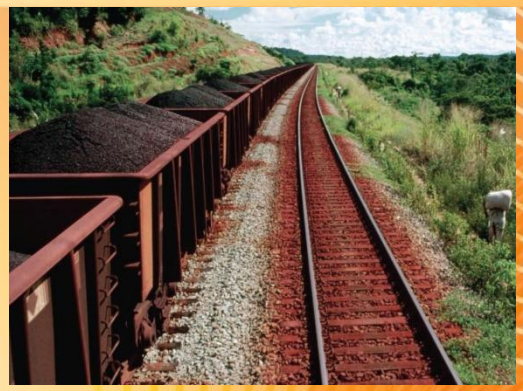
SUNDANCE RESOURCES



2009 Annual General Meeting

2 November 2009

SUNDANCE RESOURCES

Developing a new iron ore province for world markets

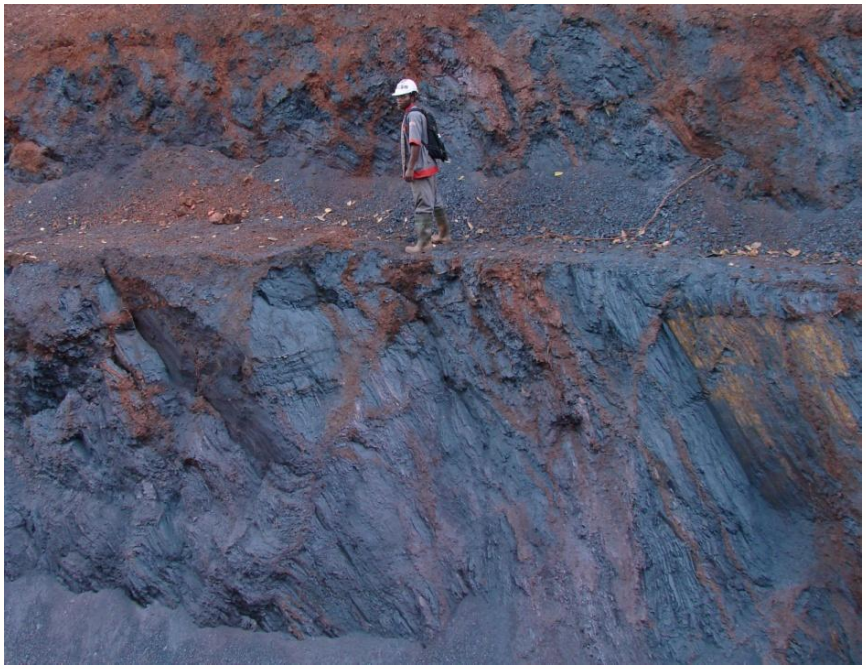
AGM Presentation

November 2009

Project Overview

- *Mbarga - one of the largest iron ore deposits in the world not controlled by a major company*

- Combined Indicated and Inferred Resource of 2.5 billion tonnes of High Grade hematite and Itabirite hematite
- Significant exploration potential with drilling to re-commence in November 2009, targeting High Grade hematite deposits
- Near-surface High Grade hematite offers opportunity for high margin Project start-up
- Value-Adding Opportunities – Pig Iron and Direct Reduction (DR) Grade Pellets
- Project of National Interest to Cameroon with regional development opportunities



Costean across the Mbarga Deposit

- *Targeting to be a long term producer of high quality iron ore and pellets*
- *Seeking strategic partners driven by quality of resource and scale of project*

Advanced Stage of Development

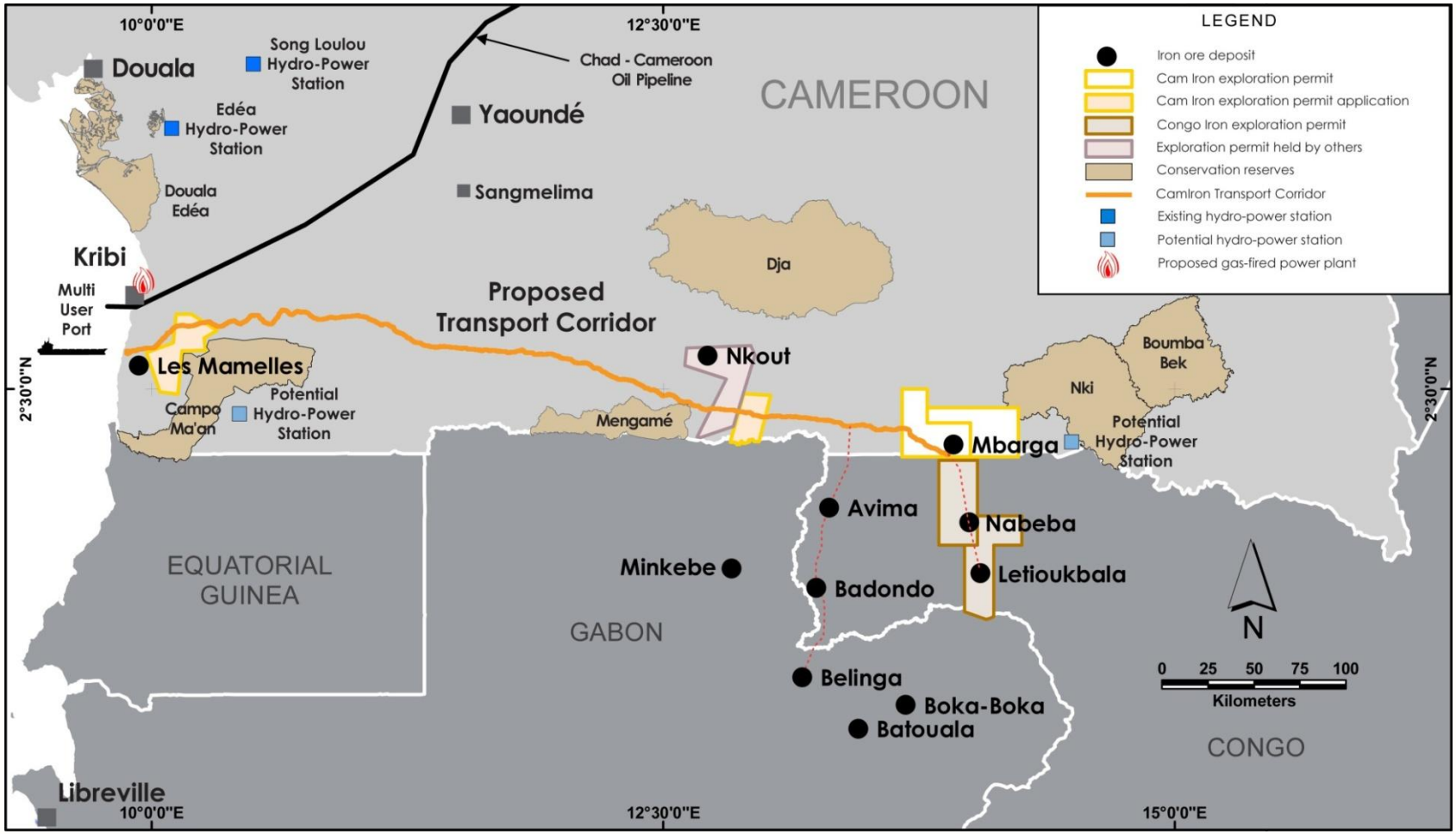
-

- 80,000 metres drilled in 2007/08
- Transport and port scope defined
- Infrastructure site investigations commenced
- Framework Agreement signed with Government
- Feasibility Study submitted
- Draft Environmental and Social Assessment submitted to Government for review
- Application for Mining Permit submitted

