Company, its business interests and the involvement of all directors has not been considered necessary to establish this practice at this time; however the principles are adopted in circumstances where an event or issue is deemed to require it. This is a standing item on the Board's agenda and is discussed at each Board meeting.

Any director may nominate a person to be considered for appointment as a director of the Company, either as an additional director or as a replacement for a retiring director. Criteria for Board membership rests on the Board's assessment of the capacity of a nominee to contribute to the Parent Entity. Membership of the Board of directors is reviewed on an on-going basis by the Nomination and Remuneration Committee.

The terms and conditions relating to the appointment and retirement of non-executive directors are determined by the Board on an individual basis at the time of appointment of the director and are reviewed by the Chairman on an on-going basis.

Each director of the Parent Entity or a controlled entity has the right to seek independent professional advice at the expense of the Parent Entity or the controlled entity, however prior approval of the relevant Chairman is required which is not unreasonably withheld.

The remuneration of executive directors and non executive directors is reviewed by the Board. The remuneration of other senior executives of the Parent Entity is also approved by the Nomination & Remuneration Committee. Directors are not remunerated in accordance with the performance of the Parent Entity or the Consolidated Entity.

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.

The identification of areas of significant business risk and arrangements to manage such risks is the responsibility of the Board and senior executives. The Chairman reports to the Board on such matters on an on-going basis.

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

All directors, executives and staff of the Parent Entity and of all controlled entities, if any, are required to abide by all legal requirements, the Listing Rules of the Australian Stock Exchange and the highest standards of ethical conduct with regard to their personal trading in the securities of the Parent Entity or any of its controlled Entities.

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX: 206
Tel: +61 (0) 8 9365 7000
Fax:
www.deloitte.com.au

The Directors
Sundance Resources Limited
Level 17, 140 St Georges Terrace
Perth WA 6000

14 September 2009

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 financial year ended 30 June 2009, 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

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2009

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 Company and Consolidated Entity; and

(c) 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

GL Wedlock
Director

DP Lewis
Director

14 September 2009
Perth, Western Australia

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Entity 2009 $	Consolidated Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CONTINUING OPERATIONS					
Revenues	3a	1,474,177	4,533,689	6,296,698	9,644,502
Consulting fees	4a	(456,218)	(784,867)	(207,561)	(598,404)
Depreciation	4a	(2,761,117)	(472,032)	(174,424)	(112,396)
Donations and charities	4a	(3,714)	(210,745)	(1,112)	(210,745)
Doubtful debts	4a	(19,177)	(908,117)	(9,976)	—
Due diligence	4a	(49,958)	(684,377)	(49,958)	(684,377)
Employee benefit expense	4a	(6,953,580)	(5,009,627)	(5,470,071)	(5,041,831)
Exchange rate losses	4a	(1,612,319)	(114,392)	(1,194,746)	—
Legal fees	4a	(551,808)	(431,133)	(442,251)	(431,133)
Listing and registry fees	4a	(232,770)	(412,807)	(232,770)	(412,807)
Travel expenses	4a	(748,448)	(1,198,810)	(653,398)	(1,198,810)
Other expenses	4a	(2,398,330)	(3,604,066)	(1,748,436)	(1,712,816)
Loss from continuing operations before income tax expense		(14,313,262)	(9,297,284)	(3,888,005)	(758,817)
Income tax expense	5	—	—	—	—
Loss from continuing operations		(14,313,262)	(9,297,284)	(3,888,005)	(758,817)
DISCONTINUED OPERATIONS					
Other income	3b	—	557,294	—	557,294
Other expenses	4b	—	(78,330)	—	(78,330)
Profit from discontinued operations		—	478,964	—	478,964
Loss for the year		(14,313,262)	(8,818,320)	(3,888,005)	(279,853)
Attributable to:					
Equity holders of the parent		(13,660,140)	(8,731,734)	(3,888,005)	(279,853)
Minority interest		(653,122)	(86,586)	—	—
		(14,313,262)	(8,818,320)	(3,888,005)	(279,853)
Earnings per share					
Continuing operations:					
- Basic (cents per share)	9	(0.71)	(0.50)		
- Diluted (cents per share)	9	(0.71)	(0.50)		
Discontinued operations					
- Basic (cents per share)	9	—	0.03		
- Diluted (cents per share)	9	—	0.03		
Continuing and discontinued operations					
- Basic (cents per share)	9	(0.71)	(0.47)		
- Diluted (cents per share)	9	(0.71)	(0.47)		

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 30 JUNE 2009

		Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
	Note	$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	10	20,384,940	47,031,353	19,315,541	46,167,279
Trade and other receivables	11	2,543,869	2,408,175	171,816	849,736
Inventory	12	1,214,606	547,545	—	—
Other current assets	13	254,773	1,515,675	59,036	27,144
Total Current Assets		24,398,188	51,502,748	19,546,393	47,044,159
NON CURRENT ASSETS					
Property, plant and equipment	14	6,383,003	7,432,539	159,608	434,414
Exploration and evaluation assets	15	93,510,918	64,373,079	—	—
Other financial assets	16	—	—	120,452,647	83,005,107
Intangibles	17	415,586	235,780	—	—
Total Non Current Assets		100,309,507	72,041,398	120,612,255	83,439,521
Total Assets		124,707,695	123,544,146	140,158,648	130,483,680
CURRENT LIABILITIES					
Trade and other payables	19	2,172,918	6,721,498	960,123	5,133,103
Total Current Liabilities		2,172,918	6,721,498	960,123	5,133,103
NON CURRENT LIABILITIES					
Total Non-Current Liabilities		—	—	—	—
Total Liabilities		2,172,918	6,721,498	960,123	5,133,103
Net Assets		122,534,777	116,822,648	139,198,525	125,350,577
EQUITY					
Issued capital	20	204,494,938	187,059,817	204,494,938	187,059,817
Reserves	21	11,926,117	9,790,384	10,072,207	9,771,375
Accumulated losses		(93,528,867)	(79,868,727)	(75,368,620)	(71,480,615)
Parent interest		122,892,188	116,981,474	139,198,525	125,350,577
Minority equity interest		(357,411)	(158,826)	—	—
Total Equity		122,534,777	116,822,648	139,198,525	125,350,577

