



SUNDANCE
RESOURCES LTD

Sundance Resources Limited

ABN 19 055 719 394

Prospectus

For the offer:

- of the Noble Note with a face value of \$20,000,000 to Noble to raise \$20,000,000 (before expenses) (**First Noble Offer**);
- subject to receipt of Shareholder approval, of a total of 200,000,000 Noble Options (**Second Noble Offer**);
- of a total of 200,000 Investor Group Notes each with a face value of A\$100 and 60,000,000 free attaching Tranche 1 Options to the Investor Group, to raise \$20,000,000 (before expenses) (**First Investor Group Offer**);
- subject to receipt of Shareholder approval, of a total of 200,000,000 Options (comprising 140,000,000 Tranche 2 Options and 60,000,000 Tranche 3 Options) to the Investor Group (**Second Investor Group Offer**); and
- the offer of one Share at an issue price of \$0.10.

ONLY NOBLE, SENRIGAN CAPITAL, THE D. E. SHAW GROUP RELATED FUND AND BLACKSTONE MAY MAKE APPLICATIONS FOR SECURITIES UNDER THE FIRST NOBLE OFFER, THE SECOND NOBLE OFFER, THE FIRST INVESTOR GROUP OFFER AND THE SECOND INVESTOR GROUP OFFER PURSUANT TO THIS PROSPECTUS

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. The Offers do not take into account the individual investment objectives, financial situation or particular needs of each of Noble, Senrigan Capital, the D. E. Shaw Group Related Fund, Blackstone or any other person. If you do not understand this document's contents, or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser.

The Convertible Notes, Options and Shares (including Shares issued on conversion of the Convertible Notes and exercise of the Options offered by this Prospectus) should be considered speculative and you are advised to exercise caution in relation to an investment in the Company.

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Corporate Directory

Directors

Mr George Jones (Chairman, Director)
Mr Giulio Casello (Managing Director, CEO)
Mr Michael Blakiston (Non Executive Director)
Mr Barry Eldridge (Non Executive Director)
Ms Fiona Harris (Non Executive Director)
Mr Andrew (Robin) Marshall (Non Executive Director)
Mr David Southam (Non Executive Director)

Company Secretary

Mr Brian Conrick
Mrs Carol Marinkovich (Assistant Company Secretary)

Registered and principal office

Level 35, Exchange Plaza
2 The Esplanade
Perth, Western Australia 6000

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Facsimile: +61 8 9220 2311

Email: cosec@sundanceresources.com.au
Website: www.sundanceresources.com.au

ASX CODE

SDL

Important Dates*

First Noble Offer

Event	Date*
Prospectus lodged at ASIC and ASX	25 October 2013
Opening Date	4 November 2013
Closing Date	4 November 2013
Allotment of Noble Note	4 November 2013
Despatch of certificates for the Noble Note	4 November 2013

Second Noble Offer (subject to the receipt of Shareholder approval)

Event	Date*
Prospectus lodged at ASIC and ASX	25 October 2013
Annual General Meeting of the Company at which approval for the issue of the Noble Options will be sought	29 November 2013
Opening Date	29 November 2013
Closing Date	29 November 2013
Allotment of Noble Options	29 November 2013
Despatch of certificates for Noble Options	29 November 2013

First Investor Group Offer

Event	Date*
Prospectus lodged at ASIC and ASX	25 October 2013
Opening Date	4 November 2013
Closing Date	4 November 2013
Allotment of Investor Group Notes and Tranche 1 Options	4 November 2013
Despatch of certificates for Investor Group Notes and Tranche 1 Options	4 November 2013

Second Investor Group Offer (subject to the receipt of Shareholder approval)

Event	Date*
Prospectus lodged at ASIC and ASX	25 October 2013
Annual General Meeting of the Company at which approval for the issue of the Tranche 2 and Tranche 3 Options will be sought	29 November 2013
Opening Date	29 November 2013
Closing Date	29 November 2013
Allotment of Tranche 2 Options and Tranche 3 Options	29 November 2013
Despatch of certificates for Tranche 2 Options and Tranche 3 Options	29 November 2013

Cleansing Offer

Event	Date*
Prospectus lodged at ASIC and ASX	25 October 2013
Opening Date	4 November 2013
Closing Date	4 November 2013
Allotment of Share	4 November 2013
Despatch of holding statement	5 November 2013

** These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.*

Important Notes

This Prospectus is dated 25 October 2013 and was lodged with ASIC on that date. Neither ASIC, ASX or any of their respective officers take any responsibility for the contents of this Prospectus or the merits of an investment to which this Prospectus relates.

No Convertible Notes or Options will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Convertible Notes or Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Potential investors (including Noble, Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone) should read this Prospectus in its entirety and seek professional advice where necessary. The Convertible Notes, Options and Shares (including Shares issued on conversion of the Convertible Notes and exercise of the Options) offered by this Prospectus should be considered speculative.

An application for the Noble Note by Noble pursuant to the First Noble Offer will only be accepted by following the instructions on the Application Form accompanying this Prospectus.

Subject to the receipt of Shareholder approval, an application for Noble Options pursuant to the Second Noble Offer by Noble will only be accepted by following the instructions on the Application Form accompanying this Prospectus.

An application for Investor Group Notes and Tranche 1 Options pursuant to the First Investor Group Offer by Senrigan Capital, the D. E. Shaw Group Related Fund or Blackstone will only be accepted by following the instructions on the Application Form accompanying this Prospectus.

Subject to the receipt of Shareholder approval, an application for Tranche 2 Options and Tranche 3 Options pursuant to the Second Investor Group Offer by Senrigan Capital, the D. E. Shaw Group Related Fund or Blackstone will only be accepted by following the instructions on the Application Form accompanying this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and securities convertible into, and options over continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with section 713 of the *Corporations Act*. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the *Corporations Act* and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

In accordance with Chapter 6D of the *Corporations Act*, this Prospectus is subject to an exposure period of 7 days from the date of lodgement with the ASIC. This period may be extended by the ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with section 724 of the *Corporations Act*. Applications received prior to the expiration of the exposure period will not be processed until after the exposure period. No preference will be conferred on Applications received in the exposure period.

International Offer Restrictions

This document does not constitute an offer of Shares, Convertible Notes or Options of the Company in any jurisdiction in which it would be unlawful. The Convertible Notes may not be offered or sold in any country outside Australia except to the extent permitted below.

British Virgin Islands

The Convertible Notes and Options may not be offered in the British Virgin Islands unless the Company or the person offering the Convertible Notes and Options on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The Convertible Notes and Options may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

Cayman Islands

No offer or invitation to subscribe for Convertible Notes or Options may be made to the public in the Cayman Islands.

Singapore

This document and any other materials relating to the Convertible Notes and Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Convertible Notes and/or Options, may not be issued, circulated or distributed, nor may the Convertible Notes or Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Convertible Notes and Options being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Convertible Notes and/or Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

Accordingly, subject to certain exceptions, the Share, Convertible Notes or Options (or the Shares issued on conversion of the Convertible Notes or exercise of the Options) the subject of the Offers may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia.

Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of Convertible Notes and Options in response to an electronic Application Form, subject to compliance with certain provisions. The Company is relying on this exemption in relation to the Offers.

The Corporations Act prohibits any person from passing to another person an Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

If you have received an electronic version of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please telephone the Company Secretary at +61 8 9220 2300 and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Risk factors

Potential investors (including Noble, Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone) should be aware that subscribing for Convertible Notes (and holding Shares on conversion of the Convertible Notes); Options (and holding Shares on exercise of the Options); or a Share under the Offers involves a number of risks. Some of the more significant risks which affect an investment in the Company are:

Additional funding will be required

The funds raised under the Offers will be applied to the purposes set out in section 1.6.

The Company will need to raise further capital or debt financing in order to advance the development of the Project. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time, the outcome of any further feasibility studies or any other relevant feasibility studies and exploration programs, and upon the availability of significant amounts of debt and equity financing to the Company.

Moreover, the Company will require further capital from external sources to develop any discovered mineral deposits. If additional capital is raised by an issue of securities, this will likely have the effect of diluting shareholders' interests in the Company. Any debt financing, if available, may involve financial covenants upon the Company and its operations. If the Company cannot obtain such additional capital, the Company may not be able to complete the development of the Project or further explore any newly discovered mineral deposits or may be required to reduce the scope of any expansion which could adversely affect its business, operating results and financial condition. There can be no assurance that additional capital or other types of financing will be available if needed, or that it will be on terms favourable to the Company.

In-country/political risks

The Company's operations in the Republic of Cameroon and the Republic of Congo are exposed to economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; failure to agree to terms of various agreements which need to be entered into with the Governments of both countries; changes in taxation policies; restrictions on foreign exchange; changing political

conditions; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in the Republic of Cameroon and the Republic of Congo may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by governmental regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittance; income taxes; foreign investment; maintenance of claims; environmental legislation; land use; land claims of local people; water use; mine safety; and Government and local participation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

To maximise the value of the iron ore produced by the Company's operation requires the blending of iron ore from the Republic of Cameroon and the Republic of Congo. This requires, amongst other things, the unimpeded crossing of national borders for both the import of consumables into the Republic of Congo and the export of iron ore from the Republic of Congo and as such any restrictions imposed by either Government on the border crossing will adversely impact on the Project.

Commodity price risks

The price of iron ore fluctuates widely and is affected by numerous factors beyond the Company's control such as the supply and demand for steel, exchange rates, inflation rate fluctuations, changes in global economies, confidence in the global monetary system, as well as other global or regional political, social or economic events. Prices can also be affected by the amount of new and expanded iron ore production around the world.

Future production from the Project is dependent upon the price of iron ore being adequate to make it economic. Future price declines in the market price of iron ore could cause development of the Project to be rendered uneconomic. Declining iron ore prices will also adversely affect the Company's ability to obtain financing. As a result, a significant decline in iron ore prices could force the Company to discontinue development of the Project.

Resource and reserve estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates, including that the iron ore deposits may be of a different quality from the resource estimates, or that the iron ore price may increase or decrease. Resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource and reserve estimates could affect the Company's future plans and ultimately its financial performance and value.

Production and other operational risks

The Company's future operations will be subject to a number of factors that can cause material delays or changes in operating costs for varying lengths of time. These factors include weather conditions and natural disasters, disruption of fuel supply, unexpected technical problems, unanticipated geological conditions, equipment failures, and disruptions of rail infrastructure and ship loading facilities. The Company's financial performance may also be adversely affected by long lead times, delay and price escalations in respect of required equipment (including excavators, shovels, haul trucks), railway locomotives and rolling stock and stackers and reclaimers, consumables (including

explosives and other materials) and mining support services. Industrial disruptions may also result in lower than planned production or delays in delivery of iron ore.

In addition, new mining operations often experience unexpected problems and delays during development, construction and mine start-ups which delay the commencement of production and may impact on the Company's growth.

Litigation

As with any company, the Company may be exposed to risks of litigation which may have a material adverse effect on its financial position. The Company could become exposed to claims or litigation by persons alleging they are owed fees for services, employees, regulators, competitors or other third parties. To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have an adverse impact on financial performance.

As at the date of this document, the only litigation matters considered material to the Company's business are set out in section 3.3

Other risk factors of which investors should be aware are set out in section 3 of this Prospectus.

These risks, together with other general risks applicable to all investments in securities not specifically referred to, may affect the value of the Convertible Notes, Options and Shares issued upon conversion of the Convertible Notes and on exercise of the Options in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Convertible Notes or Options pursuant to this Prospectus.

