

ASX Announcement and Media Release

12 June 2012

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SUNDANCE ANNOUNCES A\$40 MILLION EQUITY RAISING

- Sundance today announced it would seek to raise approximately A\$40 million in new equity via a placement.
- Funds raised under the placement to be used to assist the company to undertake early works at the port and rail areas, to continue exploration drilling on the previously announced exploration targets and to provide general working capital for the Company.
- Scheme of Arrangement with Hanlong continues to progress with Sundance and Hanlong signing a revised Scheme Implementation Agreement in May 2012 based on a simplified timetable with a November 2012 completion date.

Equity raising

Sundance Resources Limited ('Sundance' or 'the Company') (ASX: SDL) is pleased to announce an equity raising of up to A\$40 million. The equity raising will be conducted via a placement to qualified sophisticated and institutional buyers ('Placement').

Funds raised under the Placement will be used to:

- assist the company to undertake early works at the port and rail areas to help maintain the construction timeline;
- continue exploration drilling on the previously announced exploration targets; and
- provide general working capital for the Company.

The Placement will be made by way of an accelerated bookbuild, managed by UBS AG, Australia Branch ('UBS') and GMP Securities ('GMP') acting as Joint Lead Managers pursuant to a placing agreement entered into between the Company, UBS and GMP.

Shares issued under the Placement ('New Shares') will rank equally from allotment in all respects with existing Sundance shares.

The Placement will be made within the Company's placement capacity and accordingly shareholder approval will not be required.

Scheme Implementation Agreement

As previously announced, Hanlong (Africa) Mining Limited ('Hanlong') has proposed to acquire 100 per cent of Sundance for A\$0.57 cash per share via an Australian Scheme of Arrangement ('Scheme') and the Sundance Directors believe the price, which values the Company at A\$1.7 billion, is attractive and unanimously recommend shareholders vote in favour of the Scheme in the absence of a superior proposal, subject to the Independent Expert's report concluding the Scheme is in the best interests of all Sundance shareholders.

As previously announced on 23 May 2012, Sundance entered into an Amended and Restated Scheme Implementation Agreement ('SIA') with Hanlong under which, assuming all regulatory and shareholder approvals are received, the Scheme is now expected to be implemented in mid-November 2012.

Under the SIA Sundance is able to procure working capital financing, including via the equity capital markets without approval from Hanlong. Nevertheless, Sundance has notified Hanlong of the proposed Placement and Hanlong has no objections to the Placement. The Placement will not have an impact on the progress of the Scheme.

The next key date in the SIA is 30 June 2012 for NDRC provisional approval and FIRB approval. Hanlong will then be required to obtain a Credit Approved Term Sheet from the China Development Bank by 31 August 2012.

If the Scheme proceeds to completion on the basis of the SIA the New Shares issued under the Placement will be entitled to the A\$0.57 cash per share being offered under the Scheme.

ENDS

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About Hanlong

Sichuan Hanlong (Group) Co, Ltd was established in 1997 by its Chairman Mr Liu Han. It is one of China's largest private enterprises with total assets exceeding 20 billion RMB (A\$3 billion) and annual sales revenue of over 16 billion RMB (A\$2.48 billion). The Group has a

wide portfolio of investments including mining resources, energy generation, infrastructure development, pharmaceutical, food and beverages, real estate and tourism. The Group has over 30 wholly-owned subsidiaries and more than 12,000 employees world-wide. Hanlong is a subsidiary of Hanlong Resources Limited and both are within the Hanlong Mining Group. Hanlong has an office in Sydney.

About Sundance

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

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

Certain statements made in this communication, may contain or comprise certain forward-looking statements. Although the Company 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 the Company's most recent annual report and half-year report. The Company 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.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States nor shall there be any sale of the securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the Securities Act), or any state securities laws and may not be offered or sold in the United



States or to U.S. persons (as defined in Regulation S under the Securities Act) except in compliance with the registration requirements or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. There will be no public offering of the securities in the United States.

Notes

UBS AG, Australia Branch ('UBS') is acting for Sundance and for no-one else in connection with the Offering, and will not be responsible to anyone other than Sundance for providing the protections afforded to customers of UBS nor for providing advice to any other person in relation to the Offering or any other matter referred to herein.

GMP Securities Europe LLP ('GMP') is acting for Sundance and for no-one else in connection with the Offering, and will not be responsible to anyone other than Sundance for providing the protections afforded to customers of GMP nor for providing advice to any other person in relation to the Offering or any other matter referred to herein.