Diamond Drilling at Mbarga

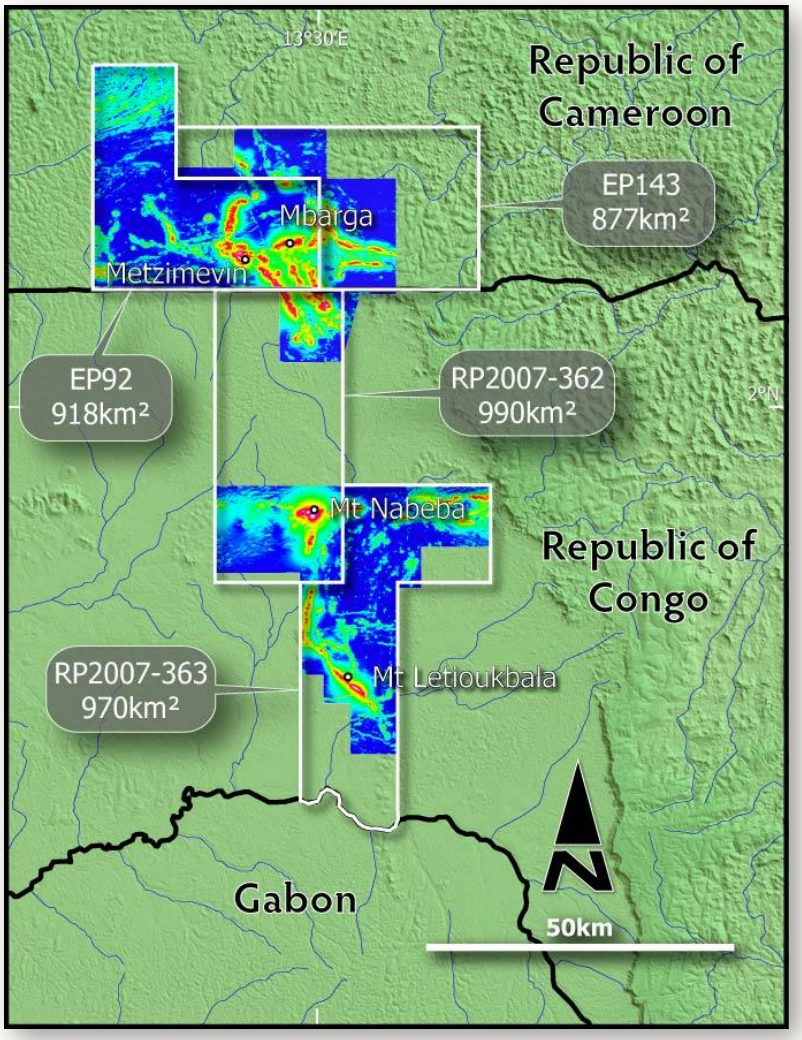
➢ *World-scale production at 35 Mtpa underpins infrastructure financing*

An Emerging Iron Ore Province



- *Opportunity for regional development of world-competitive transport and energy infrastructure*
  - *Related value-add opportunities include pellet plant, pig iron plant and agri-business*

A Significant Exploration Portfolio



EP92 – Cameroon (Cam Iron SA)

- 918 km²
- 80,595 metres drilling completed

EP143 – Cameroon (Cam Iron SA)

- 877 km²

RP2007-362 and RP2007-363 - Congo (Congo Iron SA)

- 1,960 km²
- Aeromagnetic surveys & reconnaissance surface sampling completed.

➢ *Total landholding of 3,755 km² with significant exploration targets*

Resource Inventory – EP92

- 345 RC and 36 Diamond Holes completed on Mbarga, Mbarga South and Metzimevin Deposits

  - 215 Mt Indicated and Inferred Resource of high grade hematite

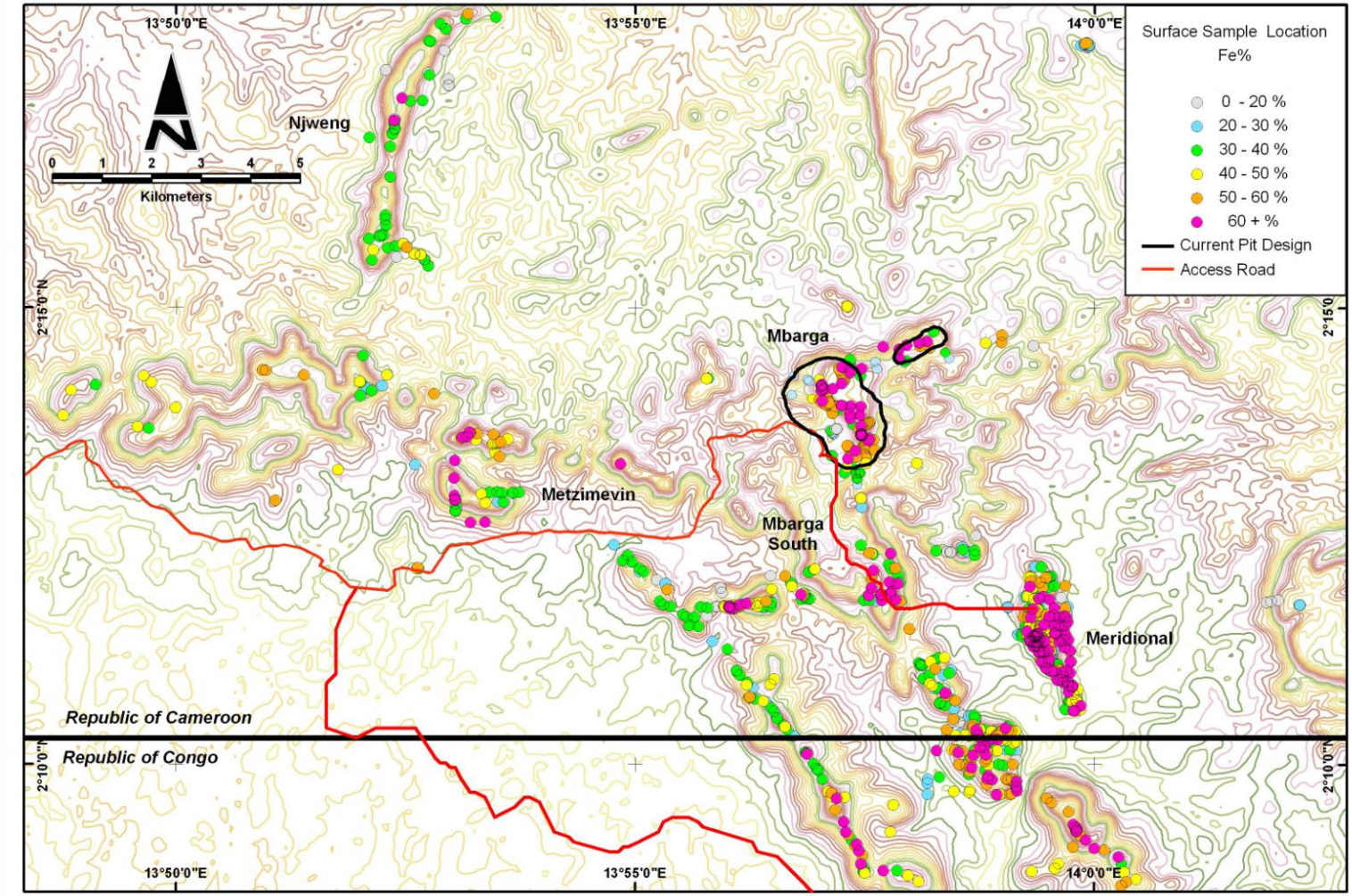
Resource Category	Tonnage (Mt)	(% Fe)	(% SiO_2)	(% Al_2O_3)	(% P)	(% LOI)
Indicated	168.7	60.5	9.5	2.1	0.08	1.4
Inferred	46.4	59.4	13.0	2.7	0.06	1.6
Total	**215.1**	**60.2**	**9.8**	**2.3**	**0.08**	**1.6**