Key definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to section 6 of this Prospectus for a list of defined terms.

1 Details of the Offers

1.1 Offers

On 22 October 2013, the Company announced that it had executed binding convertible note deeds with:

- (a) Noble pursuant to which the Company would issue:
 - (i) the Noble Note with a face value of \$20,000,000; and
 - (ii) subject to the receipt of Shareholder approval, 200,000,000 Noble Options, to raise \$20,000,000 (before costs) (**Noble Deed**); and
- (b) the Investor Group pursuant to which the Company would issue:
 - (i) a total of 200,000 Investor Group Notes each with a face value of \$100, together with 60,000,000 free attaching Tranche 1 Options; and
 - (ii) subject to the receipt of Shareholder approval, 140,000,000 Tranche 2 Options and 60,000,000 Tranche 3 Options, to raise an additional \$20,000,000 (before costs) (**Investor Group Deed**).

The Noble Note will be issued on or around 4 November 2013 and the Investor Group Notes and the Tranche 1 Options will be issued on or around 4 November 2013. The issue of the Noble Options, Tranche 2 Options and Tranche 3 Options is subject to Shareholder approval.

Under the Noble Deed and the Investor Group Deed, the funds raised must be used for:

- (a) working capital;
- (b) expenses of the issue; and
- (c) pre-development capital expenses relating to the Project, including costs associated with studies, approvals, legal documentation, finalising conventions, meeting expenses contemplated in the conventions, and exploration and mining permits, negotiating equity and engineering, procurement, construction tenders and negotiating with debt providers for the funding of the Project and offtake parties for the offtake of the product from the Project.

A summary of the Noble Note Deed is set out in section 4.5. A summary of the terms and conditions of the Noble Note are set out in schedule 5 to this Prospectus. The terms and conditions of the Noble Options are set out in schedule 6 to this Prospectus.

A summary of the Investor Group Note Deed is set out in section 4.5. A summary of the terms and conditions of the Investor Group Notes are set out in schedule 1 to this Prospectus. The terms and conditions of the Tranche 1 Options are set out in schedule 2 to this Prospectus. The terms and conditions of the Tranche 2 Options are set out in schedule 3 to this Prospectus. The terms and conditions of the Tranche 3 Options are set out in schedule 4 to this Prospectus.

As the Company has been suspended for more than 5 days in the 12 months prior to the date of this Prospectus, the Company is unable to issue the Convertible Notes and

Options without disclosure and then 'cleanse' the Shares to be issued on conversion of the Convertible Notes and exercise of the Options using a notice issued pursuant to section 708A(5) of the Corporations Act. As such, Noble, Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone have agreed to apply for the Convertible Notes and Options pursuant to this Prospectus so that the Shares issued on conversion of the Convertible Notes and exercise of the Options will be freely tradeable.

Only Noble may subscribe for the Noble Note under the Offer by completing and returning the Application Form attached to or accompanying this Prospectus on or before the Closing Date for the First Noble Offer.

Subject to receipt of Shareholder approval, only Noble may subscribe for Noble Options under the Second Noble Offer by completing and returning the Application Form attached to or accompanying this Prospectus on or before the Closing Date for the Second Noble Offer.

Only Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone may subscribe for Investor Notes and Tranche 1 Options under the First Investor Group Offer by completing and returning the Application Form attached to or accompanying this Prospectus on or before the Closing Date for the First Investor Group Offer.

Subject to receipt of Shareholder approval, only Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone may subscribe for Tranche 2 Options and Tranche 3 Options under the Second Investor Group Offer by completing and returning the Application Form attached to or accompanying this Prospectus on or before the Closing Date for the Second Investor Group Offer.

The Company is also offering one Share pursuant to the Cleansing Offer for the purpose set out in section 1.9.

1.2 Allotment of securities under the Offers

The Noble Note is expected to be allotted on or around 4 November 2013. The Company will issue a certificate for the Noble Note to Noble as soon as possible after allotment.

The Investor Group Notes and Tranche 1 Options are expected to be allotted on or around 4 November 2013. The Company will issue certificates for the relevant number of Investor Notes and Tranche 1 Options to Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone (as applicable) as soon as possible after allotment.

The issue of the Noble Options, Tranche 2 Options and Tranche 3 Options is subject to the receipt of Shareholder approval. Shareholder approval for the issue of the Noble Options, Tranche 2 Options and Tranche 3 Options is being sought at the Company's annual general meeting, scheduled to be held on 29 November 2013.

If Shareholder approval for the issue of the Noble Options is granted, the Second Noble Offer will be made and the Noble Options are expected to be allotted by no later than 29 November 2013. The Company will issue certificates for the Noble Options to Noble as soon as possible after allotment.

If Shareholder approval for the issue of the Tranche 2 Options and Tranche 3 Options is granted, the Second Investor Group Offer will be made and the Tranche 2 Options and Tranche 3 Options are expected to be allotted by no later than 29 November 2013. The Company will issue certificates for the relevant number of Tranche 2 Options and Tranche 3 Options to Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone (as applicable) as soon as possible after allotment.

The Share offered under the Cleansing Offer, if applied for, is expected to be allotted on or around 4 November 2013.

Until issue and allotment of the Noble Note under the First Noble Offer, the Investor Group Notes and free attaching Tranche 1 Options under the First Investor Group Offer and the Share under the Cleansing Offer, the application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the Convertible Notes, Options and the Share takes place.

1.3 Securities currently on issue

As at the date of this Prospectus, the Company has 3,073,110,985 Shares, 17,652,547 unlisted options, 9,137,858 unlisted Performance Rights and 5,000,000 existing convertible notes on issue. The existing convertible notes do not have the same terms as the Noble Note or the Investor Group Notes offered under this Prospectus. The existing options do not have the same terms as the Options offered under this Prospectus.

Please refer to section 2.3 of this Prospectus for further information on the unlisted options and Performance Rights on issue.

All of the Shares issued on conversion of the Convertible Notes and exercise of the Options will rank equally with the Shares on issue as at the date of this Prospectus except as to rights accrued on existing Shares prior to the date of issue of Shares on conversion of the Convertible Notes and exercise of the Options. Please refer to section 4.6 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

1.4 Taxation Implications

Potential Investors (including each of Noble, Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone) should obtain independent advice on the taxation implications arising out of their application under the Offers.

1.5 Opening Date and Closing Date of the Offers

First Noble Offer

The Opening Date for the Noble Offer is 4 November 2013 and the Closing Date for the First Noble Offer is 5.00pm WST on 4 November 2013, or such later date as the Directors, in their absolute discretion, may determine.

Second Noble Offer

Subject to receipt of Shareholder approval, the Opening Date for the Second Noble Offer is 29 November 2013 and the Closing Date for the Second Noble Offer is 5.00pm WST on 29 November 2013, or such later date as the Directors, in their absolute discretion, may determine.

First Investor Group Offer

The Opening Date for the First Investor Group Offer is 4 November 2013 and the Closing Date for the First Investor Group Offer is 5.00pm WST on 4 November 2013, or such later date as the Directors, in their absolute discretion, may determine.

Second Investor Group Offer

Subject to receipt of Shareholder approval, the Opening Date for the Second Investor Group Offer is 29 November 2013 and the Closing Date for the Second Investor Group Offer is 5.00pm WST on 29 November 2013, or such later date as the Directors, in their absolute discretion, may determine.

Cleansing Offer

The Opening Date for the Cleansing Offer is 4 November 2013 and the Closing Date for the Cleansing Offer is 5.00pm WST on 4 November 2013, or such later date as the Directors, in their absolute discretion, may determine.

1.6 Purpose of the Offers and use of proceeds

The purpose of the First Noble Offer is to raise up to \$20,000,000.

The purpose of the First Investor Group Offer is to raise up to \$20,000,000.

No funds will be raised under the Second Noble Offer and Second Investor Group Offer.

It is anticipated that the funds raised from the First Noble Offer and the First Investor Group Offer will be used for:

- (a) working capital purposes;
- (b) payment of expenses of the Offers; and
- (c) pre development capital expenses relating to the Project, including costs associated with studies, approvals, legal documentation, finalising conventions, meeting expenses contemplated in the conventions, and exploration and mining permits, negotiating equity and engineering, procurement, construction tenders and negotiating with debt providers for the funding of the Project and offtake parties for the offtake of the product.

The Company's current cash resources and additional capital proposed to be raised by the Offer are sufficient to meet the Company's current and approved future activities.

The Company is also offering one Share pursuant to the Cleansing Offer for the purpose set out in section 1.9.

1.7 ASX Listing

The Company will not apply to ASX for Official Quotation of the Convertible Notes or Options offered under this Prospectus. However, the Company will apply to ASX for Official Quotation of Shares issued on conversion of Convertible Notes or on exercise of Options.

Application for Official Quotation of the Share offered under the Cleansing Offer will be made to ASX within seven days following the date of this Prospectus.

If ASX does not grant Official Quotation of the Share offered under the Cleansing Offer within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot the Share and will repay all application monies for the Share within the time period prescribed under the *Corporations Act*, without interest.

A decision by ASX to grant Official Quotation of the Share is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the securities now offered for subscription.

1.8 Market Prices of Shares on ASX

Shares may be issued upon conversion of the Convertible Notes and exercise of the Options. The highest and lowest closing market sale prices of Shares on ASX during the three (3) months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.13 on 21 October 2013 and \$0.07 on 20 September 2013.

The latest available market sale price of Shares on ASX at the close of trading on the date prior to the date of this Prospectus was \$0.115 on 24 October 2013.

The Convertible Notes and Options are not in a class of quoted securities and therefore there is no sale price history for the Convertible Notes and Options.

1.9 Issue of Shares to Mr Roger Bogne

As announced on 27 August 2013, an out of court settlement has occurred following negotiations with Hold Co SARL, Cam Iron's minority shareholder and the former Cam Iron CEO, Mr Roger Bogne. As part of the settlement, one million Shares have been issued to Mr Bogne. This Prospectus is also being issued to facilitate the secondary trading of the Shares issued to Mr Bogne.

1.10 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a security holder of the Company, the *Corporations Act* requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

1.11 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 3 of this Prospectus.

2 Effect of the Offers on the Company

2.1 Effect of the Offers

The principal effects of the Offers on the Company are as follows:

- (a) the Company will issue the Noble Note to Noble;
- (b) subject to receipt of Shareholder approval, the Company will issue up to 200,000,000 Noble Options to Noble;
- (c) the Company will issue up to up to 200,000 Investor Group Notes and up to 60,000,000 Tranche 1 Options to the Investor Group;
- (d) subject to receipt of Shareholder approval, the Company will issue up to 140,000,000 Tranche 2 Options and 60,000,000 Tranche 3 Options to the Investor Group;
- (e) the Company will issue one Share under the Cleansing Offer; and
- (f) the cash reserves of the Company will increase by up to approximately \$40,000,000 (less the expenses of the Offers) immediately after completion of the First Noble Offer and the First Investor Group Offer.

2.2 Condensed Statement of Financial Position

Set out as follows is the unaudited Condensed Statement of Financial Position of the Consolidated Entity as at 30 September 2013. The pro-forma Condensed Statement of Financial Position of the Consolidated Entity as at 30 September 2013 has been adjusted for the following transactions:

- (a) the issue of the Noble Note to raise \$20,000,000;
- (b) the issue of 200,000 Investor Group Notes to raise \$20,000,000;
- (c) the issue of a total 60,000,000 Options for no consideration;
- (d) the issue of one Share under the Cleansing Offer; and
- (e) the estimated expenses of the Offers of approximately \$1,800,000.