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Attributable to Members of the Company	CONSOLIDATED ENTITY					
	Issued Capital $	Foreign Currency Translation Reserve $	Option Reserve $	Accumulated Losses $	Minority Interest $	Total Equity $
At 1 July 2007	126,104,817	35,965	9,003,675	(71,136,993)	(72,240)	63,935,224
Loss for the year	—	—	—	(8,731,734)	(86,586)	(8,818,320)
Total loss for the period	—	—	—	(8,731,734)	(86,586)	(8,818,320)
Securities issued	61,615,000	—	—	—	—	61,615,000
Equity raising costs	(660,000)	—	—	—	—	(660,000)
Cost of share based payment	—	—	767,700	—	—	767,700
Adjustments from translation of foreign controlled entities	—	(16,956)	—	—	—	(16,956)
At 30 June 2008	187,059,817	19,009	9,771,375	(79,868,727)	(158,826)	116,822,648
Loss for the year	—	—	—	(13,660,140)	(653,122)	(14,313,262)
Total loss for the period	—	—	—	(13,660,140)	(653,122)	(14,313,262)
Securities issued	17,406,753	—	—	—	—	17,406,753
Equity raising costs	(456,632)	—	—	—	—	(456,632)
Cost of share based payments	485,000	—	300,832	—	—	785,832
Adjustments from translation of foreign controlled entities	—	1,834,901	—	—	454,537	2,289,438
At 30 June 2009	204,494,938	1,853,910	10,072,207	(93,528,867)	(357,411)	122,534,777

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Attributable to Members of the Company	PARENT ENTITY				
	Issued Capital $	Foreign Currency Translation Reserve $	Option Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2007	126,104,817	—	9,003,675	(71,200,762)	63,907,730
Loss attributable to members of parent entity	—	—	—	(279,853)	(279,853)
Total loss for the period	—	—	—	(279,853)	(279,853)
Securities issued	61,615,000	—	—	—	61,615,000
Equity raising costs	(660,000)	—	—	—	(660,000)
Cost of share based payment	—	—	767,700	—	767,700
At 30 June 2008	187,059,817	—	9,771,375	(71,480,615)	125,350,577
Loss attributable to members of parent entity	—	—	—	(3,888,005)	(3,888,005)
Total loss for the period	—	—	—	(3,888,005)	(3,888,005)
Securities issued	17,406,753	—	—	—	17,406,753
Equity raising costs	(456,632)	—	—	—	(456,632)
Cost of share based payments	485,000	—	300,832	—	785,832
At 30 June 2009	204,494,938	—	10,072,207	(75,368,620)	139,198,525

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Entity		Parent Entity	
		2009	2008	2009	2008
	Note	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers & employees		(13,273,011)	(13,196,398)	(9,970,525)	(9,242,970)
Interest received		1,977,868	3,976,392	1,977,868	3,976,392
Interest & finance costs paid		—	(4,112)	—	(4,112)
Net Cash from used in Operating Activities	25	(11,295,143)	(9,224,118)	(7,992,657)	(5,270,690)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant & equipment		(1,836,894)	(5,740,974)	(75,680)	(483,095)
Sale of mining tenements		—	557,294	—	557,294
Loans to related entities		—	—	(35,733,522)	(33,592,118)
Exploration expenditure		(30,342,468)	(23,466,980)	—	—
Other		(179,806)	(224,818)	—	—
Net Cash from used in Investing Activities		(32,359,168)	(28,875,478)	(35,809,202)	(33,517,919)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from equity issues		17,406,753	61,615,000	17,406,753	61,615,000
Share issue expenses		(456,632)	(660,000)	(456,632)	(660,000)
Net Cash from used in Financing Activities		16,950,121	60,955,000	16,950,121	60,955,000
Net Increase/(Decrease) in Cash Held		(26,704,190)	22,855,404	(26,851,738)	22,166,391
Cash and cash equivalents at beginning of year	10	47,031,353	24,171,094	46,167,279	24,000,889
Effect of exchange rates on cash and cash equivalents		57,777	4,855	—	—
Cash and cash equivalents at end of Year	10	20,384,940	47,031,353	19,315,541	46,167,279

The accompanying notes form part of these financial statements

Note 1. GENERAL INFORMATION

Sundance Resources Ltd 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 17	Level 17
140 St Georges Terrace	140 St Georges Terrace
Perth WA 6000	Perth WA 6000

The entity'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 financial statements of the company and the consolidated financial statements of the Group.

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

The financial statements were authorised for issue by the directors on 14 September 2009.

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 is sufficient cash resources available to fund the planned activities and commitments of the entities for at least the next twelve months. In the unlikely event that unbudgeted costs be incurred the entities does 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 non-current assets and 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 Group'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.

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. In the separate financial statements of the Company, intra-group transactions ('common control transactions') are generally accounted for by reference to the existing (consolidated) book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

Minority interests in the net assets (excluding goodwill) of the consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of the changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

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;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; 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 classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of the transaction to A-IRFS 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 translation to A-IFRS ('Australian equivalents to International Financial Reporting 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:

i) 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.

ii) 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 cash flow statement 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.

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.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

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 balance sheet. 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 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 the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

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 except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements. Further information regarding equity accounted investments is detailed in note 15.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and '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.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through the profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the Group manages;
- has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates where that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Certain shares and redeemable notes held by the Group are classified as being available-for sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on available-for-sale equity instruments are recognised in profit and loss when the Group's right to receive the dividends is established.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

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.

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.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

i) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

j) Property, plant and equipment

Plant and equipment, leasehold improvements 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.

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

Plant and equipment	–	3 to 15 years
Buildings	–	15 years
Leasehold improvements	–	15 years

k) 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.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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

Capitalised development	5 years
Patents	10 – 20 years
Trademarks	20 years
Licences	20 years

l) 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 pretax 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.

m) 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.

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 our policy, we conclude that we are unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

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 26 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) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends (as applicable), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for; costs of servicing equity (other than dividends) and preference share dividends (as applicable); the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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.

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 will 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 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further Amendments to the Australian Accounting Standards arising from AASB101'	1 January 2009	30 June 2010
• AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	30 June 2010
• AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments'	1 January 2009 (and that ends on or after 30 April 2009)	30 June 2010

Initial application of the following Standards and Interpretations are not expected to have any material impact on the financial report of the Group and the Company.

