Level 35, Exchange Plaza
2 The Esplanade, Perth WA 6000
GPO Box Z5189, Perth WA 6831 Australia
Tel: +61 8 9220 2300
Fax: +61 8 9220 2309
Email: info@sundanceresources.com.au
ABN 19 055 719 394

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SUNDANCE SIGNS AGREEMENTS TO RAISE A$40M THROUGH ISSUE OF CONVERTIBLE NOTES

Sundance Resources Limited ('Sundance' or 'the Company') (ASX: SDL) is pleased to announce it has signed legally binding agreements to raise A$40 million through the issue of convertible notes and options to Noble Resources International Pte Ltd ("Noble Resources") and an investor consortium made up of investment vehicles managed by Blackstone Alternative Solutions, L.L.C., the D. E. Shaw Group and Senrigan Capital ("Investor Consortium").

This will ensure Sundance has sufficient funds to meet its anticipated working capital requirements as it progresses the Mbalam-Nabeba Iron Ore Project ("the Project") in the Republics of Cameroon and Congo.

Sundance CEO and Managing Director Giulio Casello said these agreements were an excellent outcome which ensured Sundance would have the funding needed to progress the development strategy for the Project.

"These funding arrangements will not only secure Sundance's financial position but also demonstrate the ongoing support our company and the project continues to receive from strategic parties and global institutional investors," Mr Casello said.

"We are delighted by the support shown from existing Sundance shareholder Senrigan and we welcome the involvement of the Noble Resources, Blackstone and the D. E. Shaw Group.

"Noble is a leading global trader of resource commodities and Blackstone and the D. E. Shaw Group are well-known, sophisticated investors in the resources sector. They are funding Sundance because they believe in the upside potential that our company offers as we push forward in developing this world-class iron ore project."

The key features of the raising, which is subject to the satisfaction of conditions as specified below, are:

- Noble Resources will invest A$20M via an unsecured convertible note ("Noble Note") under a convertible note deed ("Noble Deed"). Noble will have the right to convert the note into a 30 per cent stake in the to-be formed marketing services company ("MarketCo") or to convert into fully paid Sundance shares at 12 cents per share. The Noble Note will have an interest rate of 10% per annum.
- Noble will also be issued a total of 200 million options, subject to shareholder approval, which are (as further detailed in Annexure D) exercisable on the maturity of the Noble Note at 12 cents if MarketCo is not set up before then and it does not hold marketing rights for product from the Project on terms acceptable to Noble ("Noble Options").
- Noble will have a first right to offer, and a last right to match, the price and terms of sale for 15 per cent of the ore produced from Stage 1 of the Project.
- The Investor Consortium of Blackstone, the D. E. Shaw Group and Senrigan will also invest a total of $20M through a two-year zero coupon convertible note issue which is convertible (in certain circumstances as detailed below) to Sundance shares at a price of 10 cents per share under a convertible note deed ("Consortium Deed").
- The conversion prices of 10 cents and 12 cents represent a premium of 9% and 30% respectively to Sundance's one month VWAP to 21 October 2013.

- The Investor Consortium will also be issued a total of 260 million options (200 million of which are subject to shareholder approval), which will become exercisable should a Relevant Event (as defined in Annexure C) occur.
- Completion under the Noble Deed and the Consortium Deed is subject to what Sundance considers to be standard completion conditions.

Annexure A to this announcement sets out the key terms of the Noble Note. Annexure B sets out the key terms of the Consortium Notes. Annexure C sets out the key terms of the Tranche 1 Options, Tranche 2 Options and Tranche 3 Options and Annexure D sets out the key terms of the Noble Options. The Noble Note, Consortium Notes and Tranche 1 Options will be issued under the Company's 15% placement capacity. The issue of the Tranche 2 Options, Tranche 3 Options and Noble Options is subject to shareholder approval.

Details of Noble Deed

Under the Noble Deed, Noble will provide Sundance with financing in the form of a senior unsecured convertible note for A$20M. The Noble Note will have an interest rate of 10% per annum. The Noble Note may be converted into shares in MarketCo or to shares in the Company in the circumstances set out in Annexure A (page 6 of this announcement). If the Noble Note is not converted prior to the maturity date, it must be redeemed by the Company at face value.