The Condensed Statement of Financial Position and the pro-forma Condensed Statement of Financial Position have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared to provide potential investors (including Noble, Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone) with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

Pro-forma Statement of Financial Position

	Consolidated 30 September 2013 (unaudited) \$	Pro-forma ² Consolidated 30 September 2013 (unaudited) \$
CURRENT ASSETS		
Cash and cash equivalents	9,623,130	47,823,130 ¹
Trade and other receivables	1,034,601	1,034,601
Inventory	3,435,424	3,435,424
Other current assets	955,192	955,192
Total Current Assets	15,048,347	53,248,347
NON-CURRENT ASSETS		
Property, plant & equipment	3,690,767	3,690,767
Mine development assets	232,510,713	232,510,713
Total Non-Current Assets	236,201,480	236,201,480
TOTAL ASSETS	251,249,827	289,449,827
CURRENT LIABILITIES		
Trade and other payables	9,670,172	9,670,172
Other current financial liabilities	4,793,774	12,911,274 ³
Total Current Liabilities	14,463,946	22,581,446
NON CURRENT LIABILITIES		
Financial liabilities	-	28,764,600
Total Non-Current Liabilities	-	28,764,600
Total Liabilities	14,463,946	51,346,046
Net Assets	236,785,881	238,103,781
EQUITY		
Issued capital	408,971,476	409,070,476
Reserves	21,225,710	22,543,610
Accumulated losses	(186,636,349)	(186,735,349)
Equity attributable to owners of the Company	243,560,837	244,878,737
Non-controlling interests	(6,774,956)	(6,774,956)
Total Equity	236,785,881	238,103,781

Notes to the pro-forma Condensed Statement of Financial Position

The pro-forma Condensed Statement of Financial Position:

- 1 includes \$40,000,000 comprising gross proceeds raised pursuant to the First Noble Offer, First Investor Group Offer and the Cleansing Offer (less estimated costs of the Offers of \$1,800,000); and

- 2 does not take into account any transactions between 30 September 2013 and the date of this Prospectus. The pro-forma Condensed Statement of Financial Position reflects only the transactions the subject of this Prospectus.
- 3 Other current financial liabilities includes:
- 5 million AUD denominated convertible note issued by the Company to Hanlong at an issue price of AUD1 per note. These notes may convert into underlying Shares in the Company utilising a conversion price of the average daily volume weighted average price of Shares traded on the ASX over the five trading days preceding the date on which a conversion notice is given; and
 - Derivative financial liability attributable to the Investor Group's rights to convert the Investor Group Notes (\$4.2M) and the Investor Group's rights to receive the cash payment under the Investor Group Deed detailed on page 35 (\$4.3M). If shareholders approve the grant of the Tranche 2 Options and the Tranche 3 Options and these options are granted, the cash payment rights will automatically terminate and the attributed liability will be transferred to equity to reflect the grant of the Tranche 2 Options and Tranche 3 Options (currently \$4.3M).

2.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue	3,073,110,985
Share to be issued pursuant to the Cleansing Offer	1
Shares on issue after completion of the Offers	3,073,110,986

Convertible Notes (unquoted)

	Number
Existing Convertible Notes currently on issue	5,000,000
Convertible Notes to be issued pursuant to the First Noble Offer	1
Convertible Notes to be issued pursuant to the First Investor Group Offer	200,000
Convertible Notes (Existing Convertible Notes and new Convertible Notes) on issue after completion of the Offers	5,200,001

Options (unquoted)

Exercise Price	Expiry Date	Number
\$0.40	22 December 2013	6,500,000
\$0.25	29 January 2014	193,750
\$0.25	30 January 2014	3,567,748
\$0.30	22 December 2013	6,500,000
\$0.225	30 January 2014	389,049
\$0.25	30 January 2015	502,000
Options to be issued pursuant to the First Investor Group Offer (refer schedule 2 of this Prospectus for terms and conditions)		60,000,000
Subject to receipt of Shareholder approval, Options to be issued pursuant to the Noble Offer (Noble Options (refer schedule 6 of this Prospectus for terms and conditions)), the Second Investor Group Offer (Tranche 2 Options (refer schedule 3 of this Prospectus for terms and conditions) and the Tranche 3 Options (refer schedule 4 of this Prospectus for terms and conditions))		400,000,000
Options on issue after completion of the Offers (assuming receipt of Shareholder approval for the issue of the Options the subject of the Second Investor Group Offer)		477,652,547

Performance Rights

Performance Hurdle	Vesting Date	Number
Continuation of employment of CEO	3/11/13	2,650,000
Various hurdles set under 2011 Long Term Incentive Plan	Various vesting dates set under 2011 Long Term Incentive Plan	952,928
Various hurdles set under 2012 Long Term Incentive Plan	Various vesting dates set under 2012 Long Term Incentive Plan	1,987,320
Various hurdles set under 2013 Long Term Incentive Plan	Various vesting dates set under 2013 Long Term Incentive Plan	3,547,610
Performance Rights to be issued pursuant to the Offer		Nil
Performance Rights on issue after completion of the Offers		9,137,858

Fully diluted share capital

If all of the convertible securities on issue were converted and/or exercised and/or vested, the following Shares would be issued:

	Number
Shares currently on issue	3,073,110,985
Share to be issued pursuant to the Cleansing Offer	1
Shares issued on conversion of the existing convertible notes (assuming a conversion price of \$0.11) ¹	45,454,545
Shares issued on conversion of the Noble Note (assuming a conversion price of \$0.12)	166,666,666
Shares issued on conversion of all of the Investor Notes (assuming a conversion price of \$0.10)	200,000,000
Shares issued on exercise of all Options on issue as at the date of this Prospectus ²	17,652,547
Shares issued on exercise of all Noble Options ³	200,000,000
Shares issued on exercise of all Tranche 1 Options ⁴	60,000,000
Shares issued on exercise of all Tranche 2 Options ⁵	140,000,000
Shares issued on exercise of all Tranche 3 Options ⁶	60,000,000
Share issued assuming all Performance Rights vest	9,137,858
TOTAL	3,972,022,602

Notes:

- 1. The conversion price of the existing convertible notes is calculated by reference to the volume weighted average price of Shares on ASX on the five trading days preceding the date on which a conversion notice is given.*
- 2. The price of Shares will usually determine whether or not an optionholder exercises their options. All of the Options on issue as at the date of this Prospectus are well out of the money. In the event all of the Options on issue as at the date of this Prospectus are exercised, the Company would receive \$5,703,411.*
- 3. The price of Shares will usually determine whether or not an optionholder exercises their options. In the event all of the Noble Options are exercised, the Company would receive \$24,000,000.*
- 4. The price of Shares will usually determine whether or not an optionholder exercises their options. In the event all of the Tranche 1 Options are exercised, the Company would receive \$6,000,000.*
- 5. The price of Shares will usually determine whether or not an optionholder exercises their options. In the event all of the Tranche 2 Options are exercised, the Company would receive \$14,000,000.*
- 6. The price of Shares will usually determine whether or not an optionholder exercises their options. In the event all of the Tranche 3 Options are exercised, the Company would receive \$7,200,000.*

No securities of the Company are subject to escrow restrictions, either voluntary or ASX imposed.

3 Risk Factors

3.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for securities under this Prospectus.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The following summary in addition with the risk factors disclosed in the "Important Notes", which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

3.2 Risks specific to the Offers

Potential for dilution

On conversion of any of the Convertible Notes and exercise of the Options, Shares may be issued.

This means that if Shares are issued on conversion of a Convertible Note or exercise of an Option, Shares in existence prior to the conversion of the Convertible Notes or exercise of the Options (as applicable) will represent a lower proportion of the ownership of the Company following conversion and/or exercise. It is not possible to predict what the value of the Company or a Share will be following the conversion of any of the Convertible Notes or exercise of any of the Options and the Directors do not make any representation to such matters. In addition, if Shares are issued on conversion of a Convertible Note or exercise of an Option the composition of the Company's major Shareholders may change, depending on: the number of Convertible Notes converted or Options exercised; and the other major Shareholder shareholdings at the date of conversion and/or exercise.

Restrictions on certain actions

The Convertible Notes contain a number of restrictive covenants that will impose operating and financial restrictions on the Company and may limit the Company's ability to engage in acts that may be in its long-term best interest, including restrictions on the Company's ability to:

- incur further debt subject to some exceptions, including debt in connection with the development of the Project incurred after a Relevant Event;
- pay dividends or new issue securities other than under a rights issue, bonus issue or if the Directors form the view it is required for them to satisfy their duties.

A breach of the covenants under the Convertible Notes could result in an event of default under the Convertible Notes. Such a default may allow the holders of Convertible Notes

to accelerate payment on the Convertible Notes and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies.

We may also enter into further financing arrangements in the future, which may contain similar or more extensive restrictions to those outlined above. In the event our lenders or holders of Convertible Notes accelerate the repayment of our borrowings, we may not have sufficient assets to repay that indebtedness.

No trading market for the Convertible Notes or Options

The Convertible Notes are only transferrable in certain circumstances as set out in schedules 1 and 5. The Options are only transferable in certain circumstances as set out in schedules 2, 3 and 4.

There is no existing market for the Convertible Notes or Options. The Convertible Notes and Options will not be listed on any securities exchange. There can be no assurance that a trading market for the Convertible Notes or Options will ever develop or be maintained. Further, there can be no assurance as to the liquidity of any market that may develop for the Convertible Notes or Options, your ability to sell your Convertible Notes or Options or the price at which you will be able to sell your Convertible Notes or Options. Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including the:

- time remaining to the maturity of the Convertible Notes;
- the expiry date of the Options;
- outstanding amount of the Convertible Notes; and
- terms related to optional redemption of the Convertible Notes.

If an active market does not develop or is not maintained, the market price and liquidity of the Convertible Notes and Options may be adversely affected.

3.3 Risks specific to the Company

Additional funding will be required

The funds raised under the First Noble Offer and the First Investor Group Offer will be applied to the purposes set out in section 1.6.

The Company will need to raise further capital or debt financing in order to advance the development of the Project. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time, the outcome of any further feasibility studies or any other relevant feasibility studies and exploration programs, and upon the availability of significant amounts of debt and equity financing to the Company.

Moreover, the Company will require further capital from external sources to develop any discovered mineral deposits. If additional capital is raised by an issue of securities, this will likely have the effect of diluting shareholders' interests in the Company. Any debt financing, if available, may involve financial covenants upon the Company and its operations. If the Company cannot obtain such additional capital, the Company may not be able to complete the development of the Project or further explore any newly discovered mineral deposits or may be required to reduce the scope of any expansion which could adversely affect its business, operating results and financial condition. There

can be no assurance that additional capital or other types of financing will be available if needed, or that it will be on terms favourable to the Company.

In-country/political risks

The Company's operations in the Republic of Cameroon and the Republic of Congo are exposed to political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; failure to agree to terms of various agreements which need to be entered into with the Governments of both countries; changes in taxation policies; restrictions on foreign exchange; changing political conditions; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in the Republic of Cameroon and the Republic of Congo may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by governmental regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittance; income taxes; foreign investment; maintenance of claims; environmental legislation; land use; land claims of local people; water use; mine safety; and Government and local participation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

To maximise the value of the iron ore produced by the Company's operation requires the blending of iron ore from the Republic of Cameroon and the Republic of Congo. This requires, amongst other things, the unimpeded crossing of national borders for both the import of consumables into the Republic of Congo and the export of iron ore from the Republic of Congo and as such any restrictions imposed by either Government on the border crossing will adversely impact on the Project.

