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ASX / MEDIA RELEASE

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**MBALAM PROJECT STRATEGIC PARTNER AND PROJECT FINANCING  
UPDATE**

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The Australian Financial Review newspaper today reports that Sundance Resources Limited (ASX Code: SDL) may sell up to 50% of its interest in its Mbalam Iron Ore Project to a Strategic Partner.

As previously advised the Company confirms that it is in ongoing discussions with several prospective Strategic Partners to provide equity, construction, off-take and finance for the Mbalam Project in central West Africa.

Sundance is exploring several models for bringing Strategic Partners into the Project which may include the granting of equity in the Mbalam Project in return for securing long term off-take agreements and the guarantee of project finance.

The level of equity participation or the model to be used has not yet been determined, but the Company would not consider selling more than 50% of its current interest.

A number of potential Strategic Partner due diligence teams in recent months have visited the Mbalam site as well as the port site and the proposed rail corridor. Numerous follow up discussions have also been held with prospective partners on both commercial and technical items.

Sundance is pleased with the progress that has been achieved in recent months and is confident of successfully concluding arrangements for the introduction of Strategic Partner(s) to the Project by the end of June 2011. It expects to confirm financing arrangements and make a final investment decision prior to the end of 2011.

**ENDS**

**Released by:**

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**The Mbalam Iron Ore Project**

The Mbalam Iron Ore Project ('Project') is located in an area that straddles the border of both Cameroon and Congo in central West Africa approximately 485km east of the coastal city of Kribi in south-west of Cameroon. The Project comprises Exploration Permit 92 ('EP92') located in the East Province of the Republic of Cameroon, and Mining Research Permit 362 ('MRP362') and Mining Research Permit 363 ("MRP363"), located in the Sangha Province of the Republic of Congo. EP92 is owned by Cam Iron SA, a company incorporated in the Republic of Cameroon. Cam Iron SA is a 90%-owned subsidiary of Sundance. MRP362 and MRP363 are owned by Congo Iron SA, a company incorporated in the Republic of Congo. Congo Iron SA is an 85%-owned subsidiary of Sundance. The Governments of Cameroon and Congo have enacted modern mining codes to



attract mining investment. These mining codes provide for the Governments to take a 10%, free carried, equity stake in the Project upon the granting of Mining Permits. Sundance is currently negotiating Conventions to enable the granting of Mining Permits with both the Cameroon and Congolese Governments. The Convention covers agreements with the Government with respect to land access, tax and royalty regimes amongst other things.

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

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of Sundance's operations including the likely commencement of commercial operations of the Mbalam Iron Ore Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's exploration operations, economic performance and financial condition.

Although Sundance believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other Government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to Sundance's most recent annual report and half year report. Sundance undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.