



2 June 2010

ASX / MEDIA RELEASE

93% INCREASE IN HIGH GRADE RESOURCE AT MBALAM PROJECT

Project DSO Resources increased to 415 Mt @ 61.6% Fe

HIGHLIGHTS

- **Maiden Inferred Resource of 200 Mt @ 63.1% Fe defined for Nabeba North Deposit**
- **Project DSO Resources increased to 415 Mt, sufficient for minimum 10 years production of premium +62% Fe product**
- **Further upgrades to Nabeba Resource expected to extend duration of DSO production**
- **Definitive Feasibility Study on schedule for completion in 2010 with commencement of construction on target for 2011**
- **Discussions proceeding for build-operate-finance packages over key infrastructure with potential to reduce SDL's Project funding requirements**

International iron ore company Sundance Resources Limited (ASX: SDL – "Sundance") is on schedule to complete the Definitive Feasibility Study ("DFS") of its **Mbalam Iron Ore Project** ("Mbalam Project") in West Africa following release of a maiden JORC-Code compliant Inferred Mineral Resource for the Nabeba North Deposit in the Republic of Congo.

With Project Resources now in place to support 35 million tonnes per annum production for a 25+ year mine life – comprising DSO production for at least the first 10 years followed by 15+ years Itabirite concentrate / pellet production - Sundance and its advisors will focus on the raising of project finance. This will continue to target prospective steel mills as well as major infrastructure providers interested in build-operate-finance packages.

Maiden DSO Resource at Nabeba North Deposit

Sundance's 85%-owned subsidiary, Congo Iron SA, has completed 38 diamond and RC drill holes at the Nabeba Deposit to date in 2010 on Research Permit 362 in the Republic of Congo.

Modelling has defined an **Inferred Resource of 200 million tonnes at 63.1% Fe** over the Nabeba North Ridge. This is a 93% increase in the previously reported Indicated and Inferred Resource of High Grade Hematite on Exploration Permit 92 in Cameroon (which totalled 215 million tonnes at 60.2% Fe).

The Nabeba Inferred Resource is based solely on drill results from the North Ridge of the deposit. The locations of the drill holes completed to date are shown in Figure 1 together with the area of the overall deposit included within the resource model. The Resource model is based on Ultratrace assay results received from the first 23 drill holes and site Niton XRF assays from the balance of the drill holes.

Total Project DSO Resource increased to 415 Million Tonnes

Today's announcement increases the total Project Indicated and Inferred Resources of DSO hematite at the Mbalam Project to **415 million tonnes at 61.6% Fe** (refer Table 1). The grades of the Nabeba and Mbarga deposits are complementary, producing a DSO-quality Resource.

Table 1: Mbalam Project DSO Resource

Deposit	Mt	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Nabeba North	200.2	63.1	2.5	3.4	0.09	3.2
Mbarga; South Mbarga & Metzimevin	215.2	60.2	9.8	2.3	0.08	1.6
Total Indicated & Inferred Resource	415.4	61.6	6.3	2.8	0.08	2.4

Sundance expects to upgrade the Nabeba Resource over coming months as drilling extends to the prospective South Ridge of the deposit. Recent surface sampling has also identified high grade hematite outcrop on the hill immediately south-east of the North Ridge (refer Figure 1). The Company also holds extensive landholdings with additional potential exploration targets including the Letioukba prospect on Research Permit 363 in Congo (refer Figure 2).

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 these exploration targets in excess of existing Inferred and Indicated Mineral Resources is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these targets and it is uncertain if further exploration will result in determination of any additional Mineral Resources on the Company's landholdings.

Integrated Project Development Strategy

The Mbalam Project encompasses iron ore deposits controlled by Sundance in Cameroon and Congo with the DFS progressing on the basis of integrated development of the Mbarga deposits on Exploration Permit 92 in Cameroon and Nabeba Deposit on Research Permit 362 in Congo. This forms part of Sundance's larger regional development strategy with Nabeba, located only 42km south of Mbarga, able to be readily connected to the Company's rail and port infrastructure in Cameroon (refer Figure 2).