Standards/Interpretations	Effective for the annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
• AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual report periods beginning 1 July (2009), AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
• AASB 2008-1 'Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
• AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate'	1 January 2009	30 June 2010
• AASB 2009-4 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 July 2009	30 June 2010
• AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 January 2010	30 June 2011
• AASB 2009-6 'Amendments to Australian Accounting Standards'	1 January 2009	30 June 2010

Standards/Interpretations	Effective for the annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 2009-7 'Amendments to Australian Accounting Standards'	1 July 2009	30 June 2010
• AASB 2009-8 'Group Cash Settled Share Based Payment Transactions'	1 July 2009	30 June 2010
• AASB Interpretation 17 'Distributions of Non-cash Assets to Owners', AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners'	1 July 2009	30 June 2010

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 3. REVENUE				
a. Revenue from continuing operations				
REVENUE				
Interest revenue	1,472,994	4,408,587	1,472,994	4,408,587
Management fee – Intra-group	—	—	4,822,521	5,126,622
Other income	1,183	125,102	1,183	109,293
Total Revenue	1,474,177	4,533,689	6,296,698	9,644,502
b. Revenue from discontinued operations				
OTHER INCOME				
Proceeds on disposal of investments	—	557,294	—	557,294
Total Other Income	—	557,294	—	557,294

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Note 4. EXPENSES				
a. Expenses from continuing operations				
Depreciation of: property, plant & equipment	2,761,117	472,032	174,424	112,396
Bad and doubtful debts	19,177	908,117	9,976	—
Consulting	456,218	784,867	207,561	598,404
Donations & charities	3,714	210,745	1,112	210,745
Due diligence	49,958	684,377	49,958	684,377
Employee benefit expense				
- Share based payment	300,832	749,790	300,832	749,790
- Post employment benefits	176,194	132,021	176,194	132,021
- Other	6,476,554	4,127,816	4,993,045	4,160,020
	6,953,580	5,009,627	5,470,071	5,041,831
Exchange rate losses	1,612,319	114,392	1,194,746	—
Legal fees	551,808	431,133	442,251	431,133
Listing & registry fees	232,770	412,807	232,770	412,807
Travel	748,448	1,198,810	653,398	1,198,810
Other expenses				
- Hire of plant & equipment	55,267	327,792	—	—
- Insurance (*)	158,920	166,671	230,041	159,861
- Interest expense - other persons	41	4,112	41	4,112
- Loss on disposal of plant & equipment (*)	125,313	97,631	176,062	88,849
- Occupancy costs	1,401,912	1,228,257	588,746	391,727
- Other	136,890	1,413,686	432,069	813,460
- Public relations	208,352	155,233	202,576	139,646
- Share based payment	—	17,910	—	17,910
- Telephone & internet	311,625	192,774	118,901	97,251
	2,398,330	3,604,066	1,748,436	1,712,816
	15,787,439	13,830,973	10,184,703	10,403,319
(*) Consolidated Entity figures are net.				
b. Expenses from discontinued operations				
Other expenditure from discontinued operations	—	78,330	—	78,330
	—	78,330	—	78,330

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Note 5. INCOME TAX				
The components of tax expense comprise:				
Current Income Tax				
– Current income charge	(4,420,233)	(3,287,310)	—	—
Deferred Income Tax				
– Relating to origination and reversal of temporary differences	(18,103)	(133,551)	(424,612)	(133,551)
– Losses not brought to account	4,438,336	3,420,861	424,612	133,551
Income tax expense reported in the income statement	—	—	—	—
The prima facie tax on profit from ordinary activities is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)				
– consolidated group	(4,293,979)	(2,645,496)	—	—
– parent entity	—	—	(1,166,401)	(83,956)
Add:				
Tax effect of:				
– Tax rate difference for foreign operations	(886,146)	(725,770)	—	—
– Accounting profit on sale of assets	—	(167,188)	—	(167,188)
– write down of investments	—	—	—	—
– other non allowable items	741,789	951,076	741,789	951,076
– tax losses not brought to account	—	—	—	—
– unbooked tax losses recouped in the current year	—	(833,483)	—	(833,483)
– timing differences not brought to account	4,438,336	3,420,861	424,612	133,551
Income tax attributable to entity	—	—	—	—
Unrecognised deferred tax balances				
Unrecognised deferred tax asset - losses	14,764,076	10,343,843	7,463,042	7,056,533
Unrecognised deferred tax assets - other	380,473	362,370	380,474	362,370
Deferred tax asset not brought to account	15,144,549	10,706,213	7,843,516	7,418,903

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 6. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Short-term employee benefits	2,442,145	2,167,812	2,240,545	1,986,939
Post-employment benefits	72,704	42,419	72,704	42,419
Share-based payment	253,769	269,563	253,769	269,563
	2,768,618	2,479,794	2,567,018	2,298,921

The compensation of each member of the key management personnel of the Group is set out below:

	Short-term benefits			Post-employment benefits	Share based payments	
2009	Salary & fees $	Bonus $	Other $	Super -annuation $	Options & rights $	Total $
Parent Entity						
Mr G Jones	240,000	—	13,446	—	—	253,446
Mr J Saunders	25,000	—	—	—	—	25,000
Mr G Wedlock	60,000	—	—	—	—	60,000
Mr K Talbot	60,000	—	—	—	—	60,000
Mr C Oliver	60,000	—	—	—	—	60,000
Mr D Lewis	544,000	—	15,906	—	—	559,906
Mr A Pismiris	30,000	—	—	—	—	30,000
Mr R Longley	395,833	—	14,802	—	33,523	444,158
Mr P Canterbury	248,333	—	14,802	22,350	—	285,485
Mr D Morgan	270,000	—	14,802	30,000	171,327	486,129
Mr J Carr-Gregg	226,156	—	7,465	20,354	48,919	302,894
Consolidated Entity						
Mr R Bogne	137,600	—	64,000	—	—	201,600
	2,296,922	—	145,223	72,704	253,769	2,768,618

	Short-term benefits			Post-employment benefits	Share based payments	
2008	**Salary & fees $**	**Bonus $**	**Other $**	**Super -annuation $**	**Options & rights $**	**Total $**
Parent Entity						
Mr G Jones	230,000	—	6,600	—	—	236,600
Mr J Saunders	60,000	—	—	—	—	60,000
Mr G Wedlock	41,290	—	—	—	—	41,290
Mr K Talbot	47,377	—	—	—	—	47,377
Mr C Oliver	13,833	—	—	—	—	13,833
Mr D Lewis	528,000	100,000	6,600	—	—	634,600
Mr A Pismiris	120,000	—	—	—	—	120,000
Mr R Longley	348,315	—	6,600	—	—	354,915
Mr P Canterbury	230,000	35,000	6,600	20,000	—	291,600
Mr D Morgan	201,774	—	4,950	22,419	269,563	498,706
Consolidated Entity						
Mr R Bogne	145,123	—	35,750	—	—	180,873
	1,965,712	135,000	67,100	42,419	269,563	2,479,794