  - 2,325 Mt Indicated and Inferred of Resource of Itabirite hematite

Resource Category	Tonnage (MT)	(% Fe)	(% SiO_2)	(% Al_2O_3)	(% P)	(% LOI)
Indicated	1,431	38.0	44.5	0.44	0.04	0.32
Inferred	894	38.0	44.1	0.54	0.05	0.43
Total	**2,325**	**38.0**	**44.4**	**0.48**	**0.04**	**0.36**

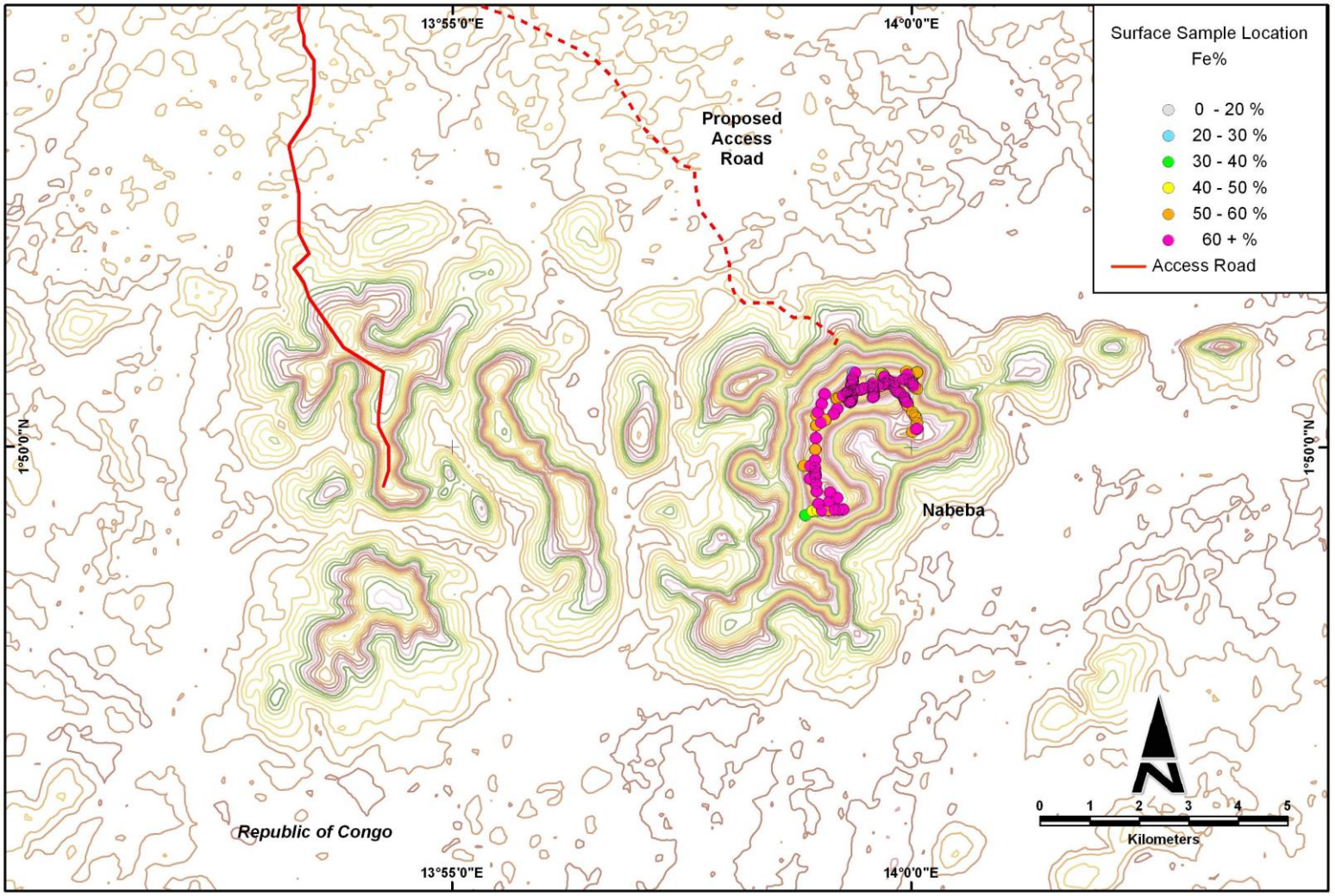
- *2.5 billion tonne JORC-Code compliant resource already defined on EP92*

Exploration Upside – EP92



- *Drilling to re-commence in November 2009, initially targeting Meridional prospect*

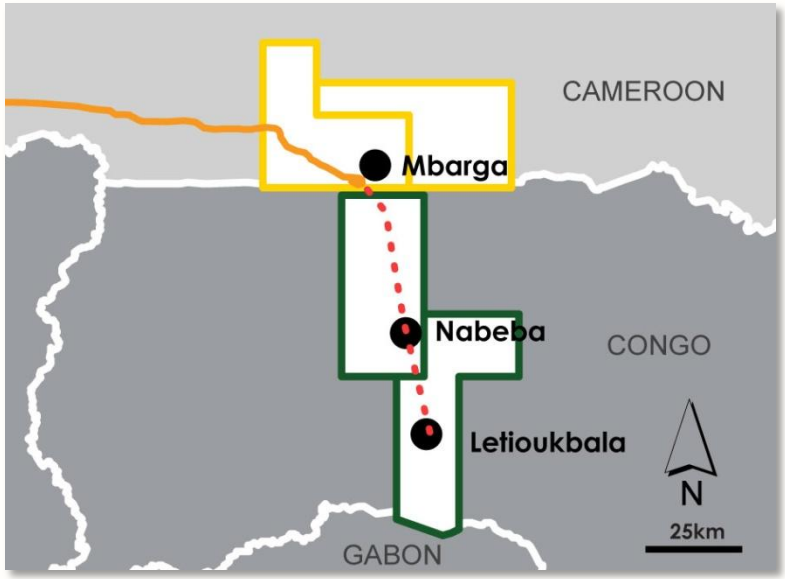
Exploration Upside – Nabeba Deposit



- *Nabeba Deposit offers potential to significantly increase High Grade resource tonnage*

Proposed Integration of Nabeba Deposit

- Nabeba Deposit (low silica) is expected to complement the Mbarga Deposit (higher silica)
- Nabeba run-of-mine ore would be transported to Mbarga for grade blending
- Product transported to port by CamIron



- *Previous drill results reported by BRGM (1986)*

Hole	From	To	Interval	Fe%	SiO_2%	Al2O3%	P%	LOI%
SN01	60.10	85.00	24.90	65.16	1.13	3.42	0.060	1.62
SN02	9.90	45.20	35.30	62.19	1.98	1.95	0.099	6.69
SN03	14.26	99.62	85.36	63.28	1.25	3.77	0.089	3.71
SN04	16.20	75.40	59.20	63.31	1.15	3.30	0.105	4.36

- *Mbarga and Nabeba Deposits potentially complimentary in size and grade*

Project Exploration Target

- Target to define High Grade resources sufficient for up to 10 years DSO-quality production
- New diamond rig purchased & being mobilised to site