Market Co

The Company agrees to use best endeavours to incorporate MarketCo which will, among other things, market ore produced at the Project by Cam Iron SA and Congo Iron SA, and negotiate an agreement (on terms acceptable to the Company and Noble Resources) with each of Cam Iron SA and Congo Iron SA pursuant to which MarketCo will, among other things, be responsible for blending the product from the Project and be the sole marketer of 100 per cent of such product in return for a fee.

As detailed in the summary of the Noble Note terms in Annexure A, Noble may elect to convert the Noble Note into shares in MarketCo in specified circumstances. In this event, Noble will provide marketing services to MarketCo on terms to be agreed between Noble and MarketCo.

Noble has extensive experience in the marketing field and will assist Market Co by providing services such as branding, communications, iron ore specifications and sales terms. As MarketCo has not been formed yet, the services required will be discussed and the final structure is still to be determined.

Offtake Rights

Noble will be granted the following rights on standard industry terms with respect to 15% of the total iron ore production from Stage 1 of the Project in each year:

(a) a first right to offer a price and other terms for 15% of the product from the Project prior to such product being offered to any other person; and

(b) in the event Noble does not exercise its right referred to as above, or Noble's price and terms for 15% of the product from the Project are not accepted, Noble will have a last right to match the price and terms offered with respect to such product.

Notwithstanding this arrangement, the Company believes adequate production will be available for any equity or strategic participants required to develop the Project.

Cash payment

Sundance has, as part of its agreement with Noble, agreed to pay at the maturity date of the Noble Note and if MarketCo has not been set up and it does not hold marketing rights for product from the Project on acceptable terms, a cash amount determined by reference to the difference between the prevailing Sundance share price at the maturity date and 12 cents multiplied by 200 million. The cash amount will be adjusted for certain events in a similar manner to the adjustment mechanisms described in Annexure A.

This obligation to make the cash payment shall be replaced by the grant of the Noble Options (referred to below) if their grant is approved by Shareholders

Noble options
Subject to shareholder approval, the Company will grant 200 million Noble Options on the terms referred to in Annexure D, which (as further detailed in Annexure D) become exercisable at 12 cents if MarketCo is not set up and it does not hold marketing rights for product from the Project on terms acceptable to Noble by the maturity date of the Noble Note. The options allow Noble to further invest in Sundance in these circumstances.

The Sundance Board is supportive of Shareholders approving the grant of the Noble Options and will be recommending this to Shareholders at the upcoming Annual General Meeting, to be held in Perth, Australia, on 29 November 2013.

Details of Investor Consortium Deed

The Investor Consortium is made up of investment vehicles managed by Blackstone, the D. E. Shaw Group and Senrigan Capital.

The Investor Consortium will provide Sundance with A$20M in financing in the form of 200,000 two-year zero coupon unsecured convertible notes, each with a face value of $100.

The Consortium Notes are convertible to shares in the Company in the circumstances set out in Annexure B (page 7 of this announcement) at a price of 10 cents per Share. If the Consortium Notes are not converted prior to the maturity date, they must be redeemed by the Company at 120 per cent of face value.

Cash payment
Sundance has, as part of its agreement with the Investor Consortium, agreed to pay on the occurrence of certain Project enhancing events or change of control events more particularly referred to in Annexure C, a cash amount determined by reference to the difference between the prevailing Sundance share price at the date of a notice from the Investor Consortium and either 10 cents or 12 cents multiplied by 140 million and 60 million respectively. The cash amount will be adjusted for certain events in a similar manner to the adjustment mechanisms described in Annexure B.

This obligation to make the cash payment shall be replaced by the grant of the Tranche 2 and Tranche 3 Options (referred to below) if their grant is approved by Shareholders.

Attaching options
The terms of the agreement include the issue of 260 million options, which become exercisable if there is a Relevant Event (as defined in Annexure C and broadly means a significant Project development event or a change of control event occurring). The options allow the Investor Consortium to further invest in Sundance in these circumstances.

The 260 million options are split into three tranches:

- 60 million Tranche 1 Options with an exercise price of 10 cents to be issued at the same time as the Consortium Notes;
- 140 million Tranche 2 Options exercisable at 10 cents to be issued subject to Shareholder approval; and
- 60 million Tranche 3 Options exercisable at 12 cents to be issued subject to Shareholder approval.