Fully paid ordinary shares of Sundance Resources Limited

	Balance at 1 July No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 1 July No.
2009					
Parent Entity					
G Jones	15,500,000	—	—	62,500	15,562,500
G Wedlock	—	—	—	75,000	75,000
J Saunders	1,475,000	—	—	(1,475,000)	—
D Lewis	1,250,000	—	—	62,500	1,312,500
A Pismiris	12,333,333	—	—	(12,333,333)	—
K Talbot *	371,580,826	—	—	62,526,316	434,107,142
P Canterbury	400,000	—	—	62,500	462,500
D Morgan	50,000	—	—	62,500	112,500
Consolidated Entity					
R Bogne	12,770,000	—	—	(5,770,000)	7,000,000
2008					
Parent Entity					
G Jones	15,000,000	—	—	500,000	15,500,000
J Saunders	1,575,000	—	—	(100,000)	1,475,000
D Lewis	1,250,000	—	—	—	1,250,000
A Pismiris	8,333,333	—	4,000,000	—	12,333,333
K Talbot *	197,999,510	—	—	173,581,316	371,580,826
P Canterbury	375,000	—	—	25,000	400,000
D Morgan	—	—	—	50,000	50,000
Consolidated Entity					
R Bogne	22,500,000	—	—	(9,730,000)	12,770,000

* K Talbot appointed director on 17 September 2008.

Net other change refers to ordinary shares purchased or sold during the financial year.

Share options of Sundance Resources Limited

	Balance at 1 July No.	Granted as compen-sation No.	Exercised No.	Balance at 30 June No.	Balance vested at 30 June No.	Vested and exerciseable No.	Not exercisable No.	Vested during the year
2009								
G Jones	30,000,000	—	—	30,000,000	30,000,000	30,000,000	—	—
D Lewis	30,000,000	—	—	30,000,000	30,000,000	30,000,000	—	—
R Longley	2,000,000	1,000,000	—	3,000,000	2,333,334	2,333,334	—	333,334
P Canterbury	2,000,000	—	—	2,000,000	2,000,000	2,000,000	—	—
D Morgan	2,000,000	—	—	2,000,000	1,000,000	1,000,000	—	1,000,000
J Carr-Gregg	—	1,635,000	—	1,635,000	545,000	545,000	—	545,000
2008								
G Jones	30,000,000	—	—	30,000,000	30,000,000	10,000,000	20,000,000	—
J Saunders	10,000,000	—	—	10,000,000	10,000,000	5,000,000	5,000,000	—
D Lewis	30,000,000	—	—	30,000,000	30,000,000	10,000,000	20,000,000	—
A Pismiris	14,000,000	—	(4,000,000)	10,000,000	10,000,000	5,000,000	5,000,000	—
R Longley	2,000,000	—	—	2,000,000	2,000,000	2,000,000	—	—
P Canterbury	2,000,000	—	—	2,000,000	2,000,000	2,000,000	—	—
D Morgan	—	2,000,000	—	2,000,000	—	—	—	—

J Saunders and A Pismiris resigned as directors of the Company 28 November 2008. At the date of resignation each of the directors forfeited 10m options. These options were subject to the terms and conditions approved at the meeting of shareholders held 8 January 2007.

G Jones and D Lewis options were granted 8 January 2007 and fully expensed in that year.

Note 7. AUDITORS REMUNERATION

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Remuneration of the auditor of the parent entity for:				
– auditing or reviewing the financial report	53,375	49,125	53,375	49,125
– taxation services	24,594	2,000	24,594	2,000
– other services (*)	36,467	40,709	36,467	40,709
	114,436	91,834	114,436	91,834
(*) other services include financial modelling consultancy services and other ad-hoc advisory.				
Remuneration of other auditors of subsidiaries for:				
- auditing or reviewing the financial report of subsidiaries	27,629	62,053	—	—
	142,065	153,887	—	—

Deloitte Touche Tohmatsu perform the audit of subsidiaries.

Note 8. DIVIDENDS

No dividends have been paid or proposed during the year.

	Consolidated Entity 2009 $	Consolidated Entity 2008 $
Note 9. EARNINGS PER SHARE		
a. Reconciliation of earnings to profit or loss		
Loss	(14,313,262)	(8,818,320)
Loss attributable to minority equity interest	653,122	86,586
Redeemable and converting preference share dividends	—	—
Earnings used to calculate basic EPS	(13,660,140)	(8,731,734)
Dividends on converting preference shares	—	—
Earnings used in the calculation of dilutive EPS	(13,660,140)	(8,731,734)
b. Reconciliation of earnings to profit or loss from continuing operations		
Loss from continuing operations	(14,313,262)	(9,297,284)
Loss attributable to minority equity interest in respect of continuing operations	653,122	86,586
Redeemable and converting preference share dividends	—	—
Earnings used to calculate basic EPS from continuing operations	(13,660,140)	(9,210,698)
Dividends on converting preference shares	—	—
Earnings used in the calculation of dilutive EPS from continuing operations	(13,660,140)	(9,210,698)
c. Reconciliation of earnings to profit or loss from discontinuing operations		
Profit from discontinuing operations	—	478,964
Loss attributable to minority equity interest	—	—
Redeemable and converting preference share dividends	—	—
Earnings used to calculate basic EPS from discontinuing operations	—	478,964
	No.	**No.**
d. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS and diluted EPS.	1,917,696,165	1,843,347,622

During the year ended 30 June 2009, 6,535,000 options to subscribe for ordinary shares were issued, 2,000,000 options were exercised, 22,000,000 options were forfeited, leaving 75,535,000 outstanding at 30 June 2009 (note 20).

During the year ended 30 June 2008, 8,500,000 options to subscribe for ordinary shares were issued, 55,833,333 options were exercised, 1 option expired unexercised, 1,500,000 options were forfeited, leaving 93,000,000 outstanding at 30 June 2008 (note 20).

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. Consequently the diluted earnings per share is the same as basic earnings per share.