The DFS remains on track for completion in 2010 with the total DSO Resource defined for the Mbalam Project sufficient for at least the first 10 years DSO production. The existing 2,325 million tonne Itabirite Hematite Resource will support ongoing production of pellet feed concentrate (and pellets) for the balance of the initial 25 year mining term.

DSO process design is targeting a premium sinter fines product grade. This will be achieved by blending of ores produced from the Mbarga and Nabeba Deposits together with low cost gravity separation of a stream of the higher silica/alumina fines.

Table 2 sets out the target DSO sinter fines product specification with 62.5% Fe grade and average combined silica/alumina content of 7- 8%.

Table 2: Target DSO Sinter Fines Product Specification

Mtpa	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
35.0	>62.5	<5.5	<2.5	0.08	2.4

Comment from Managing Director Don Lewis

Sundance CEO Don Lewis welcomed the very significant growth in the Mbalam Project's DSO Resource.

"Our exploration programme has continued to deliver at the upper end of the Company's targets. Our very rapid exploration success at Nabeba strengthens what is already a robust proposition for global investors and potential partners".

"Mbalam stands-out from its peers on the basis of its world scale DSO and Itabirite Hematite Resources. The Project DSO Resources are near-surface and high grade, supporting a low cost mining and processing operation delivering a premium sinter fines product quality. This will place the Mbalam Project in the lower quartile of worldwide DSO operating cost forecasts. Our 2.3 billion tonne JORC-Code compliant Itabirite resource (at 38% Fe) then provides for very long term production of high quality pellet feed concentrate, a product that we expect to grow significantly in market demand over the life of the project".

"The key foundations of the Mbalam Project are in place with potential upside to increase the duration of DSO production and further enhance the Project's high margin cashflow".

"The DFS is on target for completion this year ready for commencement of project construction in 2011. The time is right for strategic partners to join this world class project".

ENDS

Further information

Don Lewis, Managing Director
(+61-8) 9220-2300 / +61-417 996 005
Web: www.sundanceresources.com.au

About Sundance Resources Limited

Sundance Resources Ltd is an international iron ore company focused on mining interests in the Republic of Cameroon and the Republic of Congo in Central West Africa. Sundance has commenced Definitive Feasibility Study on the Mbalam Iron Ore Project as the basis for developing a global iron ore business. Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Iron Ore Project.

WA-based Sundance has been listed on the Australian Stock Exchange since 1993 and is also traded on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.

Forward-Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of 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.

Figure 1

Location of Drill Holes completed on the Nabeba Deposit and Area included in the Resource Model of the Nabeba North Ridge Deposit