Project Exploration Target for 55 - 65% Fe Hematite			
Deposit	**Category**	**Tonnage (Mt)**	**Grade (% Fe)**
Mbarga; Mbarga South & Metzimevin	Indicated and Inferred Resource	215	60%
Nabeba	Exploration Target*	100 – 250	55 – 65%

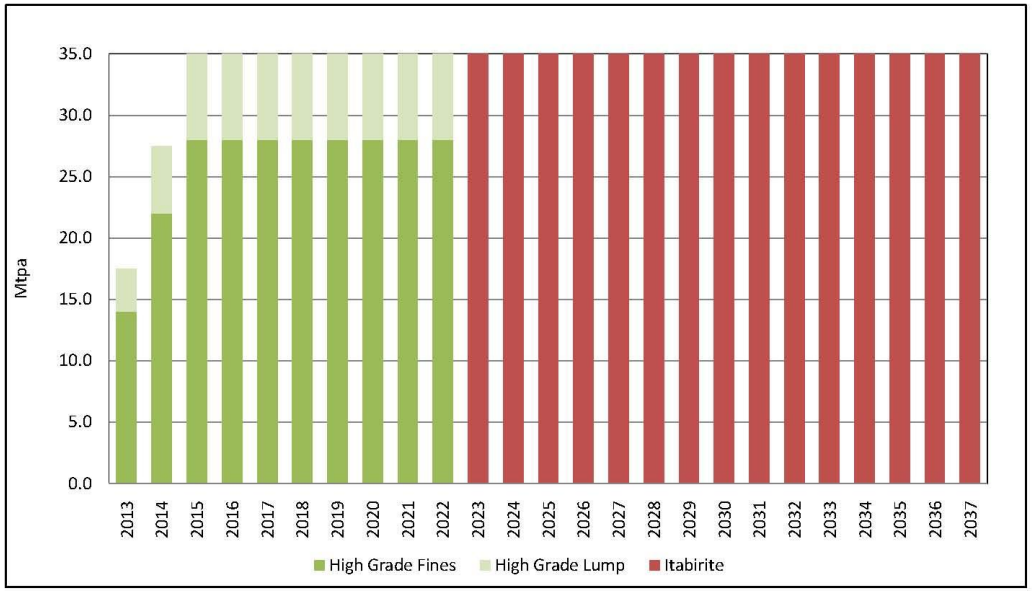
* *While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets described in this presentation is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource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

➢ *Total Project Exploration Target of 315 – 465 Mt High Grade hematite at 55 – 65% Fe*

High Margin Development Strategy

- Start-up production based on blended High Grade ore to produce DSO-quality product
- Transition to Itabirite ore to produce pellet feed concentrates for balance of mine life

Production	
Throughput	35 Mtpa
Mine life	25 years
Key Assumptions	
High Grade Feed Ore	325 Mt*
DSO-Quality Product Grade	60% Fe
Itabirite Feed Ore	1313 Mt
Concentrate Product Grade	+65% Fe



** Production Target subject to achieving Exploration Target for Nabeba Deposit – refer clarification on page 9*

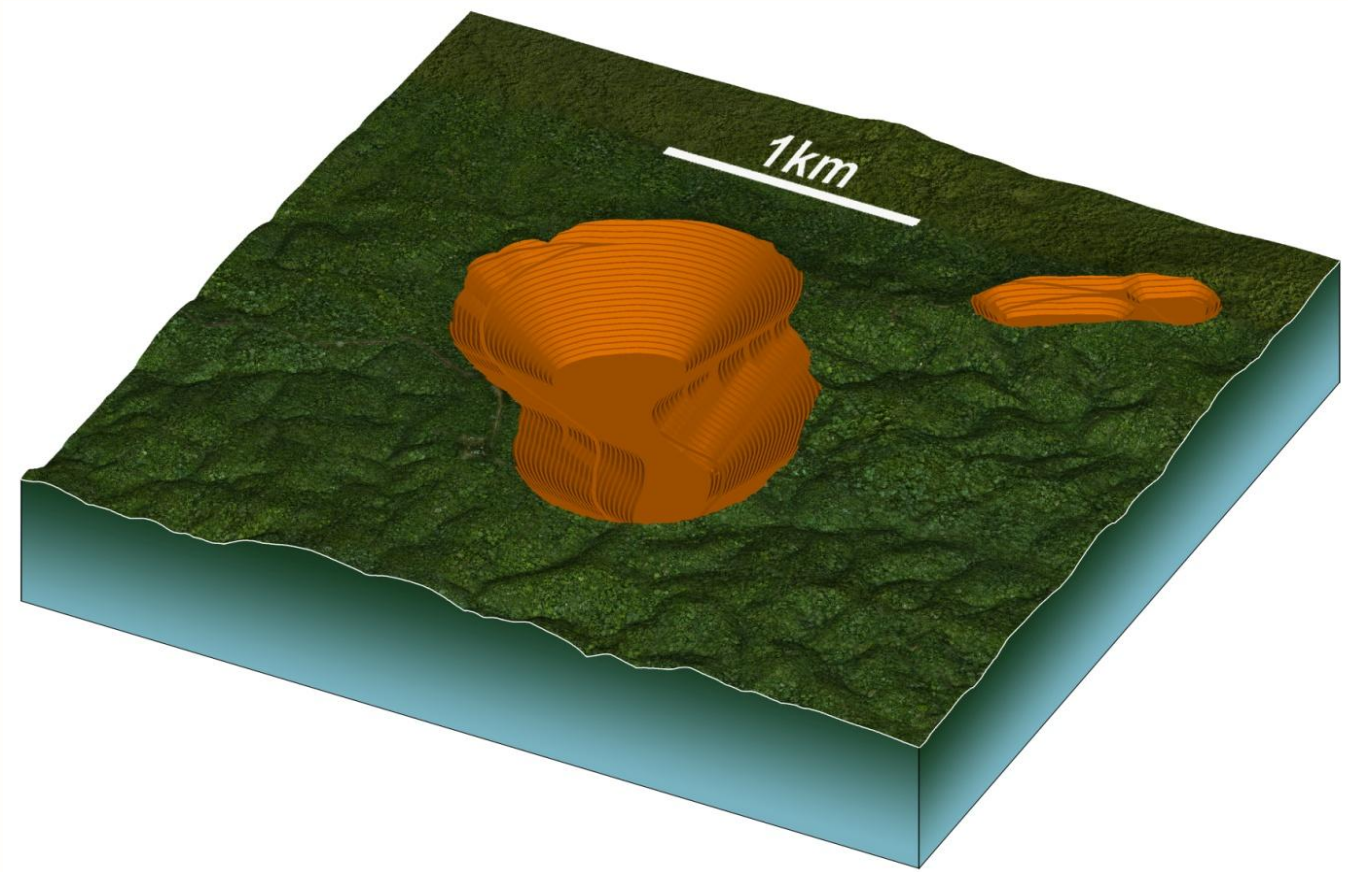
- *Highest margin production targeted during infrastructure payback period*

High Quality Iron Ore Products

- Target DSO-Quality Product
  - 60% Fe, 6% SiO_2, 2% Al_20_3, 0.08% P
  - Multi-pit High Grade ore blending/upgrading to optimise product specification
- Target Itabirite Concentrate (Dual Product Stream)
  - DR Grade: 68% Fe, 1.8% SiO_2, 0.2% Al_20_3, 0.03% P
  - BF Grade: 66% Fe, 4.1% SiO_2, 0.3% Al_20_3, 0.03% P
  - Proven grind and float beneficiation process for concentrate production with ~40% weight recovery
- Potential for production of DR Grade pellets
  - Natural gas available near port site
  - European, Middle Eastern and Asian markets