Foreign currency risk

The Company may be subject to foreign currency fluctuations. The Company's mining properties are located in the Republic of Cameroon and the Republic of Congo and the Company's financial results are reported in Australian dollars. The Company's currency fluctuation exposure is primarily to the U.S. dollar, the Australian dollar, Euro, Central African francs and South African Rand. The Company does not currently use derivative financial instruments, nor does the Company currently hedge its foreign currency exposure to manage the Company's foreign currency fluctuation risk.

Global economic conditions

Recent global economic conditions have been characterised by volatility. Access to financing has been negatively impacted by many factors as a result of the recent global financial crisis. This may impact the Company's ability to obtain financing on favourable terms in the future. Factors such as inflation, currency fluctuations, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and share price can be affected by these global economic conditions which are beyond the control of the Company and its Directors.

Commodity price risks

The price of iron ore fluctuates widely and is affected by numerous factors beyond the Company's control such as the supply and demand for steel, exchange rates, inflation rate fluctuations, changes in global economies, confidence in the global monetary system, as well as other global or regional political, social or economic events. Prices can also be affected by the amount of new and expanded iron ore production around the world.

Future production from the Project is dependent upon the price of iron ore being adequate to make it economic. Future price declines in the market price of iron ore could cause development of the Project to be rendered uneconomic. Declining iron ore prices will also adversely affect the Company's ability to obtain financing. As a result, a significant decline in iron ore prices could force the Company to discontinue development of the Project.

Resource and reserve estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates, including that the iron ore deposits may be of a different quality from the resource estimates, or that the iron ore price may increase or decrease. Resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource and reserve estimates could affect the Company's future plans and ultimately its financial performance and value.

Exploration and development risks

Exploration and development involves inherent risks. Exploration risks include the uncertainties associated with projected continuity of ore deposits, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems. Exploration may also be adversely affected by a variety of non-technical issues such as limitations on activities due to seasonal changes, industrial disputes, land claims, heritage, environmental legislation and mining legislation.

There can be no assurance that the Company will be able to complete development of the Project on time or to budget due to, among other things, changes in the scope of the project, delays in the installation of the plant and equipment and cost overruns, difficulties in securing supply of the required equipment, consumables and mining support services, metallurgical issues or that the Company's personnel, systems procedures and controls will be adequate to support the operation.

Many of these inherent exploration and development risks are outside the control of the Company.

Infrastructure access risk

The Company has planned and designed an integrated mining and transportation facility which is sufficient for its operations. However the Company will require reliable road and rail networks and power and water infrastructure to access and support its operations. The availability and costs of this infrastructure affect capital and operating costs and the Company's ability to maintain expected levels of production and sales. Limitations or interruptions in rail or shipping capacity could disrupt the Company's ability to deliver its

products on time. This could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Production and other operational risks

The Company's future operations will be subject to a number of factors that can cause material delays or changes in operating costs for varying lengths of time. These factors include weather conditions and natural disasters, disruption of fuel supply, unexpected technical problems, unanticipated geological conditions, equipment failures, and disruptions of rail infrastructure and ship loading facilities. The Company's financial performance may also be adversely affected by long lead times, delay and price escalations in respect of required equipment (including excavators, shovels, haul trucks), railway locomotives and rolling stock and stackers and reclaimers, consumables (including explosives and other materials) and mining support services. Industrial disruptions may also result in lower than planned production or delays in delivery of iron ore.

In addition, new mining operations often experience unexpected problems and delays during development, construction and mine start-ups which delay the commencement of production and may impact on the Company's growth.

Environmental

The Company has received all necessary approvals for the Project but there cannot be any assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, including in relation to pre-existing environmental conditions unknown to the Company at present. Rehabilitation costs are uncertain and planned expenditure may differ from the actual expenditure required.

Litigation

As with any company, the Company may be exposed to risks of litigation which may have a material adverse effect on the financial position of the relevant entity. The Company could become exposed to claims or litigation by persons alleging they are owed fees for services, employees, regulators, competitors or other third parties. To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have an adverse impact on financial performance.

As at the date of this document, the only litigation matters considered material to the Company's business are set out below.

Cameroon proceedings

Cam Iron, a subsidiary of the Company, was notified of a legal claim in the Republic of Cameroon on behalf of the families of persons lost in the Republic of Congo air incident of 2010. The claim lapsed. However an application to revive the claim has been brought in a Republic of Cameroon Court. Cam Iron will continue to defend any claim against it.

US proceedings

On 20 June 2013, the Company announced that it had been informed of court process filed in the Circuit Court for Cook County, Illinois, USA on 7 June 2013.

The proceedings have been filed on behalf of the estates and survivors of John Jones, Don Lewis, Geoff Wedlock, John Carr-Gregg, James Cassley and Natasha Flason, who died on 19 June 2010 in the aircraft incident in the Republic of Congo.

These are fresh proceedings brought in a different jurisdiction from the now discontinued Federal Court proceedings previously brought in the USA.

The defendants named in the proceedings are:

- Garmin [sic] International Inc of Kansas USA;
- the Company;
- Cam Iron ;
- Aero Services SARL; and
- Raymond Griesbaum, identified as a principal of Aero Services SARL.

This process has not, at this time, been served on the Company or Cam Iron. The proceedings claim unspecified damages on behalf of the claimants. Should this matter proceed against the Company or its subsidiaries, the Company will vigorously defend any such actions.

UK proceedings

On 15 July 2013, the Company announced that legal action in the UK High Court on behalf of the estate of the late Mr James Cassley has been served on the Company.

Mr Cassley was among those who lost his life in the plane crash in the Republic of Congo in June 2010. He was an employee of the investment company, GMP Securities Europe LL. GMP is the first defendant in the action and the Company is the second defendant.

The proceedings allege that each defendant has a liability for negligence in relation to the plane crash. The losses claimed in the process are put at a total of 6,236,844 pounds.

Absolute Analogue and David Porter

The Company has disputes with Absolute Analogue Pty Ltd and David Porter.

Absolute Analogue Pty Ltd claims a total of A\$129,977 for work done. An additional claim has been made by Absolute Analogue Pty Ltd and David Porter against the Company for the issue of 30 million Options (20 million Options with an exercise price of A\$0.10 and 10 million Options with an exercise price of A\$0.20), exercisable at any time before 29 May 2009.

The matter is expected to go to trial in November 2013.

In addition to the Absolute Analogue Pty Ltd and David Porter proceedings, David Porter alone has issued a further claim in which he is seeking an order for the grant of 10 million Sundance options at \$0.10 and damages, or alternatively damages in lieu of specific performance.

Tenure risk

There are a number of conditions that the Company's subsidiaries must satisfy in order to keep their exploration licenses in the Republics of Cameroon and Congo in good standing, and to facilitate their conversion to mining permits in the Republic of Cameroon, including minimum expenditure and annual reporting requirements. The Company must also negotiate a mining convention with the Republic of Congo. There is a risk that the Company may not be able to satisfy these requirements, in which case the Company may

either lose its exploration licences or be unsuccessful in obtaining a grant of the required mining permits.

Structural subordination of Shares

In the event of a bankruptcy, liquidation or reorganisation of the Company, certain trade creditors will generally be entitled to payment of their claims from the assets of the Company before any assets are made available for distribution to the Shareholders. The Shares will be effectively subordinated to most of the other indebtedness and liabilities of the Company. The Company will be limited in its ability to incur secured or unsecured indebtedness.

Future sales or issue of Shares

The Company may issue further Shares or other securities in subsequent fundraising. The Company may also issue additional securities to finance future activities. The Company cannot predict the size of future issues or the effect, if any, that future issues of securities will have on the market price of the Shares. Issues of substantial numbers of Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Shares. With any additional sale or issue of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

3.4 General Risks

Share market risk

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares is affected by many variables not directly related to the Company's success and therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments.

Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;

- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Key Personnel

The success of the Project is dependent on the services of key engineering, managerial, financial, commercial, marketing and processing personnel. Loss or diminution in the services of key employees, particularly as a result of an inability to attract and retain staff could have an adverse effect on the Company's business, financial condition, results of operations and prospects.

Insurance risks

The Company does have potential insurance risk associated with its operations.

The Company's insurance may not fully cover its liability or the consequences of any business interruptions nor does it cover political risk.

The occurrence of a significant adverse event not covered or only partially covered by insurance could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Insurance of risks associated with minerals exploration and mining operations is not always available and, when available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

Securities price fluctuation

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

3.5 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Convertible Notes and Options offered under this Prospectus and the Shares issued on conversion of the Convertible Note and exercise of the Options.

4 Additional information

4.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the *Corporations Act*) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board has adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the *Corporations Act*. The policy provides information as to what a person should do when they become aware of information which could have material effect on the Company's securities and the consequences of non-compliance.

4.2 Legal framework of this Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the *Corporations Act* and ASIC class order 00/195 applicable to prospectuses for an offer of continuously quoted securities (or securities convertible into continuously quoted securities) that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

4.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the annual financial report for the Company for the year ending 30 June 2013; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the annual financial report of the Company for the period ending 30 June 2013 and before the issue of this Prospectus:

Date	Announcement
22 October 2013	SDL Signs Agreement to Raise \$40M via issue of Con Notes
18 October 2013	Appendix 3B
17 October 2013	Response to ASX query
2 October 2013	Resource Rising Stars Presentation
30 September 2013	Full Year Statutory Accounts

As announced on 7 August 2013, the Company commenced issuing tender documents relating to financing and construction of the infrastructure for its Project. Tender documents for the Project's port and rail infrastructure have been provided to a number of international engineering, procurement and construction contractors that have proven track records in building successful projects of large scope and scale. Six of these groups are Chinese. The Company is in continued negotiations with various parties in relation to the subject matter of the tender documents.

As announced on 27 August 2013, the Company has issued term sheets for the sale of equity and take or-pay offtake agreements in relation to its Mbalam-Nabeba Iron Ore Project. The Company is in continued negotiations with various parties in relation to the subject matter of the terms sheets.

4.4 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

A summary of the Company's corporate governance policies and procedures is available on the Company's website at www.sundanceresources.com.au.

4.5 Summary of the Convertible Note Deeds

Noble Deed

Noble Note

The Noble Note is unsecured and has a face value of \$20 million and matures two years from the date of issue. Interest on the Noble Note is 10% per annum payable semi-annually.

The Noble Note may, in specified circumstances, be converted into shares in MarketCo or into Shares in the Company in the circumstances set out in schedule 5. Provided the Noble Note has not otherwise been converted, redeemed or cancelled, the Company must redeem the Noble Note for the face value of the Noble Note plus accrued but unpaid interest upon the earlier of the maturity date of the Noble Note, and the occurrence of an event of default (in which case the redemption amount payable is 120% of face value plus accrued but unpaid interest) In the event that Noble elects to convert into shares in MarketCo, Noble will provide marketing services to MarketCo on terms to be agreed between Noble and MarketCo.