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 10. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	2,965,519	4,327,088	1,896,120	3,463,014
Short-term bank deposits	17,419,421	42,704,265	17,419,421	42,704,265
	20,384,940	47,031,353	19,315,541	46,167,279
The effective interest rate on short-term deposits was 4.78% (2008: 6.5%) these deposits have an average maturity of 91 days.				
Note 11. TRADE AND OTHER RECEIVABLES				
CURRENT				
GST/VAT	2,470,886	1,451,263	98,833	230,496
Other debtors	72,983	956,912	72,983	619,240
	2,543,869	2,408,175	171,816	849,736
Note 12. INVENTORIES				
CURRENT				
Consumables	1,214,606	547,545	—	—
	1,214,606	547,545	—	—
Inventories are carried at lower of cost and net realisable value.				
Note 13. OTHER CURRENT ASSETS				
CURRENT				
Prepayments	112,351	124,137	16,494	26,944
Deposit – Wallis Drilling	—	1,370,830	—	—
Deposits – other	142,422	20,708	42,542	200
	254,773	1,515,675	59,036	27,144

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 14. PROPERTY, PLANT AND EQUIPMENT				
BUILDINGS				
Buildings:				
At cost	2,302,553	1,166,256	—	—
Accumulated depreciation	(160,023)	—	—	—
	2,142,530	1,166,256	—	—
PLANT AND EQUIPMENT				
At cost	7,823,736	7,333,520	348,142	385,408
Accumulated depreciation	(3,583,263)	(1,235,363)	(188,534)	(119,120)
	4,240,473	6,098,157	159,608	266,288
LEASEHOLD IMPROVEMENTS				
At cost	—	168,861	—	168,861
Accumulated depreciation	—	(735)	—	(735)
	—	168,126	—	168,126
Total Property, Plant and Equipment	6,383,003	7,432,539	159,608	434,414

Movements in the carrying amount of each class of Property, Plant and Equipment

	Buildings $	Leasehold Improvements $	Plant and Equipment $	Total $
Consolidated Group				
Balance at 1 July 2007	319,899	84,877	2,354,083	2,758,859
Additions	846,357	174,449	4,720,168	5,740,974
Disposals	—	(88,849)	(8,782)	(97,631)
Depreciation capitalised	—	—	(497,631)	(497,631)
Depreciation expense	—	(2,351)	(469,681)	(472,032)
Balance at 30 June 2008	1,166,256	168,126	6,098,157	7,432,539
Additions	1,136,297	—	764,574	1,900,871
Disposals	—	(150,803)	(38,487)	(189,290)
Depreciation capitalised	—	—	—	—
Depreciation expense	(160,023)	(17,323)	(2,583,771)	(2,761,117)
Balance at 30 June 2009	2,142,530	—	4,240,473	6,383,003
Parent Entity				
Balance at 1 July 2007	—	84,877	67,687	152,564
Additions	—	174,449	308,646	483,095
Disposals	—	(88,849)	—	(88,849)
Depreciation expense	—	(2,351)	(110,045)	(112,396)
Balance at 30 June 2008	—	168,126	266,288	434,414
Additions	—	—	75,680	75,680
Disposals	—	(150,803)	(25,259)	(176,062)
Depreciation expense	—	(17,323)	(157,101)	(174,424)
Balance at 30 June 2009	—	—	159,608	159,608

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 15. EXPLORATION AND EVALUATION ASSETS				
Mbalam Iron Ore Project				
Carrying amount at beginning of year	64,271,181	35,279,857	—	—
Additions	28,417,938	28,991,324	—	—
Expenditure written off	—	—	—	—
Disposals	—	—	—	—
	92,689,119	64,271,181	—	—
Congo Iron Ore Project				
Carrying amount at beginning of year	101,898	—	—	—
Additions	719,901	101,898	—	—
Expenditure written off	—	—	—	—
Disposals	—	—	—	—
	821,799	101,898	—	—
	93,510,918	64,373,079	—	—

At 30 June 2009, the Parent Entity held a 90% interest in Cam Iron S.A. in Cameroon. Cam Iron S.A. holds a 100% interest in the Mbalam Iron Ore Project in Cameroon. The Mbalam Iron Ore Project has not yet reached the stage of assessing the existence of economically recoverable reserves, the outcome of which will ultimately affect the carrying value of this investment.

The ultimate recoupment of costs for areas of interest in the exploration and evaluation phases 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 land title claims.

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Note 16. OTHER FINANCIAL ASSETS				
Unlisted investments, at cost:				
Share in controlled entities				
– Cam Iron S.A.	—	—	29,283,712	29,283,712
– Congo Iron S.A.	—	—	485,000	—
Loans carried at amortised cost:				
Loans to subsidiaries				
– Cam Iron S.A.	—	—	90,295,721	53,692,709
– Congo Iron S.A.	—	—	388,214	28,686
	—	—	120,452,647	83,005,107

Net Assets of the Consolidated Entity

The net asset position of the consolidated entity is lower than that of the Company. This position is a result of fees being charged to the subsidiary in prior periods through the inter-company account which are expensed within the subsidiary. Management believe that it would be misleading to impair the inter-company receivable and believe that the recovery of these amounts will satisfactorily be made through the exploitation of the project in due course.

At 30 June 2009, the Parent Entity held an 85% interest in Congo Iron S.A, a company incorporated in the Republic of Congo. This company holds a 100% interest in the Congo Iron Ore Project in the Republic of Congo. During the year the Parent Entity increased its interest in Congo Iron from an indirect 63% interest (direct interest held by Cam Iron SA) to a direct 85% interest. The cost of this investment is referred to in Note 16 to the accounts.

Exploration and Evaluation expenditure incurred on behalf of Cam Iron by the Parent Entity has been reclassified in the current financial year as a loan to subsidiary. Terms and conditions of the loan to Cam Iron S.A. are detailed in the Loan Agreement between Sundance Resources Limited and Cam Iron S.A which forms part of the Cam Iron S.A. Shareholders Deed, dated 4 July 2007.

	Consolidated Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Note 17. INTANGIBLES				
NON-CURRENT				
Carrying amount at beginning of year	235,780	10,962	—	—
Additions	203,366	234,759	—	—
Amortisation	(23,560)	(9,941)	—	—
	415,586	235,780	—	—

Intangibles include patents, licences, concessions and software.

	Country of Incorporation	Percentage Owned (%) 2009	2008
Note 18. CONTROLLED ENTITIES			
a. Controlled Entities Consolidated			
Parent Entity:			
– Sundance Resources Ltd	Australia	—	—
Subsidiaries of Sundance Resources Ltd:			
– Cam Iron S.A.	Cameroon	90	90
– Sundance Minerals Pty Ltd	Australia	100	100
– Sundance Exploration Pty Ltd	Australia	100	100
– Sundance Mining Pty Ltd	Australia	100	100
– Congo Iron SA	Congo	85	—
– Copper International Pty Ltd[1]	Australia	—	100
Entities controlled by Copper International Pty Ltd			
– Mine Holdings Corporation	Turks & Caicos Islands	—	100
Entities controlled by Cam Iron S.A.			
– Congo Iron S.A.	Congo	—	70

(1) Copper International (the former holding vehicle for company's Bolivian tenements) was deregistered by ASIC on 10 August 2008 following application from Sundance for voluntary deregistration.

Terms and conditions of the loan to Cam Iron S.A. are detailed in the Loan Agreement between Sundance Resources Limited and Cam Iron S.A which forms part of the Cam Iron S.A. Shareholders Deed, dated 4 July 2007.