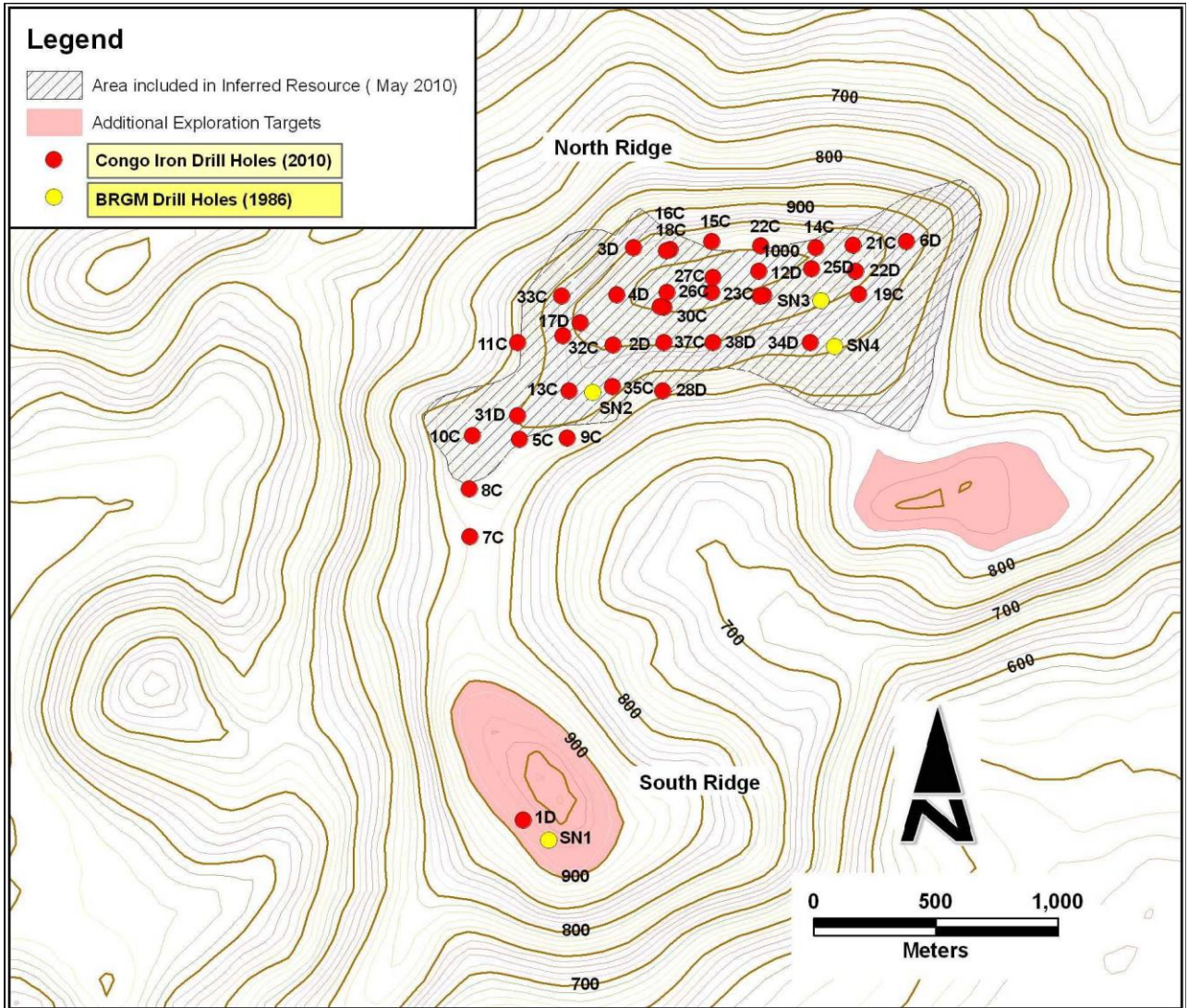
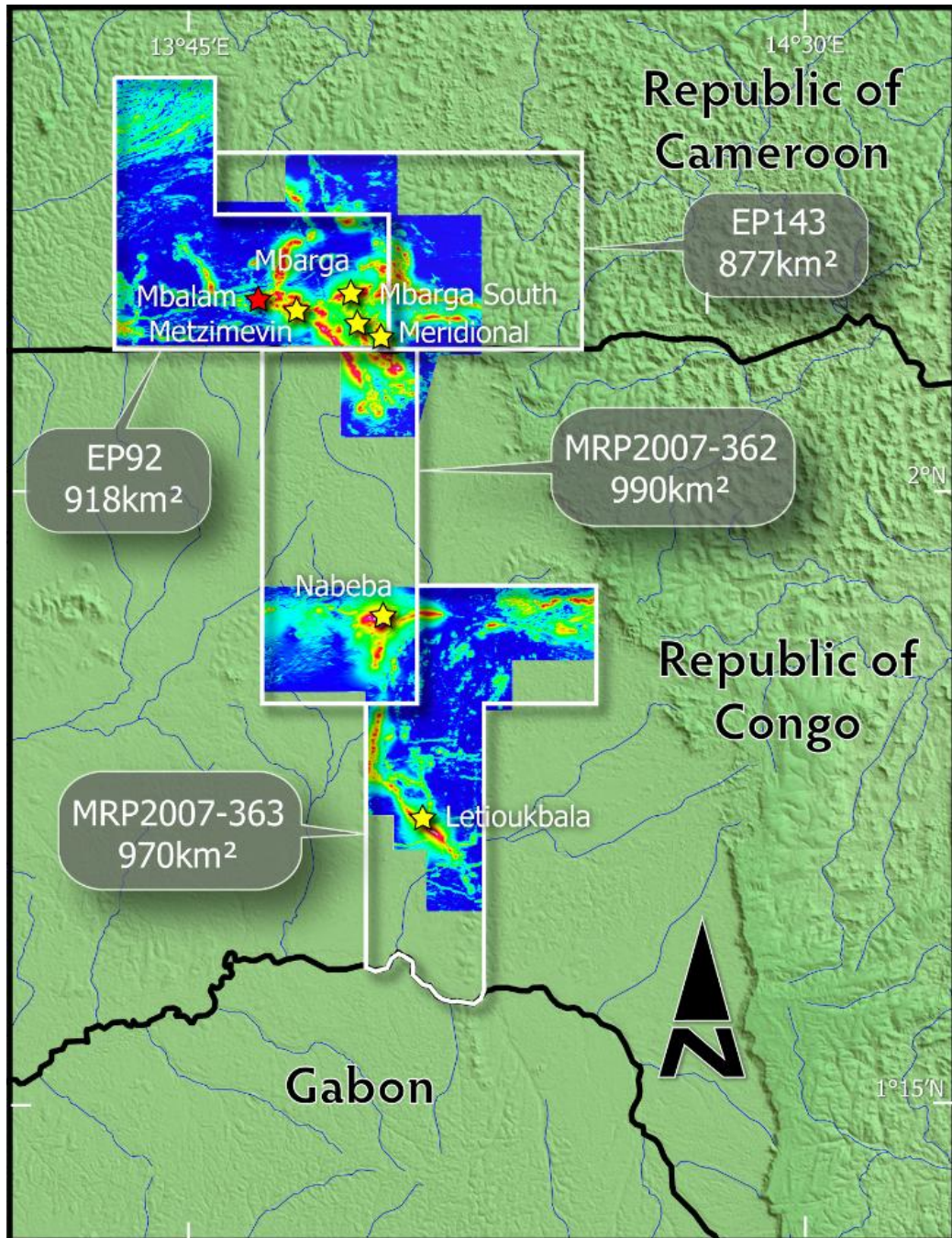