Marketing and Offtake Rights Deed

In addition to entering into the Noble Deed, Sundance and Noble have entered into the Marketing and Offtake Rights Deed. Certain of the matters contemplated in the Marketing and Offtake Rights Deed will require further documentation in due course.

Offtake Rights

Under the Marketing and Offtake Rights Deed, Noble will be granted the following rights with respect to 15% of the total iron ore production (**Product**) from Stage 1 of the Project in each year (**Exclusive Product**):

- (a) a first right to offer a price and other terms for the Exclusive Product prior to the Exclusive Product being offered to any other person; and
- (b) in the event Noble does not exercise its right referred to in (a), or Noble's price and terms are not accepted, Noble will have a last right to match the price and terms offered with respect to the Exclusive Product.

The Company believes these arrangements will ensure the Product is sold on arm's length terms and the involvement of Noble as a potential purchaser of Product is believed by the Directors to reflect favourably on the Project. Noble will be incentivised to market the Product, given its capacity to acquire 15% of it.

The Company will procure that no agreement is entered into with respect to the Exclusive Product which would affect Noble's rights referred to above. Provided that the Exclusive Product remains free from any commitment to any third party, no restriction shall apply to the Company:

- (a) pre-selling or committing to pre-sell the balance of the Product to third parties; or
- (b) introducing strategic parties to develop and operate the Project mine and related infrastructure.

MarketCo

Also, under the Marketing and Offtake Rights Deed, the Company agrees to use best endeavours to incorporate a services company (**MarketCo**) that will, among other things, market ore produced at the Project by Congo Iron and Cam Iron, and negotiate an agreement (on terms acceptable to the Company and Noble) with each of Cam Iron and Congo Iron pursuant to which MarketCo will, among other things, be responsible for blending the Product and be the sole marketer of 100% of the Product from the Project in return for a fee, calculated by reference to the CFR sales price of such Product, and being between 3% and 5% of such CFR sales price of the Product (**Marketing Arrangements**). The creation of these Marketing Arrangements will be subject to various approvals.

Noble Options

As additional consideration for subscribing for the Noble Note, and subject to obtaining the approval of Shareholders, the Company shall issue 200,000,000 Noble Options to Noble. The Noble Options have an exercise price of \$0.12.

The Noble Options may be exercised at any time on or after a conversion notice is given by the noteholder under the Noble Note to convert the Noble Note into Shares in the Company.

The Noble Options will automatically lapse on the earliest to occur of:

- (a) immediately after the redemption of the Noble Note and payment in full by the Company to the noteholder of the redemption amount (which is face value of the Noble Note at the maturity date of the Noble Note, and 120% of face value in the event of default) plus all accrued but unpaid interest;
- (b) immediately after the conversion of the Noble Note into MarketCo shares and satisfaction in full of the Company's obligation in relation to the conversion of the Noble Note and the issue of the MarketCo shares; and
- (c) 14 days after the day on which the Company has satisfied in full its obligation in relation to the conversion of the Noble Note and the issue of the Shares.

As further consideration for subscribing for the Noble Note, the Company has agreed to pay to Noble (if Noble has given Notice to convert the Noble Note into Shares which, as detailed in schedule 5, they may elect to do if MarketCo has not been incorporated and/or the Company has not finalised the marketing agreement on terms acceptable to Noble, or a Change in Control Event has occurred) an amount calculated as follows:

$$A = B \times (C - D)$$

where:

A = the amount to be paid by the Company to Noble;

B = 200,000,000;

C = the average daily volume weighted average price of Shares during the 10 trading days prior to the date of the conversion notice given by the noteholder in accordance with paragraph 7.2(a)¹ of the Noble Note terms; and

D = the conversion price for the Noble Note.

On the issue of the Noble Options the right of Noble to receive the payment above shall automatically terminate.

A summary of the terms and conditions of the Noble Note are set out in schedule 5 of this Prospectus.

The terms and conditions of the Noble Options are set out in schedule 6 of this Prospectus.

The Investor Group Deed

Investor Group Notes

The Investor Group Notes are unsecured and have a face value of \$100 each, maturing two years from the date of issue. No interest is payable on the Investor Group Notes.

If the Investor Group Notes are not converted prior to the maturity date, they must be redeemed by the Company at 120% of face value.

Tranche 1 Options, Tranche 2 Options and Tranche 3 Options

As additional consideration for subscribing for the Investor Group Notes, the Company issued 60,000,000 Tranche 1 Options, and subject to obtaining the approval of Shareholders, will issue 140,000,000 Tranche 2 Options and 60,000,000 Tranche 3 Options in aggregate to members of the Investor Group. The Tranche 1 Options and Tranche 2 Options have an exercise price of \$0.10 and the Tranche 3 Options have an exercise price of \$0.12. The Tranche 1 Options, Tranche 2 Options and Tranche 3 Options lapse on the later of:

- (a) 5pm WST on the maturity date of the Investor Group Notes; and

¹ Paragraph 7.2(a) of the Noble Note terms provides that the noteholder may give a conversion notice if a Change of Control Event occurs, or MarketCo has not been established and/or the Company has not finalised the marketing agreement on terms acceptable to the noteholder by two business days before the maturity date of the Noble Note.

- (b) if a Change of Control Event is announced prior to the maturity date, the date on which the Change of Control Event is completed which:
 - (i) in the case of limb (a) of the definition of Change of Control Event, shall be the day the takeover offer closes;
 - (ii) in the case of limb (b) of the definition of Change of Control Event, shall be the implementation date of the scheme;
 - (iii) in the case of limb (c) of the definition of Change of Control Event, shall be the date of completion of the sale; and
 - (iv) in the case of limb (d) of the definition of Change of Control Event, shall be the date of change in control.

As further consideration for subscribing for the Investor Group Notes, the Company has agreed, on the occurrence of a Relevant Event and on receipt of notice from the Investor Group, to pay to the Investor Group an amount equal to:

- (a) 140,000,000 (adjusted inversely for changes in the conversion price of the Investor Group Notes) multiplied by the amount that is calculated as the average daily VWAP for the Shares during the 10 trading days following the Company receiving a notice from the Investor Group, less the conversion price for the Investor Group Notes; and
- (b) 60,000,000 (adjusted inversely for changes in the conversion price of the Investor Group Notes) multiplied by the amount that is calculated as the average daily VWAP for the Shares during the 10 trading days following the Company receiving a notice from the Investor Group, less 120% of the conversion price for the Investor Group Notes.

On the issue of the Tranche 2 Options and Tranche 3 Options the right of the Investor Group to receive the above payments shall automatically terminate.

Undertakings

Under the Investor Group Notes and the Noble Note, the Company agrees (for so long as the Investor Group Notes or the Noble Note remains outstanding and prior to the day that is 5 Business Days after a Relevant Event), except to the extent the Investor Group or Noble consent:

- (a) the Company will not make or pay any dividends to Shareholders; and
- (b) the Company must not (and must procure that its subsidiaries do not) issue any securities other than:
 - (i) securities issued pursuant to (and Shares issued on conversion under) the Noble Deed and the Investor Group Deed and securities issued under an employee incentive scheme;
 - (ii) a pro rata or bonus issue to Shareholders;
 - (iii) as contemplated in the definition of Change of Control or paragraph (c) of the definition of Project Event; or

- (iv) to the extent that, acting in good faith and in accordance with their fiduciary and other duties to the Company, the directors of the Company form the view that it is required in order for the Directors to satisfy their duties; and
- (c) the Company must not issue or grant any Securities or restructure or reorganise its capital prior to the date of the Company's 2013 annual general meeting other than securities issued pursuant to (and Shares issued on conversion under) the Noble Deed and the Investor Group Deed and securities issued under an employee incentive scheme.

Covenants by the Company

Under both the Investor Group Deed and the Noble Deed, the Company agrees not to do certain things prior to the maturity date of the Investor Group Notes and the Noble Note, which broadly include the following:

- (a) not (and procure that no member of the Company group will) incur further finance debt, except for:
 - (i) debt consisting of trade accounts payable arising in the ordinary course of business;
 - (ii) debt with the approval of Noble and the Investor Group;
 - (iii) debt owed by a member of the Company group to any other member of the group;
 - (iv) debt in respect of hedging in the ordinary course of trading and not for speculative or investment purposes;
 - (v) debt in connection with the Mbalam Convention or a convention or an agreement with the Republic of Congo in connection with the development of the Project in the Republic of Congo; or
 - (vi) debt which is in connection with the development of the Project or which is part of a disposal permitted under paragraphs (c)(i)-(iv) below, and incurred after a Relevant Event;
- (b) not (and procure that no member of the Company group will) grant any security interests;
- (c) not (and procure that no member of the Company group will) dispose of assets of the Company group except:
 - (i) in the ordinary course of day-to-day trading at arm's length;
 - (ii) from any member of the Company group to another member;
 - (iii) of obsolete or redundant assets or of assets in exchange for other assets reasonably comparable or superior to assets necessary for the core business of the company group;
 - (iv) where proceeds of disposal are retained and applied for use in the development of the Project and the net proceeds do not exceed \$5 million in aggregate in any calendar year; and

- (v) as contemplated by a change of control of the Company or any sales of direct or indirect equity interests in the Project to an entity outside the Company group for the purpose of financing and constructing the Project;
- (d) not to amend its constitution without the prior written consent of Noble and the Investor Group;
- (e) not to substantially change the general nature or scope of business of the Company group; and
- (f) not to (and procure that no member of the Company group will) enter into any related party transactions other than in the ordinary course of business.

Withholding tax

If the Company is required to make any payments to a person (a **Payee**) as referred to above, there is a risk that withholding tax at the rate of 30% will apply. If withholding tax applies, the Company is required to pay the Payee any additional amounts necessary to ensure that the Payee receives a net amount equal to the full amount which it would have received had a deduction for withholding tax not been made. A summary of the terms and conditions of the Investor Group Notes are set out in schedule 1 of this Prospectus.

The terms and conditions of the Tranche 1 Options are set out in schedule 2 of this Prospectus. The terms and conditions of the Tranche 2 Options are set out in schedule 3 of this Prospectus. The terms and conditions of the Tranche 3 Options are set out in schedule 4 of this Prospectus.

4.6 Rights Attaching to Shares

The Shares to be issued upon conversion of the Convertible Notes and exercise of the Options will rank equally in all respects with existing Shares in the Company.

Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to the Company's Shares:

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class of Shares (at present there are none), at a general meeting every person present who is either a member or a proxy representative of a member shall have one vote on a show of hands or on a poll every member present in person, by proxy attorney or representative shall have one vote per fully paid Share and a fraction of a vote for every partly paid Share.

(b) Dividend Rights

Dividends are payable out of the Company's profits and are declared by the Directors. Dividends declared will (subject to the rights of any preference shareholders and to the right of holders of any shares created or raised under any special arrangement as to dividend) be payable on the shares in accordance with the Corporations Act.

(c) Rights on Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any

property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator sees fit, but so that no shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(d) Transfer of Shares

Generally, Shares in the Company are freely transferable subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(e) Creation and Issue of Further Shares

Subject to restrictions on the allotment of shares to Directors and their associates, Listing Rules, the constitution of the Company and the Corporations Act, the allotment and issue of any shares is under the control of the Directors. The Directors may allot, issue and grant options on such terms and conditions as they see fit.

(f) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to Shares.

At present the Company has only ordinary Shares on issue. If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to a class (unless otherwise provided by terms of issue of the Shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution at a separate meeting of the holders of the Shares of that class.

