



ASX Announcement and Media Release

5 June, 2012

SUNDANCE AND HANLONG AGREE KEY TERMS OF MBALAM CONVENTION

*Agreement follows meetings between senior representatives of
Cameroon Government, Sundance and Hanlong
Next key step in Scheme Implementation Agreement now satisfied*

Sundance Resources Limited (ASX: SDL) ('Sundance' or 'the Company') is pleased to advise that it has agreed the key terms of the Mbalam Iron Ore Project Convention with Hanlong Mining and representatives of the Government of Cameroon.

The agreement follows meetings between senior representatives of the Government of the Republic of Cameroon, Sundance and Hanlong Mining. These discussions resulted in agreement being reached on the outstanding key terms in relation to the Convention.

The key points which were finalized are:

Government Equity:

As stated in our ASX announcement of April 27, 2012, the Cameroon Government has a free-carried 10 per cent interest under the Mining Code. Additionally, the Government is to have a further 5 per cent interest by way of loan participation; and

A 25-year concession as to port and rail infrastructure was confirmed with Sundance having a first right of refusal to operate the facility with tariff protection beyond that time

Fiscal Terms:

In addition to the previously announced minimum five-year tax free holiday, maximum 25% tax rate and 5% dividends tax, a flexible corporate structuring regime was confirmed so as to allow timely financing and project development.

The Secretary General of the Prime Minister's Office of the Government of Cameroon, Mr Louis Paul Motaze, who is also Chairman of the Mbalam Project Steering Committee, congratulated Sundance and Hanlong on the historic agreement.



“This is a pivotal event in the development of the Mbalam Project and takes us closer than ever to realising the immense economic and social benefits which Mbalam will bring to the people of Cameroon,” Mr Motaze said.

On May 25 2012, the Prime Minister and Head of Government of the Republic of Cameroon, His Excellency M Philemon Yang, wrote to His Excellency Mr Wen Jiabao, Premier and Head of Government of the People’s Republic of China.

In the letter, Mr Yang affirmed the wish of the Government of Cameroon to involve China in the execution of the Mbalam Iron Ore Mining Project and Cameroon’s desire to see Sichuan Hanlong Group Company committed to the Project. Mr Yang also noted the common accords reached on the key terms of the Mbalam Mining Project Convention and requested that China pay special attention to, and give its support to, successful completion of the Project.

The agreement now reached satisfies the next significant condition precedent required under the Scheme Implementation Agreement (SIA).

The next key requirements of the SIA are:

1. Hanlong to secure provisional approval for the transaction from China’s National Development and Reform Commission and FIRB approval by June 30, 2012, and;
2. Hanlong to secure the Credit Approved Term Sheet from the China Development Bank by August 31, 2012.

Sundance Chairman George Jones said the agreement on the key terms of the Convention marked a crucial point along the path to completion of the SIA with Hanlong.

“Thanks to the commitment of all parties, we have finalised these terms on a basis acceptable to all parties,” Mr Jones said. “This is a significant milestone in respect to the SIA and it is a historic achievement in respect to development of the Mbalam Iron Ore Project.

“We now look forward to finalising the remaining elements of the SIA and paving the way for the people of the republics of Cameroon and Congo to reap the benefits of this world-class project.”

ENDS

Released by:

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About Hanlong

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

About Sundance

Sundance Resources Ltd (Sundance) is an international iron ore exploration and development company which is building a global iron ore business in central West Africa. Sundance is listed on the Australian Securities Exchange (ASX) as is in the benchmark S&P ASX 200. Sundance's goal is to become a major global iron ore producer through the development of the Mbalam Iron Ore Project (Project). It is an integrated Mine, Port and Rail Project with targeted annual production capacity of 35Mtpa of Direct Shipping Ore for the first 10 years, followed by continuing production at 35Mtpa of Itabirite Hematite for a further minimum 15 years.

The Project is located in an area that straddles the border of the Republic of Cameroon and the Republic of Congo in central Africa. The Project comprises Exploration Permit 92 (EP92) located in the East Province of the Republic of Cameroon, and Research Permits Nabeba-Bamegod (Nabeba) and Ibanga, located in the Sangha Province of the Republic of Congo. EP92 is owned by Cam Iron SA, a company incorporated in Cameroon which is a 90%-owned subsidiary of Sundance. Nabeba and Ibanga permits are owned by Congo Iron SA, a company incorporated in the Republic of Congo and is an 85%-owned subsidiary of Sundance.

Sundance is being advised by UBS AG, Clayton Utz and CITIC Securities.