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 19. TRADE AND OTHER PAYABLES				
CURRENT				
Trade payables	2,138,335	6,555,119	772,201	4,985,644
Sundry payables and accrued expenses	34,583	166,379	187,921	147,459
	2,172,918	6,721,498	960,122	5,133,103

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

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 20. ISSUED CAPITAL				
2,102,042,808 fully paid ordinary shares (2008: 1,880,915,241)	204,494,938	187,059,817	204,494,938	187,059,817
	204,494,938	187,059,817	204,494,938	187,059,817
Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.				
MOVEMENTS IN ISSUED CAPITAL				
At the beginning of the financial year	187,059,817	126,104,817	187,059,817	126,104,817
17,111,317 shares issued 5 December 2008	1,605,453	—	1,605,453	—
5,000,000 shares issued 23 January 2009	485,000	—	485,000	—
134,516,250 shares issued 5 May 2009	10,761,300	—	10,761,300	—
62,500,000 shares issued 7 May 2009	5,000,000	—	5,000,000	—
2,000,000 shares issued 28 May 2009	40,000	—	40,000	—
13,000,000 shares issued 30 July 2007	—	390,000	—	390,000
4,000,000 shares issued 30 July 2007	—	80,000	—	80,000
118,500,000 shares issued 30 July 2007	—	47,400,000	—	47,400,000
6,500,000 shares issued 3 August 2007	—	2,600,000	—	2,600,000
4,000,000 shares issued 17 August 2007	—	120,000	—	120,000
25,000,000 shares issued 10 September 2007	—	10,000,000	—	10,000,000
13,333,333 shares issued 24 September 2007	—	400,000	—	400,000
12,000,000 shares issued 15 October 2007	—	360,000	—	360,000
2,000,000 shares issued 28 May 2008	—	40,000	—	40,000
7,500,000 shares issued 24 June 2008	—	225,000	—	225,000
Capital raising costs	(456,632)	(660,000)	(456,632)	(660,000)
At the end of the financial year	204,494,938	187,059,817	204,494,938	187,059,817

At 30 June 2009 there were 75,535,000 unissued ordinary shares for which options were outstanding. These comprise 22,000,000 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, 40,000,000 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, 1,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 50 cents per share and expire on 8 November 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 and 6,535,000 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.

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.

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 21. RESERVES				
Option premium reserve	10,072,207	9,771,375	10,072,207	9,771,375
Foreign currency translation reserve (i)	1,853,910	19,009	—	—
	11,926,117	9,790,384	10,072,207	9,771,375
(i) Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.				
MOVEMENTS IN OPTION PREMIUM RESERVE				
At the beginning of the financial year	9,771,375	9,003,675	9,771,375	9,003,675
Options Expensed (Issued in 2007/08) (*)	177,433	—	177,433	—
Options Expensed (Issued in 2008/09) (*)	123,399	—	123,399	—
1,000,000 options issued 30 August 2007	—	174,108	—	174,108
1,000,000 options issued 30 August 2007	—	95,455	—	95,455
1,000,000 options issued 15 September 2007	—	236,108	—	236,108
1,000,000 options issued 15 September 2007	—	111,289	—	111,289
1,000,000 options issued 14 January 2008	—	82,088	—	82,088
1,000,000 options issued 14 January 2008	—	50,742	—	50,742
1,000,000 options issued 10 March 2008	—	17,910	—	17,910
At the end of the financial year	10,072,207	9,771,375	10,072,207	9,771,375

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

The option premium reserve is used to accumulate the fair value of options issued. Details of the valuation of options issued during the financial year are disclosed in the table contained in Note 26 Share Based Payments.

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 22. CAPITAL AND LEASING COMMITMENTS				
Operating Lease Commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements.				
Payable – minimum lease payments				
– not later than 12 months	390,346	593,715	296,351	457,200
– between 12 months and 5 years	153,304	—	148,176	—
– greater than 5 years	—	—	—	—
	543,650	593,715	444,527	457,200

The Company's premises are sub leased. The term of the sub lease is 20 June 2009 to 19 December 2010.

The office premises lease of Cam Iron S.A. extends for a period of 12 months to 31 July 2010.

Cam Iron S.A. provides residential premises for two employees. Each of these leases expires in September 2009.

Note 23. CONTINGENT LIABILITIES

The group is aware of the following contingent liabilities as at 30 June 2009.

Absolute Analogue & David Porter v Sundance

The Company has an ongoing dispute with Absolute Analogue and David Porter. The claim is for unpaid invoices totalling $129,977. As at 30 June 2009 the full value of invoices received from Absolute Analogue have been recorded in trade creditors of the Company. An offer of settlement has been made in respect of the unpaid invoices for a total of $81,545, plus interest.

An additional claim has been made by Absolute Analogue and 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.

David Bay v Sundance

As at 30 June, 2008, a contingent liability was disclosed by the Company in relation to a claim by Mr David Bay regarding alleged lost remuneration on termination of employment of $22,295 and award of 2 million options, exercisable at $0.10. In June 2009, the legal proceedings were settled in whole and complete satisfaction.

Note 24. SEGMENT REPORTING

Primary Reporting Business Segments

During the year ended 30 June 2009 and also during the year ended 30 June 2008, the consolidated entity operated in the mining and exploration industry in Africa. Mining and exploration operations in South America ceased during the year ended 30 June 2008.

The Group's revenue from external customers and information about its segment assets by geographical location is detailed below:

	Revenue from external customers		Segment assets	
	2009 $	2008 $	2009 $	2008 $
Australasia	1,183	125,102	19,706,001	47,478,573
Africa	—	—	105,001,694	76,065,573
South America	—	557,294	—	—
Total	1,183	682,396	124,707,695	123,544,146

	Consolidated Entity		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Note 25. CASH FLOW INFORMATION				
Reconciliation of cash flow from operations with loss after income tax				
Profit/(loss) after tax	(14,313,262)	(8,818,320)	(3,888,005)	(279,853)
Non-operating cash flows				
Sale of mining tenements	—	(557,294)	—	(557,294)
Non-cash flows in loss				
Cost of share based payment	300,832	767,700	300,832	767,700
Loss on sale of plant and equipment	125,313	97,631	176,062	88,849
Depreciation of plant and equipment	2,761,117	472,032	174,424	112,396
Intra-group management fees	—	—	(4,822,521)	(5,126,622)
Changes in assets and liabilities				
Decrease/(increase) in reserves	(57,778)	(789,511)	—	(767,700)
Increase/(decrease) in trade creditors	(569,511)	1,001,986	(579,476)	1,035,454
Decrease/(increase) in inventories	(667,061)	(547,545)	—	—
Decrease/(increase) in other debtors and prepayments	1,125,207	(850,797)	646,027	(543,620)
Net cash used in operating activities	(11,295,143)	(9,224,118)	(7,992,657)	(5,270,690)
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	20,384,940	47,031,353	19,315,541	46,167,279
Cash and cash equivalents at the end of the financial year	20,384,940	47,031,353	19,315,541	46,167,279

Non-cash investing activities
During the current financial year, the Parent acquired a further 15% direct ownership in Congo Iron S.A. The consideration paid was in the form of 5,000,000 shares in the Parent Entity. The share price at the date of issue was 9.7c, resulting in a total cost of investment of $485,000 (as disclosed at Note 16).