Figure 2

Landholdings and Major Deposits controlled by Sundance (with background showing analytical aeromagnetic survey results)



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.

Resources reported on Exploration Permit 92, Cameroon (Mbarqa, South Mbarqa and Metzimevin Deposits)

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 Mbarqa Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarqa, Mbarqa South and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarqa Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarqa 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 Mbarqa Deposit are broken down as follows: Surficial: >50% Fe and <10% Al₂O₃; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarqa South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value is used for the Mbarqa Itabirite hematite.

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 has 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 to 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 of 2.6 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. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.

Resources reported on Research Permit 362, Congo (Nabeba North Ridge Deposit)

The estimated quantity and grade of near surface, high grade mineralisation for the Inferred Resource has been restricted to an area currently covered by drilling on predominately a 200m x 200m pattern on the northern ridge of the horseshoe-shaped Nabeba Deposit. Sundance has completed 38 holes at Nabeba for a total of 3,400m of which 40% has been PQ/HQ core and 60% RC (Reverse circulation) drilling with face-sampling hammers.

The geological model is represented by an area approximately 2.5km (east-west) x 1km (north-south). Grade has been estimated by IDS method (inverse-distance squared) on composited sample results. The mineralisation and grade interpolation of drill results has been constrained by a 3-D wireframe which encompasses all of the near-surface contiguous high grade material and as such, no cut-off grades for high grade have been required or applied. At the time of modelling, analytical results for 32 of the 38 holes had been received of which 62% were full XRF analyses from Ultratrace Laboratories (Perth, Western Australia) and the remaining 38% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.

A digital terrain surface (based on a recent aeromagnetic survey) has been used to limit extrapolation of the mineralisation to the topography of the Nabeba hill. The resource modelling has used 25m x 25m x 5m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used handheld GPS surveying. A global density of 2.65t/m³ has been used for all of the near-surface High Grade Hematite based on results from an assessment of physical density measurements of current drill core.

At this stage of assessment 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 standards with comprehensive reporting on laboratory precision and accuracy.

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