Mbarga – Mine Pit Design

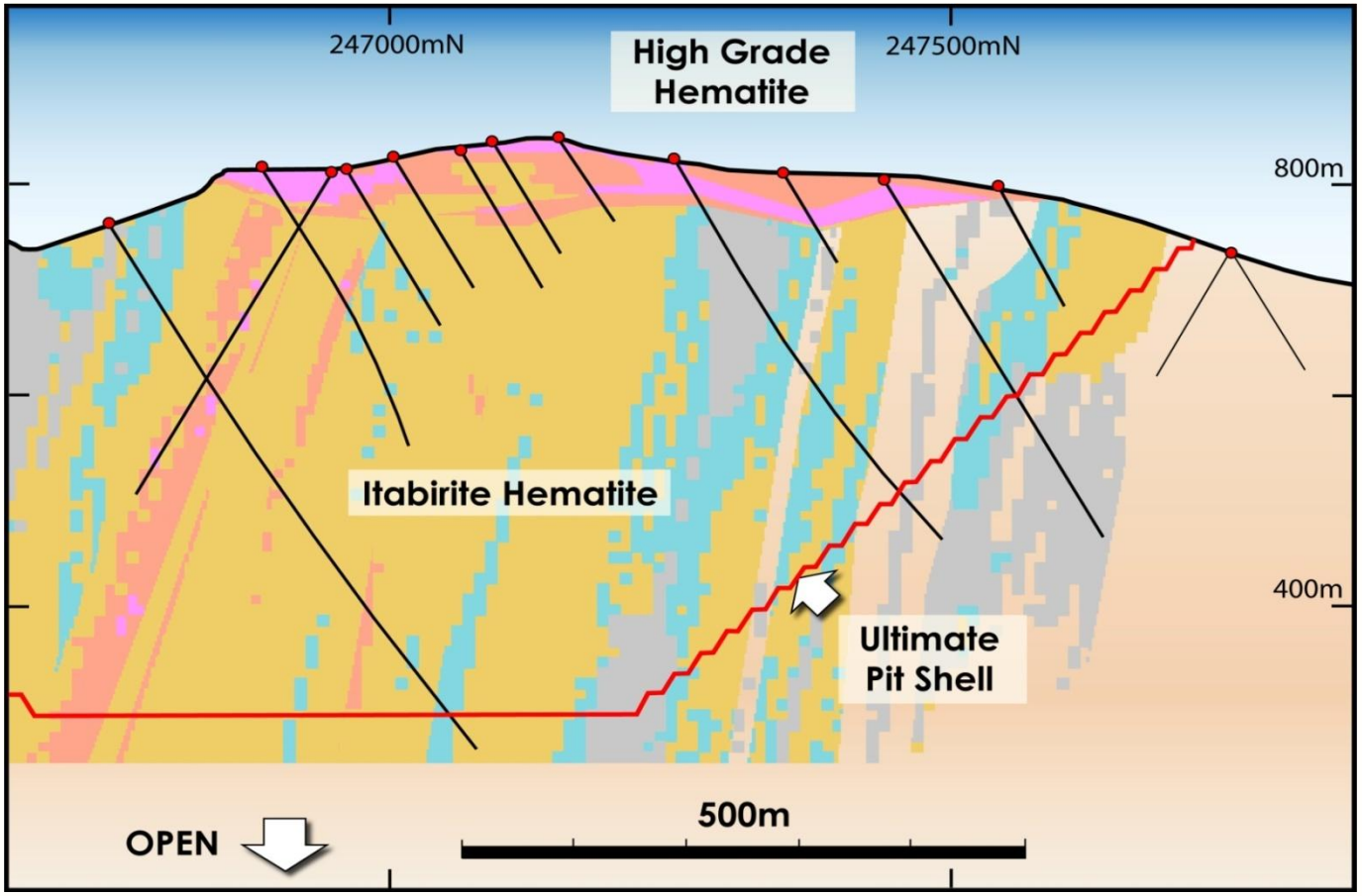
- Ultimate Mbarga mine pit design using NPV optimisation model



- *136 Mt High Grade ore plus 1,820 Mt Itabirite ore reporting to Mbarga pit model*
  - *Balance of High Grade blend feed to be be sourced from adjacent deposits*

Mbarga - Low Mining Costs

- *High Grade hematite has <0.2 : 1 stripping ratio*
- *Itabirite extends to depths up to 500 metres with <0.4 : 1 stripping ratio*



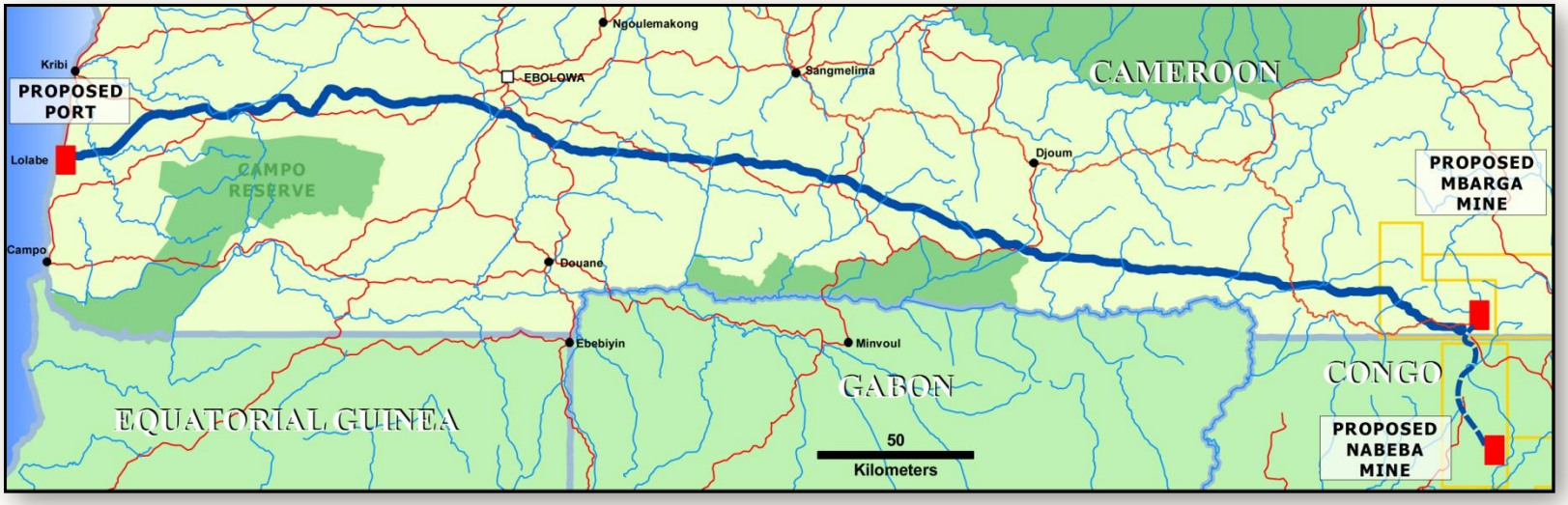
High Grade Hematite

Itabirite Hematite

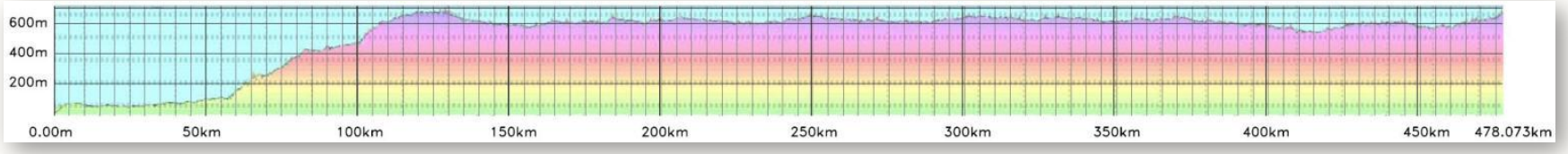
- *Near-surface High Grade hematite supports low cost mine operation*