(g) General Meeting

Notice of every general meeting is to be given to every shareholder. Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the constitution of the Company.

4.7 Litigation

Other than as noted in section 3.3 under the heading "Litigation", as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

4.8 Interests of Directors

(a) Directors' holdings

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Director	Number of Shares		Number of Options		Number of Performance Rights	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mr George Jones	-	15,062,500 ¹ 1,000,000 ²	-	2,500,000 ³ 2,500,000 ⁴	-	-
Mr Giulio Casello	5,300,000	-	-	-	2,650,000	-
Mr Michael Blakiston	-	-	-	2,000,000 ⁵	-	-
Mr Barry Eldridge	-	-	2,000,000 ⁶	-	-	-
Ms Fiona Harris	-	-	2,000,000 ⁷	-	-	-
Mr Andrew Robin Marshall	-	-	2,000,000 ⁸	-	-	-
Mr David Southam	-	-	-	-	-	-

Notes:

1. Held by Connemara Investments Pty Ltd (The Jones Family A/C).
2. Held by George Jones Family Foundation Pty Ltd ATF The George Jones Family Foundation.
3. Unlisted options each with an exercise price of \$0.30 and expiring 22 December 2013 held by George Jones Family Foundation Pty Ltd ATF The George Jones Family Foundation.
4. Unlisted options each with an exercise price of \$0.40 and expiring 22 December 2013 held by George Jones Family Foundation Pty Ltd ATF The George Jones Family Foundation.
5. 1,000,000 unlisted options each with an exercise price of \$0.30 and expiring 22 December 2013 and 1,000,000 unlisted options each with an exercise price of \$0.40 and expiring 22 December 2013 held by Residuum Nominees Pty Ltd AFT The Majestic Trust.
6. 1,000,000 unlisted options each with an exercise price of \$0.30 and expiring 22 December 2013 and 1,000,000 unlisted options each with an exercise price of \$0.40 and expiring 22 December 2013.
7. 1,000,000 unlisted options each with an exercise price of \$0.30 and expiring 22 December 2013 and 1,000,000 unlisted options each with an exercise price of \$0.40 and expiring 22 December 2013.
8. 1,000,000 unlisted options each with an exercise price of \$0.30 and expiring 22 December 2013 and 1,000,000 unlisted options each with an exercise price of \$0.40 and expiring 22 December 2013.

(b) Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$1,000,000 per annum approved by Shareholders at the 2010 annual general meeting).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the financial years ended 30 June 2012 and 30 June 2013 and the current financial year ending 30 June 2014 to date are as follows:

Director	Financial Year End 30 June ¹	Fees/ Salaries & Cash Incentive (\$)	Super-annuation (\$)	Equity Options (\$)	Other non-monetary remuneration ² (\$)	Total (\$)
Mr George Jones	2014	74,075	5,925	-	4,296	84,296
	2013	223,530	16,470	265,133	12,888	518,021
	2012	220,183	19,817	554,507	20,341	814,848
Mr Giulio Casello	2014	219,167	8,333	112,378	4,296	344,174
	2013	769,375	25,000	522,965	12,888	1,330,228
	2012	619,094	46,674	1,259,905	20,341	1,946,014
Mr Michael Blakiston	2014	27,460	2,540	-	-	30,000
	2013	82,569	7,431	106,053	-	196,053
	2012	82,568	7,432	221,803	-	311,803
Mr Barry Eldridge	2014	32,037	2,963	-	-	35,000
	2013	96,330	8,670	106,053	-	211,053
	2012	96,330	8,670	221,803	-	326,803
Ms Fiona Harris	2014	32,037	2,963	-	-	35,000
	2013	96,330	8,670	106,053	-	211,053
	2012	96,330	8,670	221,803	-	326,803
Mr Andrew Robin Marshall	2014	32,037	2,963	-	-	35,000
	2013	96,330	8,670	106,053	-	211,053
	2012	96,330	8,670	221,803	-	326,803
Mr David Southam	2014	11,396	1,054	-	-	12,450
	2013	-	-	-	-	-
	2012	-	-	-	-	-

Notes:

- 1 The amounts shown for the financial year ending 30 June 2014 relate to remuneration provided to Directors and their associated entities as at the date of this Prospectus.
- 2 Other non-monetary remuneration refers to car parking.

(c) Directors' interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company; or
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options, Performance Rights or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

Michael Blakiston is a Director of the Company and during the period was partner of Gilbert + Tobin. All services provided were carried out on an arms-length basis, under commercial terms.

In July 2011, the partners of Blakiston & Crabb joined Gilbert + Tobin. Prior to Mr Blakiston's appointment to the Board of Sundance, Blakiston & Crabb had been long standing legal advisors to Sundance; having accumulated extensive knowledge of the Company and understanding of the activities in the Republic of Cameroon and Republic of Congo. Upon Mr Blakiston's appointment it was determined that having regard to this experience, expertise and knowledge Blakiston & Crabb should continue to advise Sundance in relation to these matters, although it was agreed that other legal advisors should also be engaged as appropriate.

In April 2013 the Consolidated Entity engaged PCF Capital for advisory services relating to project funding or a corporate transaction with specific parties. George Jones is a director of the Company and also of PCF Capital. All services provided were carried out on an arms-length basis, under commercial terms. No payments were made to PCF Capital during the financial period.

PCF Capital was engaged as they had an existing relationship with the specified parties and the experience which the Board considered necessary to advance any potential negotiations in an expeditious manner.

4.9 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offers,

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offers.

5 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the *Corporations Act*, each Director has consented to the lodgement of this Prospectus with ASIC.

Dated: 25 October 2013



Giulio Casello
Managing Director
For and on behalf of
Sundance Resources Limited

6 Defined terms

A\$ and \$ means Australian dollars, unless otherwise stated.

Applicant means a person who submits an Application Form.

Application Form means the Application Form attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.

Blackstone means an investment vehicle managed by the Blackstone Group L.P.

Board means the board of Directors.

Business Day means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Cam Iron means Cam Iron S.A., the company incorporated in the Republic of Cameroon, 90% of the share capital of which is beneficially owned by the Company.

Change of Control Event means:

- (a) a person makes, or publicly proposes to make (in circumstances to which section 631 of the Corporations Act applies) a takeover bid under Chapter 6 of the Corporations Act in respect of more than 50% of the Shares then on issue;
- (b) the Company announces to ASX an intention to propose a transaction by way of scheme of arrangement pursuant to which a person would acquire more than 50% of the Shares then on issue, or otherwise obtain "control" of the Company as that term is defined by the Corporations Act;
- (c) the Company announces a direct or indirect sale (excluding any internal restructuring) of all or a substantial or material part of the assets and/or the business of the Company (including by way of a takeover bid, scheme of arrangement, capital reduction, sale of assets, sales of shares or a joint venture in respect of the Company's assets); or
- (d) the Company announces that there has been or there is proposed to be a change in "control" of the Company as that term is defined in the Corporations Act.

Cleansing Offer means the offer of one Share at an issue price of \$0.10 pursuant to this Prospectus.

Closing Date for the Cleansing Offer means 4 November 2013 (unless extended)

Closing Date for the First Investor Group Offer means 4 November 2013 (unless extended).

Closing Date for the First Noble Offer means 4 November 2013 (unless extended).

Closing Date for the Second Investor Group Offer means subject to the receipt of Shareholder approval, 29 November 2013 (unless extended).

Closing Date for the Second Noble Offer means subject to the receipt of Shareholder approval, 29 November 2013 (unless extended).

Company means Sundance Resources Limited (ABN 19 055 719 394).

Congo Iron means Congo Iron SA, a Société Anonyme registered under the laws of the Republic of Congo having its registered office at Avenue du Professeur Locko-Mafouta, Brazzaville, Republic of Congo;

Consolidated Entity means the Company and its subsidiaries.

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Notes means the Noble Note and the Investor Group Notes.

Corporations Act means the *Corporations Act 2001* (Cth).

D. E. Shaw Group Related Fund means an investment vehicle managed by D. E. Shaw group.

Directors means the directors of the Company as at the date of this Prospectus.

First Investor Group Offer means the offer of a total of 200,000 Investor Group Notes each with a face value of A\$100 and 60,000,000 free attaching Tranche 1 Options to the Investor Group pursuant to this Prospectus.

First Noble Offer mean the offer of the Noble Note to Noble pursuant to this Prospectus.

Hanlong means Hanlong (Africa) Mining Investment Limited.

Hold Co means Hold Co SARL, a company incorporated in the Republic of Cameroon of BP 33098 Ecsos-Yaounde, Cameroon.

Investor Group means Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone.

Investor Group Deed means the convertible note deed between the Company and the Investor Group dated on or about 22 October 2013.

Investor Group Notes convertible notes to be issued to the Investor Group pursuant to this Prospectus, a summary of the terms of which are set out in schedule 1.

Listing Rules means the Listing Rules of ASX.

MarketCo has the meaning given in section 4.5.

Marketing and Offtake Rights Deed means the marketing and offtake rights deed between the Company and Noble dated on or about 22 October 2013.

Marketing Arrangements has the meaning given in section 4.5.

Noble means Noble Resources International Pte Ltd.

Noble Deed means the convertible note deed between the Company and Noble dated on or about 22 October 2013.

Noble Note means the convertible note to be issued to Noble pursuant to this Prospectus, a summary of the terms of which are set out in schedule 5.

Noble Option mean an option to acquire a Share on the terms set out in schedule 6 of this Prospectus.

Offers means the First Noble Offer, the Second Noble Offer, the First Investor Group Offer, the Second Investor Group Offer and the Cleansing Offer.

Official List means the Official List of the ASX.

Official Quotation means quotation on the Official List.

Opening Date for the Cleansing Offer means 4 November 2013.

Opening Date for the First Investor Group Offer means 4 November 2013.

Opening Date for the First Noble Offer means 4 November 2013.

Opening Date for the Second Investor Group Offer means subject to the receipt of Shareholder approval, 29 November 2013.

Opening Date for the Second Noble Offer means subject to the receipt of Shareholder approval, 29 November 2013.

Option means an option to acquire a Share, the terms and conditions of the Tranche 1 Options offered under the First Investor Group Offer are set out in schedule 2 of this Prospectus, the terms and conditions of the Tranche 2 Options offered under the Second Investor Group Offer are set out in schedule 3 of this Prospectus; the terms and conditions of the Tranche 3 Options offered under the Second Investor Group Offer are set out in schedule 4 of this Prospectus; and the terms and conditions of the Noble Options offered under the Second Noble Offer are set out in schedule 6 of this Prospectus.

Performance Right means a performance right to acquire a Share.

Project means the Mbalam-Nabeba Iron Ore Project in the Republic of Cameroon and the Republic of Congo, approximately 500km from a proposed port near Lolabe and associated rail, port and mine.

Project Event means, in relation to the finance and construction of the Project, the earliest of:

- (a) a final investment decision being made by the Company in relation to the Project or the construction of the port and/or rail infrastructure in relation to the Project;
- (b) the earlier of an announcement being made by the Company of:
 - (i) the initiation of exclusive discussions regarding; or
 - (ii) entry into, a binding term sheet, engineering, procurement, construction contract or agreement,

for the building of port and/or rail infrastructure in relation to the Project, notwithstanding that such work has not commenced or such transaction has not become unconditional or been completed; or
- (c) the earlier of an announcement being made by the Company of an agreement to, or completion of, one or more direct or indirect sales, or issues, of equity in the Project to an

entity outside the Group for an aggregate consideration above \$40 million or such other greater amount as the Company and all of the Noteholders, each acting reasonably, agree. For the avoidance of doubt, an agreement to transfer or a transfer to either of:

(i) the Republic of Cameroon; or

(ii) the Republic of Congo,

which is:

(iii) for the purposes of developing the Project; and

(iv) limited to a maximum of 15% equity interest in a relevant project vehicle,

does not constitute a sale for the purposes of this paragraph (c).