Note 26. SHARE BASED PAYMENTS

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

Option 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	0.02	0.0180
(2) Issued 3 July 2006	40,000,000	03/07/06	30/06/08	0.03	0.0180
(3) Issued 8 January 2007	50,000,000	08/01/07	03/01/12	0.20	0.0259
(4) Issued 8 January 2007	30,000,000	08/01/07	04/01/12	0.10	0.0418
(5) Issued 30 January 2007	2,000,000	30/01/07	04/01/12	0.10	0.0397
(6) Issued 12 April 2007	2,000,000	12/04/07	05/01/12	0.15	0.0777
(7) Issued 30 August 2007	1,000,000	30/08/07	08/10/12	0.40	0.2312
(8) Issued 30 August 2007	1,000,000	30/08/07	08/11/12	0.40	0.2410
(9) Issued 15 September 2007	1,000,000	15/09/07	08/11/12	0.50	0.3431
(10) Issued 15 September 2007	1,000,000	15/09/07	08/11/12	0.70	0.3023
(11) Issued 14 January 2008	1,000,000	14/01/08	18/02/13	0.50	0.1180
(12) Issued 14 January 2008	1,000,000	14/01/08	18/02/13	0.70	0.1077
(13) Issued 10 March 2008	1,000,000	10/03/08	10/03/13	0.45	0.0584
(14) Issued 9 April 2009	2,178,334	10/10/08	31/03/13	0.35	0.0290
(15) Issued 9 April 2009	2,178,333	10/10/08	31/03/13	0.35	0.0350
(16) Issued 9 April 2009	2,178,333	10/10/08	31/03/13	0.35	0.0370

The weighted average fair value of the share options granted during the financial year is $0.0337 ((2008: $0.54). 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.

Option series	Grant date share price $	Exercise price $	Expected volatility	Risk free interest rate	Vesting Date
(7) Issued 30 August 2007	0.440	0.40	67.30%	6.08%	08/10/08
(8) Issued 30 August 2007	0.440	0.40	65.20%	6.05%	08/10/09
(9) Issued 15 September 2007	0.615	0.50	67.15%	6.12%	08/10/08
(10) Issued 15 September 2007	0.615	0.70	65.20%	6.10%	08/11/09
(11) Issued 14 January 2008	0.295	0.50	62.05%	6.38%	18/02/09
(12) Issued 14 January 2008	0.295	0.70	63.82%	6.30%	18/02/10
(13) Issued 10 March 2008	0.235	0.45	108.05%	6.31%	10/03/09
(14) Issued 9 April 2009	0.095	0.35	104.82%	4.16%	31/03/09
(15) Issued 9 April 2009	0.095	0.35	104.13%	4.33%	31/03/10
(16) Issued 9 April 2009	0.095	0.35	99.73%	4.40%	31/03/11

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

	2009		2008	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	93,000,000	$0.18	141,833,334	$0.08
Granted	6,535,000	$0.35	8,500,000	$0.54
Forfeited	(22,000,000)	$0.20	(1,500,000)	$0.60
Exercised	(2,000,000)	$0.02	(55,833,333)	$0.03
Expired	—	—	(1)	$0.03
Outstanding at year-end	75,535,000	$0.20	93,000,000	$0.18
Exercisable at year-end	68,678,334	$0.18	34,000,000	$0.10

Exercised during the financial year

There were 2,000,000 options exercised during the year ended 30 June 2009. These options had a weighted average share price of $0.130 at exercise date.

Option series	Number exercised	Exercise date	Share price at exercise date $
2009			
(1) Issued 1 December 2005	2,000,000	28/05/09	0.13
2008			
(2) Issued 3 July 2006	13,000,000	30/07/07	0.495
(1) Issued 1 December 2005	4,000,000	30/07/07	0.495
(2) Issued 3 July 2006	4,000,000	17/08/07	0.395
(2) Issued 3 July 2006	13,333,333	24/09/07	0.805
(2) Issued 3 July 2006	12,000,000	15/10/07	0.770
(1) Issued 1 December 2005	2,000,000	28/05/08	0.370
(2) Issued 3 July 2006	7,500,000	24/06/08	0.360

Balance at end of financial year

The options outstanding at 30 June 2009 had a weighted average exercise price of $0.20 (2008: $0.18) and a weighted average remaining contractual life of 2.68 years (2008: 3.59 years). Exercise prices range from $0.10 to $0.70 in respect of options outstanding at 30 June 2009.

Note 27. EVENTS AFTER BALANCE SHEET

There have been no other conversions to, calls of or subscriptions for ordinary shares or issues of potential ordinary shares.

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 Pty Ltd received benefits from the Company for services performed by Mr Alec Pismiris, a director of the Company. Full details of the remuneration received are disclosed in note 6 Key Management Personnel Compensation.

Linden Group Pty Ltd received benefits from the Company for services performed by Mr John Saunders, a director of the Company. Full details of the remuneration received are disclosed in note 6 Key Management Personnel Compensation.

JBP Nominees Pty Ltd received benefits from the Company for services performed by Mr George Jones, a director of the Company. Full details of the remuneration received are disclosed in note 6 Key Management Personnel Compensation.

Piedmont Nominees Pty Ltd received benefits from the Company for services performed by Mr Donald Lewis, a director of the Company. Full details of the remuneration received are disclosed in note 6 Key Management Personnel Compensation.

Triglow Nominees Pty Ltd received benefits from the Company for services performed by Mr Geoff Wedlock, a director of the Company. Full details of the remuneration received are disclosed in note 6 Key Management Personnel Compensation.

Longley Mining Consultants Pty Ltd received benefits from the Company for services performed by Mr Robin Longley, an executive of the Company. Full details of the remuneration received are disclosed in note 6 Key Management Personnel Compensation.

Keypalm Pty Ltd received $120,000 for consulting services provided by Mr Geoff Wedlock, a director of the Company (2008: nil).