Mbalam Transport Corridor

- Avoids all major conservation areas and population centres
  - Mid-northern route selected as best transport corridor



Selection Along Preferred Route

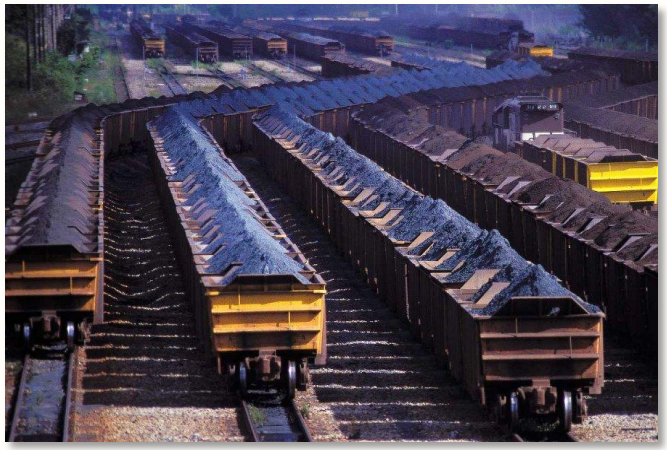


- *Railway and slurry pipeline options to be finalised in Definitive Feasibility Study*
  - *Selection governed by CAPEX and tonnage of High Grade reserves*

Product Transport Options

- Rail
  - Single track with passing loops spaced for 50Mtpa
  - Easily expanded to accommodate increased production and other mines – benefit increases with High Grade tonnage

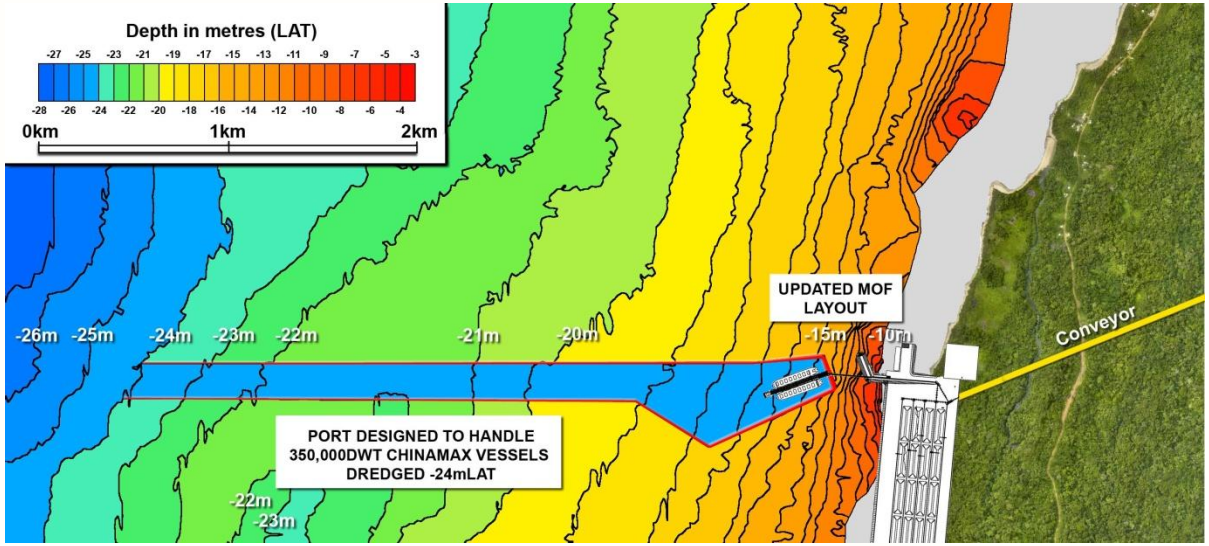
- Slurry Pipeline
  - Single steel pipeline with multiple pumping stations
  - Lower CAPEX and OPEX than rail
  - Shorter construction time
  - Grinding of all ore – additional mine CAPEX and OPEX
  - Increases mine site power demand



- *Road and power corridor to be constructed alongside both transport options*

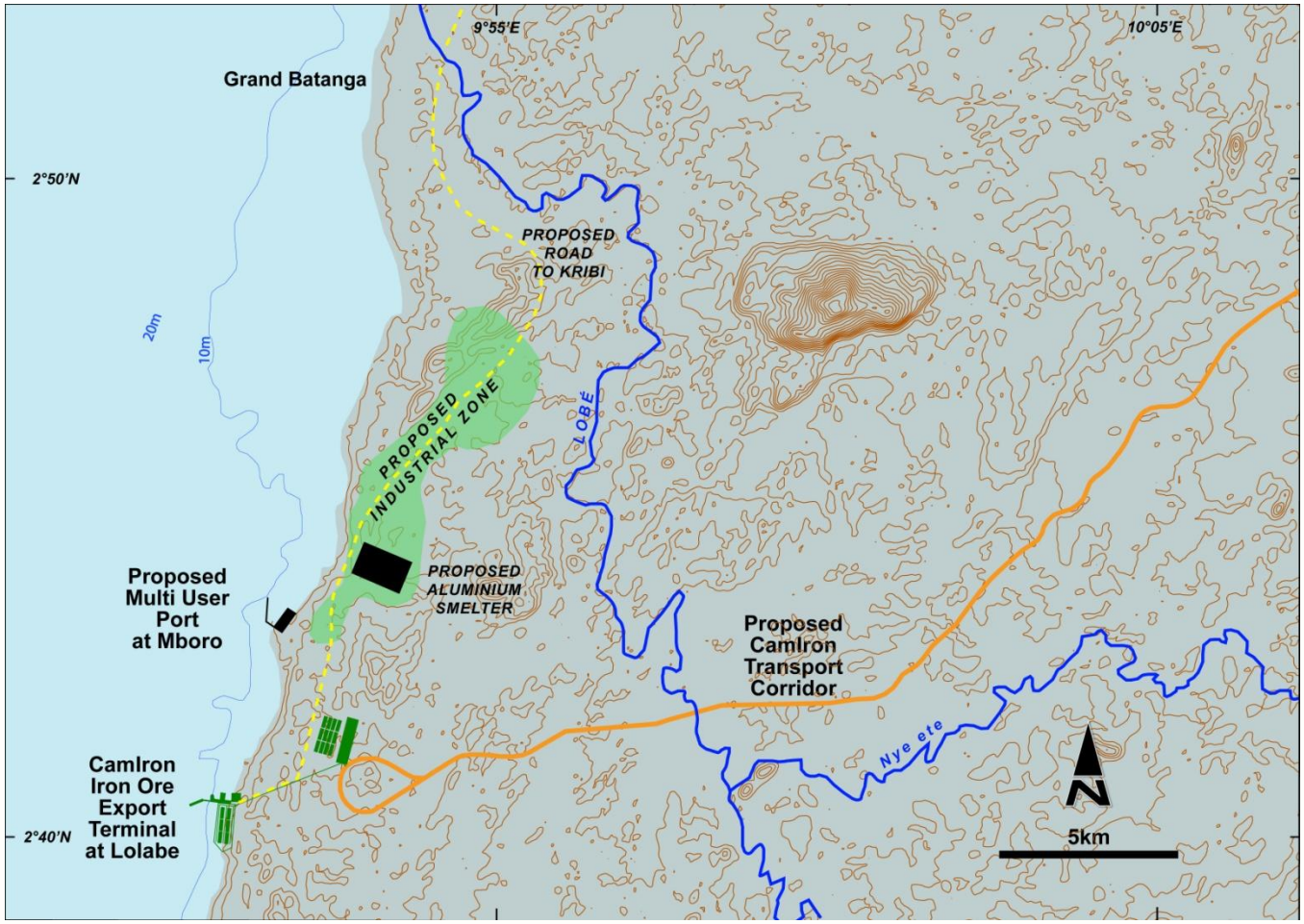
Mbalam Port Infrastructure

- Preferred port site selected – Lolabe
- Deep water (24 metres) near shore berth
- Open water jetty – no breakwater
- Single berth capacity for 35 Mtpa
- 300,000 DWT bulk ore carriers
- 50,000 DWT fuel carriers