Prospectus means this prospectus.

Relevant Event means any Project Event or Change of Control Event which occurs prior to the maturity date of the Investor Group Notes.

Second Investor Group Offer means subject to the receipt of Shareholder approval, the offer of a total of 200,000,000 Options (comprising 140,000,000 Tranche 2 Options and 60,000,000 Tranche 3 Options) to the Investor Group pursuant to this Prospectus.

Second Noble Offer means subject to the receipt of Shareholder approval, the offer of a total of 200,000,000 Noble Options to Noble pursuant to this Prospectus.

Senrigan Capital means an investment vehicle managed by Senrigan Capital Group Ltd

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means the registered holder of a Share.

Stage 1 means the stage during which Cam Iron and Congo Iron mine direct shipping ore from the area of the Project.

Tranche 1 Options means an option to acquire a Share on the terms set out in schedule 2 of this Prospectus.

Tranche 2 Options means an option to acquire a Share on the terms set out in schedule 3 of this Prospectus.

Tranche 3 Options means an option to acquire a Share on the terms set out in schedule 4 of this Prospectus.

WST means Australian Western Standard Time.

Schedule 1 Summary of Terms and Conditions of the Investor Group Notes

- (a) **Face Value:** the Investor Group Notes each have a face value of A\$100 (**Face Value**).
- (b) **Form and status:** the Investor Group Notes are direct, unsubordinated, unconditional and unsecured obligations of the Company in certificated form, and will at all times rank pari passu in right of payment with all other existing and future unsecured obligations of the Company (other than unsecured obligations preferred by mandatory provisions of law), and senior in right of payment to all existing and future subordinated obligations of the Company.
- (c) **Maturity Date:** the Investor Group Notes mature on the date 24 months from issue.
- (d) **Voting rights:** the Investor Group Notes do not provide the holder voting rights at Shareholders meetings of the Company unless and until converted.
- (e) **Interest:** no interest will accrue in respect of the Investor Group Notes.
- (f) **Mandatory redemption:** provided the Investor Group Notes have not otherwise been converted, redeemed or cancelled, the Company must redeem the Investor Group Notes for 120% of the Face Value upon the earlier of the Maturity Date, and the occurrence of an event of default and the Investor Group resolving by special resolution to require the Company to redeem the Investor Group Notes.
- (g) **Conversion into Shares and cash settlement:** at any time commencing on the earlier of:
 - (i) 45 days after the Investor Group Notes are issued;
 - (ii) a Relevant Event; and
 - (iii) an event of default,

and ending on the Maturity Date, the noteholder may give the Company a notice electing to convert some or all of the Investor Group Notes held by the noteholder. Within one business day after receipt of this notice, the Company may give the noteholder notice electing to redeem those Investor Group Notes for an amount equal to the number of shares which would have been issued on conversion multiplied by the average daily volume weighted average price of Shares during the 20 trading days after receipt of the conversion notice. If the Company does not give such a cash election notice to the noteholder within the time specified, it must convert the relevant Investor Group Notes at a conversion price of \$0.10. The terms of the Investor Group Notes contain provisions for the adjustment of the conversion price upon the occurrence of certain dilutive events including, among others, share subdivisions or consolidations or reclassification, stock dividends, rights offering and equity issuances at less than the prevailing market price, bonus issues and other analogous dilutive events. If these events occur, the conversion price will be adjusted to ensure the economic value of the Investor Group Notes is not adversely affected by the event.

- (h) **Conversion to Shares precluded:** the Company may refuse to convert the Investor Group Notes if the conversion would result in a breach of section 606 of the Corporations Act or the Foreign Acquisitions and Takeovers Act 1975 provided the Company must take all steps within its power (including providing information and holding shareholder meetings) to assist the noteholder to obtain such approvals as are required.
- (i) **Transfers:** the Investor Group Notes may only be transferred with the prior written consent of the Company (such consent not to be unreasonably withheld), while an event of default

subsists, to an affiliate or related fund of a noteholder or to another noteholder, and provided the transfer does not breach any applicable laws.

An "event of default" includes, in summary:

- (a) **Failure to pay:** a failure by the Company to pay an amount due under the Investor Group Deed;
- (b) **Cross default:** a finance debt of the Company group is not paid when due or becomes due and payable prior to its maturity date as a result of an event of default;
- (c) **Revocation:** an authorisation, approval or consent material to the Company group or the Project is cancelled or expires or modified in a manner which is likely to have a material adverse effect;
- (d) **Failure to perform:** the Company fails to perform any material obligation under the Investor Group Deed;
- (e) **Misrepresentation:** any warranty or representation made by the Company under the Investor Group Deed or the Prospectus becomes false or misleading in any material respect;
- (f) **Insolvency event:** an insolvency event occurs in relation to any member of the Company group or, to the extent it is likely to have a material adverse effect, any person holding an equity interest in the Project (not including the Republics of Cameroon or the Congo) or a party with whom the Company group has entered into a contract in relation to the Project and/or the blending, offtake or marketing of product from the Project with a value exceeding US\$100 million (**Material Project Contract**) (**Material Project Party**);
- (g) **Breach of law:** the Company group is in material breach of an applicable law, or to the extent it is likely to have a Material Adverse Effect, a Material Project Party is in material breach of an applicable law;
- (h) **Vitiation:** it becomes unlawful for a party to perform its obligations under the Investor Group Deed, the Noble Deed, or a Material Project Contract;
- (i) **Listing:** Shares cease to trade on ASX or are suspended from trading for more than 5 consecutive trading days (or 10 days where the suspension relates to negotiations of a Relevant Event); or
- (j) **Expropriation:** any person takes any step with a view to the seizure, compulsory acquisition or expropriation of any asset(s) of the Company group or the Project.

Unless otherwise defined in this schedule, capitalised terms have the same meaning as set out in section 6 of the Prospectus.

Schedule 2 Terms and Conditions of Options - Tranche 1

- (a) The Options may be exercised at any time after the occurrence of a Relevant Event until they expire in accordance with paragraph (b).
- (b) The Options will automatically lapse on the later of:
 - (i) 5pm WST on the maturity date of the Investor Group Notes; and
 - (ii) if a Change of Control Event is announced prior to the maturity date, the date on which the Change of Control Event is completed which:
 - (A) in the case of limb (a) of the definition of Change of Control Event, shall be the day the takeover offer closes;
 - (B) in the case of limb (b) of the definition of Change of Control Event, shall be the implementation date of the scheme;
 - (C) in the case of limb (c) of the definition of Change of Control Event, shall be the date of completion of the sale; and
 - (D) in the case of limb (d) of the definition of Change of Control Event, shall be the date of change in control.
- (c) The Options confer the right to subscribe for one Share upon the payment of the exercise price of \$0.10.
- (d) The Options may not be transferred or assigned other than:
 - (i) with the prior written consent of the Company, not to be unreasonably withheld;
 - (ii) while an event of default under the Investor Group Deed subsists;
- (iii) to an affiliate or related fund of an optionholder; or
- (iv) to another optionholder.
- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option (except upon exercise of the Options). The Company must notify the Optionholders of an issue to Shareholders at least 7 business days before the record date to determine entitlements to the issue to Shareholders.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (i) The Options will not be quoted on ASX.

- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by the Option certificate and payment to the Company of the relevant exercise price. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them.
- (m) Immediately after receipt by the Company of a valid notice under paragraph (l) and payment of the exercise price in immediately available funds (and in any event no later than two business days thereafter), the Company must:
 - (i) allot and issue to the optionholder the number of fully paid Shares equal to the number of Options which have been exercised;
 - (ii) enter the optionholder into the Company's register of members as the holder of the relevant number of Shares;
 - (iii) deliver to the optionholder a holding statement showing the optionholder as the holder of the relevant number of Shares;
 - (iv) apply for and use its reasonable endeavours to obtain Official Quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX; and
 - (v) notwithstanding the issue of the Prospectus, to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the optionholder, take such action (including, where required, giving to ASX (within 5 business days of issue of the Shares) a notice under section 708A(5)(e) of the Corporations Act in respect of the Shares that complies with section 708A(6) of the Corporations Act, or issuing a further disclosure document in respect of the Shares).
- (n) Shares issued on exercise of Options will rank *pari passu* with the Shares on issue at the time and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.

Unless otherwise defined in this schedule, capitalised terms have the same meaning as set out in section 6 of the Prospectus.

Schedule 3 Terms and Conditions of Options - Tranche 2

- (a) The Options may be exercised at any time after the occurrence of a Relevant Event until they expire in accordance with paragraph (b)
- (b) The Options will automatically lapse on the later of:
 - (i) 5pm WST on the maturity date of the Investor Group Notes; and
 - (ii) if a Change of Control Event is announced prior to the maturity date, the date on which the Change of Control Event is completed which:
 - (A) in the case of limb (a) of the definition of Change of Control Event, shall be the day the takeover offer closes;
 - (B) in the case of limb (b) of the definition of Change of Control Event, shall be the implementation date of the scheme;
 - (C) in the case of limb (c) of the definition of Change of Control Event, shall be the date of completion of the sale; and
 - (D) in the case of limb (d) of the definition of Change of Control Event, shall be the date of change in control.
- (c) The Options confer the right to subscribe for one Share upon the payment of the exercise price of \$0.10.
- (d) The Options may not be transferred or assigned other than:
 - (i) with the prior written consent of the Company, not to be unreasonably withheld;
 - (ii) while an event of default under the Investor Group Deed subsists;
 - (iii) to an affiliate or related fund of an optionholder; or
 - (iv) to another optionholder.
- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option (except upon exercise of the Options). The Company must notify the Optionholders of an issue to Shareholders at least 7 business days before the record date to determine entitlements to the issue to Shareholders.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (i) The Options will not be quoted on ASX.

- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by the Option certificate and payment to the Company of the relevant exercise price. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them.
- (m) Immediately after receipt by the Company of a valid notice under paragraph (k) and payment of the exercise price in immediately available funds (and in any event no later than two business days thereafter), the Company must:
 - (i) allot and issue to the optionholder the number of fully paid Shares equal to the number of Options which have been exercised;
 - (ii) enter the optionholder into the Company's register of members as the holder of the relevant number of Shares;
 - (iii) deliver to the optionholder a holding statement showing the optionholder as the holder of the relevant number of Shares;
 - (iv) apply for and use its reasonable endeavours to obtain Official Quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX; and
 - (v) notwithstanding the issue of the Prospectus, to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the optionholder, take such action (including, where required, giving to ASX (within 5 business days of issue of the Shares) a notice under section 708A(5)(e) of the Corporations Act in respect of the Shares that complies with section 708A(6) of the Corporations Act, or issuing a further disclosure document in respect of the Shares).
- (n) Shares issued on exercise of Options will rank pari passu with the Shares on issue at the time and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.

Unless otherwise defined in this schedule, capitalised terms have the same meaning as set out in section 6 of the Prospectus.