At 30 June 2009, directors and their related entities held directly, indirectly or beneficially 452,056,616 ordinary shares in the Company and 60,000,000 options over ordinary shares in the Company.

At 30 June 2008, directors and their related entities held directly, indirectly or beneficially 398,666,263 ordinary shares in the Company and 80,000,000 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 an on-going 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 their transactions to 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 hedge this exposure however the Board regularly reviews this exposure and assesses the risk.

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

	Liabilities		Assets	
	2009 $	2008 $	2009 $	2008 $
US Dollars (USD)	306,936	1,794,931	273,560	—
Central African Franc (XAF)	1,212,796	1,374,323	3,441,452	4,605,086

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 used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

	USD Impact				XAF Impact			
	Consolidated		Company		Consolidated		Company	
AUD Movement	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
10% Increase	(3,338)	179,493	(3,338)	179,493	222,866	323,076	—	—
10% Decrease	3,338	(179,493)	3,338	(179,493)	(222,866)	(323,076)	—	—

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 2008.

The capital structure of the Group and the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and carried forward losses. 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.

Liquidity risk

The Consolidated Group manages liquidity risk by maintaining adequate reserves by monitoring 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 continuously monitoring forecast and actual cash flows and ensuring there are appropriate plans in place to finance these future cash flows.

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 $
2009			
Financial assets			
Variable interest rate instruments - Parent	3.02%	1,896,120	—
Variable interest rate instruments - Subsidiary	—	1,069,399	—
Fixed interest rate instruments - Parent	3.53%	4,486,359	12,933,062
		7,451,878	12,933,062
Financial liabilities			
Trade payables	—	2,172,918	—
2008			
Financial assets			
Variable interest rate instruments - Parent	6.48%	3,508,014	—
Variable interest rate instruments - Subsidiary	—	864,074	—
Fixed interest rate instruments - Parent	8.00%	17,824,692	24,879,573
		22,196,780	24,879,573
Financial liabilities			
Trade payables	—	6,721,498	—

Fair values

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

	2009 Carrying Amount $	2009 Fair Value $	2008 Carrying Amount $	2008 Fair Value $
Consolidated				
Cash and cash equivalents	20,384,940	20,384,940	47,031,353	47,031,353
Receivables	2,798,642	2,798,642	3,923,850	3,923,850
Payables	2,172,917	2,172,917	6,721,498	6,721,498
Parent				
Cash and cash equivalents	19,315,541	19,315,541	46,167,279	46,167,279
Receivables	102,452,647	102,452,647	83,005,107	83,005,107
Payables	960,121	960,121	5,133,103	5,133,103

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 nature to maturity. Receivables and payables are carried at amounts approximating fair value.

The fair values of listed investments have been valued at the quoted market bid price at balance date. For unlisted investments where there is no organised financial market the fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

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 other than listed investments. 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(*)

The Cameroon Ministry of Mines required total minimum exploration expenditure under Exploration Permit No.92 of XAF 12,000,000,000 (approximately A$30 million) over the 3 year term, which commenced on 29 September 2005. This was exceeded when the 3 year term expired on 29 September 2008. The Cameroon Ministry of Mines granted a 2 year permit extension from 28 September 2008, requiring a total minimum exploration expenditure of XAF 4,000,000,000 (approximately $10 million). This expenditure requirement has already been met. The expenditure requirements of Exploration Permit No.92 are denoted in Central African CFA franc (XAF).

The Cameroon Ministry of Mines requires total minimum exploration expenditure under Exploration Permit No.143 of XAF 400,000,000 (approximately A$1 million) over the 3 year term, which commenced on 10 April 2008. The expenditure requirements of Exploration Permit No.143 are denoted in Central African CFA franc (XAF).

The Congo Ministry of Mines requires commitment to a program of work under Decree No 2008-362 over the 3 year term of Mineral Research Permits 362 and 363, which commenced on 2 August 2007.

* The Company is not legally bound to meet the minimum expenditure commitments detailed in Exploration Permits. Failure to meet the required level of minimum expenditure can either be exonerated by the relevant ministry of mines or could potentially result in revocation of the said permit.

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

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 balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 19 to 62.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing 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 and fair presentation of the financial report 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.

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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.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's 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 company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 9 of the directors' report for the year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Sundance Resources Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 14 September 2009

Number of Holders of Equity Securities as at 31 August 2009

Ordinary share capital
2,112,042,808 fully paid ordinary shares are held by 18,884 individual shareholders. No ordinary shares have been partly paid. All issued ordinary shares carry one vote per share.

Options
43,935,000 options are held by 12 individual option holders.

Distribution of Holders of Equity Securities as at 31 August 2009

	Fully Paid Ordinary Shares	Options
1 – 1,000	680	—
1,001 – 5,000	4,002	—
5,001 – 10,000	3,293	—
10,001 – 100,000	8,667	—
100,001 and over	2,242	12
Total	**18,884**	**12**
Holding less than a marketable parcel	2,786	—

TWENTY LARGEST HOLDERS OF ORDINARY SHARES AS AT 31 AUGUST 2009

	Number of Shares	Percentage of Total
Talbot Group Investments Pty Ltd	433,791,352	20.54%
HSBC Custody Nominees (Australia) Limited-GSCO ECA	88,916,065	4.21%
ANZ Nominees Limited	74,676,277	3.54%
J P Morgan Nominees Australia Limited	66,061,263	3.13%
Osson Pty Ltd	50,000,000	2.37%
Citicorp Nominees Pty Limited	47,537,638	2.25%
HSBC Custody Nominees (Australia) Limited	47,358,610	2.24%
National Nominees Limited	39,640,207	1.88%
Bayonet Investments Pty Ltd	15,970,525	0.76%
Connemara Investments Pty Ltd	15,062,500	0.71%
Bond Street Custodians Limited	12,560,000	0.59%
Perpetual Corporate Trust Limited	10,900,000	0.52%
Queensland Investment Corporation	10,832,397	0.51%
JBP Nominees Pty Limited	10,000,000	0.47%
Australian Reward Investment Alliance	9,417,841	0.45%
Comsec Nominees Pty Limited	9,186,579	0.43%
ACP Investments Pty Ltd	9,000,000	0.43%
AMP Life Limited	7,552,456	0.36%
Dr Salim Cassim	7,000,000	0.33%
Mr Roger Bogne	5,000,000	0.24%
	970,463,710	45.96%

SUBSTANTIAL SHAREHOLDERS AS AT 31 AUGUST 2009

	Fully Paid Ordinary Shares
Ordinary Shareholders	**Number**
Talbot Group Investments Pty Ltd	433,791,352
	433,791,352