- *Deepwater port design optimised to accommodate "China-max" bulk carriers*

Kribi Multi User Port Development



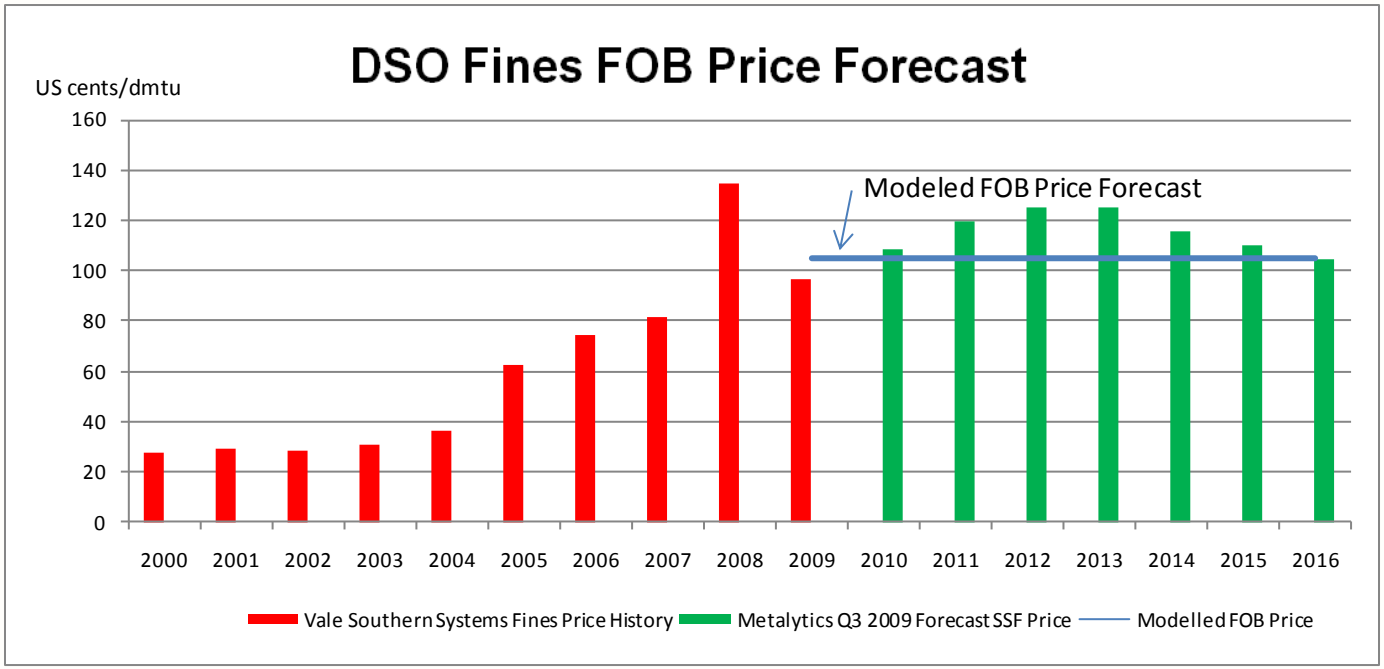
- *Mbalam export jetty complements the Multi-User Port proposed by Government*
  - *Potential synergies for on-shore infrastructure, utilities and services*

Target Markets

- Mbalam is centrally located to key markets in Europe, Middle-East and Asia

- Shipping from West Africa to Europe is lower cost than from Brazil
- Shipping from West Africa to China is comparable in distance and voyage time from Brazil

Forecast Pricing



- *Financial modeling based on latest FOB price forecasts by Metalytics*
  - *Long term DSO Fines FOB Price assumed at 104 USc/dmtu*
- *Mbalam FOB prices adjusted for Fe content and freight differentials to target markets*

Start-up CAPEX Estimate and Margin

- Start-up CAPEX comparable with similar scale projects: ~US$100 / tonne annual capacity
- World competitive OPEX: ~US$20 / tonne for 60% Fe Lump and Fines product

CAPEX – RAIL OPTION	
Mine & Plant	US$358m
Rail	US$1,472m
Port	US$505m
Indirects	US$465m
Contingency	US$560m
TOTAL ESTIMATED CAPEX**	**US$3,360m**

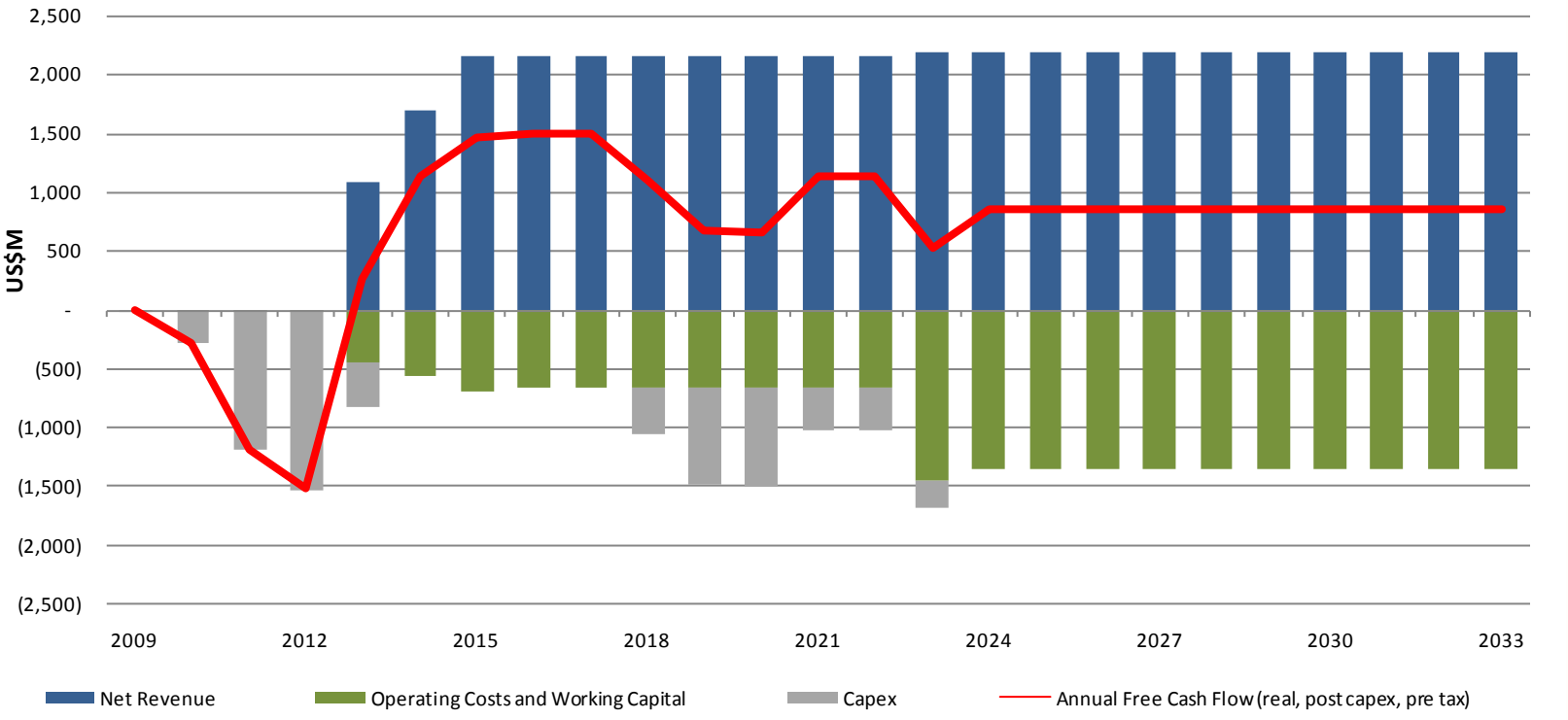
OPEX – RAIL OPTION	
Average FOB Price (60% Fe Lump & Fines)	US$62.20/t
Estimated Production Cost*	US$19.65/t
ESTIMATED OPERATING MARGIN**	**US$42.55/t**