Schedule 4 Terms and Conditions of Options - Tranche 3

- (a) The Options may be exercised at any time after the occurrence of a Relevant Event until they expire in accordance with paragraph (b)
- (b) The Options will automatically lapse on the later of:
 - (i) 5pm WST on the maturity date of the Investor Group Notes; and
 - (ii) if a Change of Control Event is announced prior to the maturity date, the date on which the Change of Control Event is completed which:
 - (A) in the case of limb (a) of the definition of Change of Control Event, shall be the day the takeover offer closes;
 - (B) in the case of limb (b) of the definition of Change of Control Event, shall be the implementation date of the scheme;
 - (C) in the case of limb (c) of the definition of Change of Control Event, shall be the date of completion of the sale; and
 - (D) in the case of limb (d) of the definition of Change of Control Event, shall be the date of change in control.
- (c) The Options confer the right to subscribe for one Share upon the payment of the exercise price of \$0.12.
- (d) The Options may not be transferred or assigned other than:
 - (i) with the prior written consent of the Company, not to be unreasonably withheld;
 - (ii) while an event of default under the Investor Group Deed subsists;
 - (iii) to an affiliate or related fund of an optionholder; or
 - (iv) to another optionholder.
- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option (except upon exercise of the Options). The Company must notify the Optionholders of an issue to Shareholders at least 7 business days before the record date to determine entitlements to the issue to Shareholders.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (i) The Options will not be quoted on ASX.

- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by the Option certificate and payment to the Company of the relevant exercise price. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them.
- (m) Immediately after receipt by the Company of a valid notice under paragraph (k) and payment of the exercise price in immediately available funds (and in any event no later than two business days thereafter), the Company must:
 - (i) allot and issue to the optionholder the number of fully paid Shares equal to the number of Options which have been exercised;
 - (ii) enter the optionholder into the Company's register of members as the holder of the relevant number of Shares;
 - (iii) deliver to the optionholder a holding statement showing the optionholder as the holder of the relevant number of Shares;
 - (iv) apply for and use its reasonable endeavours to obtain Official Quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX; and
 - (v) notwithstanding the issue of the Prospectus, to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the optionholder, take such action (including, where required, giving to ASX (within 5 business days of issue of the Shares) a notice under section 708A(5)(e) of the Corporations Act in respect of the Shares that complies with section 708A(6) of the Corporations Act, or issuing a further disclosure document in respect of the Shares).
- (n) Shares issued on exercise of Options will rank *pari passu* with the Shares on issue at the time and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.

Unless otherwise defined in this schedule, capitalised terms have the same meaning as set out in section 6 of the Prospectus.

Schedule 5 Summary of Terms and Conditions of the Noble Note

- (a) **Face Value:** the Noble Note has a face value of A\$20,000,000 (**Face Value**).
- (b) **Form and status:** the Noble Note is a direct, unsubordinated, unconditional and unsecured obligation of the Company in certificated form, and will at all times rank pari passu in right of payment with all other existing and future unsecured and unsubordinated obligations of the Company (other than unsecured obligations preferred by mandatory provisions of law), and senior in right of payment to all existing and future subordinated obligations of the Company.
- (c) **Maturity Date:** the Noble Note matures on the date 24 months from issue.
- (d) **Voting rights:** the Noble Note does not afford the holder voting rights in the Company or right to attend general meetings of the Company (unless and until converted into Shares).
- (e) **Interest:** interest on each the Noble Note is 10% per annum payable semi-annually.
- (f) **Mandatory redemption:** provided the Noble Note has not otherwise been converted, redeemed or cancelled, the Company must redeem the Noble Note for the Face Value plus accrued but unpaid interest upon the earlier of the Maturity Date, and the occurrence of an event of default (in which case the redemption amount payable is 120% of Face Value plus accrued but unpaid interest).
- (g) **Conversion into MarketCo shares:** at any time after the issue of the Noble Note and until the date five business days before the Maturity Date, if MarketCo has been incorporated and the Company has finalised the marketing agreement on terms acceptable to Noble, and provided the Noble Note has not otherwise been redeemed or converted, the noteholder may elect to convert the Noble Note into MarketCo shares with the number of MarketCo shares to be transferred to be the lesser of;
 - (i) 30% of the shares in MarketCo then on issue; and
 - (ii) the greater of:
 - (A) 24.9% of the shares in MarketCo then on issue; and
 - (B) that portion of 30% of the shares in MarketCo then on issue which is equivalent to the proportion of the Company's direct or indirect shareholding in MarketCo bears to the Company's direct or indirect shareholder in MarketCo plus the shares in MarketCo then on issue which are directly or indirectly held by government agencies in the Republics of Cameroon and Congo.
- (h) **Conversion into Shares:** The noteholder may elect to convert the Noble Note into Shares:
 - (i) on the date two business days before the Maturity Date provided MarketCo has not been incorporated and/or the Company has not finalised the Marketing Arrangements on terms acceptable to the noteholder; and
 - (ii) at any time after a Change of Control Event occurs, and at the time, MarketCo has not been incorporated,

at a conversion price equal to \$0.12. The terms of the Noble Note contain provisions for the adjustment of the conversion price upon the occurrence of certain dilutive events including, among others, share subdivisions or consolidations or reclassification, stock dividends, rights offering and equity issuances at less than the prevailing market price, bonus issues and other

analogous dilutive events. If these events occur, the conversion price will be adjusted to ensure the economic value of the Noble Note is not adversely affected by the event.

- (i) **Conversion to Shares precluded:** the Company may refuse to convert the Noble Note if the conversion would result in a breach of section 606 of the Corporations Act or the Foreign Acquisitions and Takeovers Act 1975 provided the Company must take all steps within its power (including providing information and holding shareholder meetings) to assist the noteholder to obtain such approvals as are required.
- (j) **Transfers:** the Noble Note may only be transferred to an affiliate of the noteholder, with the prior written consent of the Company (such consent not to be unreasonably withheld) or while an event of default subsists, and provided the transfer does not breach any applicable laws.

An "event of default" includes, in summary:

- (a) **Failure to pay:** a failure by the Company to pay an amount due under the Noble Deed;
- (b) **Cross default:** a finance debt of the Company group is not paid when due or becomes due and payable prior to its maturity date as a result of an event of default;
- (c) **Revocation:** an authorisation, approval or consent material to the Company group or the Project is cancelled or expires or modified in a manner which is likely to have a material adverse effect;
- (d) **Failure to perform:** the Company fails to perform any material obligation under the Noble Deed;
- (e) **Misrepresentation:** any warranty or representation made by the Company under the Noble Deed or the Prospectus becomes false or misleading in any material respect;
- (f) **Insolvency event:** an insolvency event occurs in relation to any member of the Company group or, to the extent it is likely to have a material adverse effect, any person holding an equity interest in the Project (not including the Republics of Cameroon or the Congo) or a party with whom the Company group has entered into a contract in relation to the Project and/or the blending, offtake or marketing of product from the Project with a value exceeding US\$100 million (**Material Project Contract**) (**Material Project Party**);
- (g) **Breach of law:** the Company group is in material breach of an applicable law, or to the extent it is likely to have a Material Adverse Effect, a Material Project Party is in material breach of an applicable law;
- (h) **Vitiation:** it becomes unlawful for a party to perform its obligations under the Investor Group Deed, the Noble Deed, or a Material Project Contract;
- (i) **Listing:** Shares cease to trade on ASX or are suspended from trading for more than 5 consecutive trading days (or 10 days where the suspension relates to negotiations of a Relevant Event); or
- (j) **Expropriation:** any person takes any step with a view to the seizure, compulsory acquisition or expropriation of any asset(s) of the Company group or the Project.

Unless otherwise defined in this schedule, capitalised terms have the same meaning as set out in section 6 of the Prospectus.

Schedule 6 Terms and Conditions of Noble Options

- (a) The Options may be exercised at any time on or after a conversion notice is given by the noteholder under the Noble Note to convert the Noble Note into Shares in the Company.
- (b) The Options will automatically lapse on the earliest to occur of:
- (i) 14 days after the day on which the Company complies in full with its obligations under paragraphs 7.2(a)(iii) and (iv) of the Noble Note terms² (following the issue of a conversion notice by the noteholder pursuant to paragraph 7.2(a) of the Noble Note terms)³;
 - (ii) immediately after the Company complies in full with its obligations under paragraph 7.2(b)(ii) of the Noble Note terms⁴ (following the issue of a conversion notice by the Noteholder pursuant to paragraph 7.2(b)(i) of the Noble Note terms)⁵; and
 - (iii) immediately after the redemption amount of the Noble Note is paid in full by the Company (following the making of a demand for payment by the noteholder under clause 6.2 of the Noble Deed)⁶
- (c) The Options confer the right to subscribe for one Share upon the payment of the exercise price of \$0.12.
- (d) The Options may not be transferred or assigned other than:
- (i) with the prior written consent of the Company, not to be unreasonably withheld;
 - (ii) while an event of default under the Noble Note subsists;
 - (iii) to an affiliate or related fund of an optionholder; or
 - (iv) to another optionholder.
- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option (except upon exercise of the Options). The Company must notify the Optionholders of an issue to Shareholders at least 7 business days before the record date to determine entitlements to the issue to Shareholders.

² Paragraphs 7.2(a)(iii) and (iv) of the Noble Note terms require the Company to immediately (and in any event no later than two business days) to issue Shares to the noteholder following the receipt of a conversion notice by the Company.

³ Paragraph 7.2(a) provides that the noteholder may give a conversion notice if a Change of Control Event occurs, or MarketCo has not been established and/or the Company has not finalised the marketing agreement on terms acceptable to the noteholder by two business days before the maturity date of the Noble Note.

⁴ Paragraph 7.2(b)(ii) of the Noble Note terms requires the Company to issue MarketCo shares to the noteholder within six trading days of receipt (or deemed receipt) of a conversion notice.

⁵ Paragraph 7.2(b)(i) of the Noble Note terms provide that the noteholder may give a conversion notice to convert into MarketCo shares if MarketCo has been incorporated and the marketing agreement has been finalised on terms acceptable to the noteholder.

⁶ Paragraph 6.2 of the Noble Deed provides that after the occurrence of an event of default and while it is continuing, a noteholder may irrevocable demand payment of the redemption amount on the Noble Note.

- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (i) The Options will not be quoted on ASX.
- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by the Option certificate and payment to the Company of the relevant exercise price. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them.
- (m) Immediately after receipt by the Company of a valid notice under paragraph (l) and payment of the exercise price in immediately available funds (and in any event no later than two business days thereafter), the Company must:
 - (i) allot and issue to the optionholder the number of fully paid Shares equal to the number of Options which have been exercised;
 - (ii) enter the optionholder into the Company's register of members as the holder of the relevant number of Shares;
 - (iii) deliver to the optionholder a holding statement showing the optionholder as the holder of the relevant number of Shares;
 - (iv) apply for and use its reasonable endeavours to obtain Official Quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX; and
 - (v) notwithstanding the issue of the Prospectus, to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the optionholder, take such action (including, where required, giving to ASX (within 5 business days of issue of the Shares) a notice under section 708A(5)(e) of the Corporations Act in respect of the Shares that complies with section 708A(6) of the Corporations Act, or issuing a further disclosure document in respect of the Shares).
- (n) Shares issued on exercise of Options will rank pari passu with the Shares on issue at the time and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.

Unless otherwise defined in this schedule, capitalised terms have the same meaning as set out in section 6 of the Prospectus.