**Includes all cash operating costs, royalty and contingency*
***Itabirite beneficiation CAPEX & OPEX not included*

- *DSO-quality production delivers high early margins for payback of start-up CAPEX*
  - *Majority of CAPEX attributable to transport infrastructure*
- *Pipeline option can reduce infrastructure cost but with additional mine plant costs*

Project Cashflow and Returns

- ~ US$920 million per year average cash operating margin (real, pre tax)



- *Project IRR ~20% (real, after tax) assuming 10 years DSO-quality production and fiscal / tax terms proposed to Cameroon Government*
- *Phase 2 Itabirite CAPEX to be funded from cashflow*

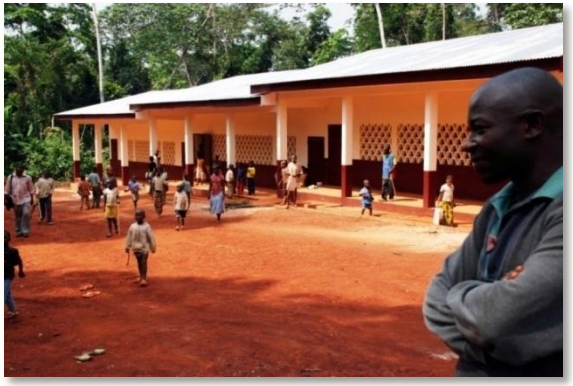
Agreements with Cameroon Government

- Framework Agreement signed in December 2008
  - Government right to 10% carried interest in Cam Iron
  - Government option to purchase additional 15% contributing interest in Cam Iron at price equivalent to 50% of costs incurred up to time of purchase
- Cam Iron selected as preferred developer of Iron Ore Terminal within Kribi Multi-User Port
  - Government site investigations scheduled to commence Q4 2009
- Feasibility Study submitted in Oct 2009
  - Proposed fiscal and tax terms
  - Application for Mining Permit
- Draft EIA submitted in Oct 2009
  - Review by Ministry of Environment followed by six month public review and consultation process

- *Government undertaking to legislate fiscal / tax incentives as necessary to ensure project is internationally competitive through Mbalam Convention*

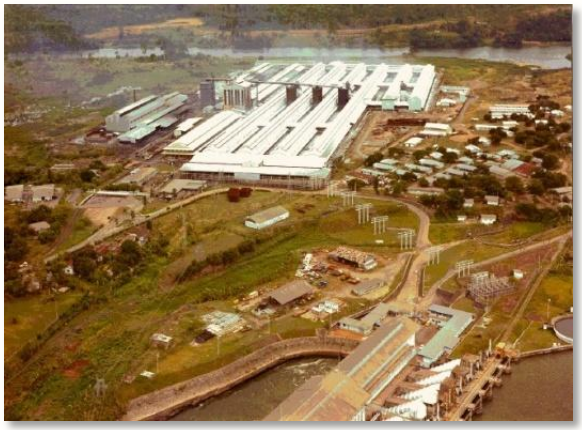
Benefits to Cameroon

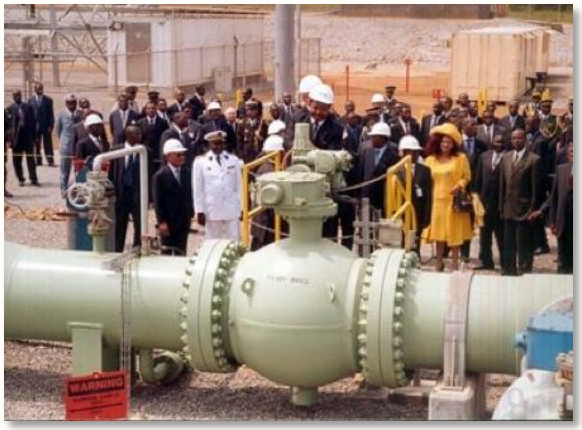
- Direct financial benefit of ~US$5 billion over life of mine:
  - Royalties
  - Corporate taxes
  - Dividends through equity participation
  - Workforce wages and salaries
  - Purchase of Cameroonian goods and services
- Indirect financial benefit will be significant:
  - Accelerator effects
  - Capacity building
- Environmental and social benefits:
  - Significant direct and indirect employment
  - 0.5% NPAT to environmental and social fund
  - Social infrastructure support
  - NGO/community partnerships
- Catalyst for future industrial growth:
  - Increased workforce skills
  - Increased international profile
  - Provision of world-class infrastructure
  - Downstream development opportunities pig-iron, pellets etc.



Other Major Operators in Cameroon

- AES SONEL: Power Generation / Transmission
- RIO : Aluminium Smelter (current and proposed)
- Exxon Mobil : Chad-Cameroon Pipeline





- *Precedence established for international project financings*
- *Cameroon Mining Code (2001) and Investment Code (2002) provide tax benefits*

Development Timeline

- 2009
  - Definition of Indicated and Inferred Resources
  - Transport and port infrastructure scope defined
  - Framework Agreement signed with Government
  - Feasibility Study submitted to Government
  - ESA submitted for review
  - Fiscal terms presented to Government

- 2010
  - Drill out deposits on EP92 to Reserve category
  - Define Resource potential at Nabeba Deposit and other prospects
  - Complete Definitive Feasibility Study
  - Secure financing in partnership with strategic partner(s)
  - Complete environmental and regulatory approvals
  - Execute Sales Terms Sheets and Offtake Contracts
  - Approval and ratification of Mbalam Convention
  - Issue of Mining Permit and Land Leases over Infrastructure

Disclaimer

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

Competent Persons Statement

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

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

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

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

A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used 20m x 10m x 10m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.

Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs have been used in the evaluation.

The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying with a range of densities adopted from 3-4t/m3 depending on the iron grade. A density of 3.6t/m3 has been used for the majority of the near-surface High Grade Hematite and a value of2.6 t/m3 applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.

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

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

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these Exploration Targets and it is uncertain if further exploration will result in determination of a Mineral Resource.

SUNDANCE RESOURCES LTD

Level 17, AMP Building
140 St George's Terrace
Perth WA 6000
Tel: +61 8 9220 2300
Fax: +61 8 9220 2309
Email: info@sundanceresources.com.au

www.sundanceresources.com.au