The Sundance Board is supportive of Shareholders approving the grant of the Tranche 2 and Tranche 3 Options and will be recommending this to Shareholders at the upcoming Annual General Meeting, to be held in Perth, Australia, on 29 November 2013.

Use of Funds

The funds raised will be used for working capital and to meet pre-development capital expenditure for the Mbalam-Nabeba Iron Ore Project, including costs associated with studies, approvals, legal documentation, finalising conventions, mining permits and negotiations of equity and Engineering Procurement Construction (EPC) contract tenders etc.

About Noble Resources

Noble Resources is a wholly owned subsidiary of Noble Group Limited ("Noble")(SGX: N21) which manages a portfolio of global supply chains covering a range of agricultural and energy products as well as metals, minerals and ores. Operating from over 140 locations and employing more than 70 nationalities, Noble facilitates the marketing, processing, financing and transportation of essential raw materials. Sourcing bulk commodities from low cost regions such as South America, South Africa, Australia and Indonesia, Noble supplies high growth demand markets, particularly in Asia and the Middle East. In order to ensure the integrity of its supply chains, Noble has a portfolio of interests in strategic logistics and processing assets which form an integral part of facilitating its key trade flows. Noble is ranked number 76 in the 2013 Fortune Global 500. For further information please visit Noble's website www.thisisnoble.com.

About Blackstone Alternative Solutions, L.L.C.

Blackstone Alternative Solutions, L.L.C. is an affiliate of Blackstone. Further information regarding Blackstone can be found at www.blackstone.com.

About the D. E. Shaw Group

The D. E. Shaw Group is a global investment and technology development firm with more than 1,000 employees, approximately $31 billion in investment capital as of 1 October 2013, and offices in North America, Europe, and Asia.

About Senrigan Capital

Senrigan Capital is an asset management company founded by Nick Taylor in 2009 to focus on event-driven strategies in Asia. Senrigan manages funds on behalf of a wide range of Global and Asia-based investors including financial institutions, fund of funds, sovereign wealth funds, endowments, pension funds and high net worth individuals. The origins of the Senrigan team reach back to 1999, having worked under Nick Taylor's leadership first at Modal Capital Partners (Credit Suisse's captive hedge fund boutique), and later at Citadel. The Firm invests in companies undergoing transformative events such as mergers and acquisitions and is a shareholder of Sundance Resources.

Advisors

UBS AG, Australia Branch and Gilbert & Tobin have acted as financial and legal advisors respectively in relation to the transaction.

About Sundance Resources

Sundance Resources is building a global iron ore business through the development of its flagship Mbalam-Nabeba Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. The Project scope involves the construction of a 510km rail line dedicated to the transport of iron ore through Cameroon and 70km rail spur line connecting the Nabeba mine in Congo. It also includes the building of a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.

Stage One will be the production of a Direct Shipping Ore (DSO)-quality sinter fines product averaging 62.6% Fe at a rate of 35Mtpa for approximately 12 years based on blending material sourced from the deposits in the neighbouring countries of Cameroon and Congo. Stage Two, which is currently at a Pre-Feasibility Stage, would then extend the life of the operation by further 15-plus years producing high-grade Itabirite hematite concentrate.

In April 2011, Sundance completed the Definitive Feasibility Study for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam-Nabeba Iron Ore Project. Capital development costs for Stage One are estimated to be US$4.7 billion (at December 2010 prices) and the average operating cost is estimated to be US$21.20 per tonne free on board (FOB).

ENDS

Released by:

George Jones, Chairman
Sundance Resources Ltd.
Mobile: +61 (0) 412 949 250

Giulio Casello, Managing Director & CEO
Sundance Resources Ltd.
Mobile: +61 (0) 448 872 887

Shareholder / Media Inquiries:

Jill Thomas, Manager Investor Relations
Telephone: +61 8 9220 2300
Email: jthomas@sundanceresources.com.au

Paul Armstrong, Read Corporate
Telephone: +61 8 9388 1474
Email: paul@readcorporate.com.au

Annexure A – Summary of key terms of 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 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.

(e) **Interest**: interest on each Noble Note is 10% per annual 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 (i) the Maturity Date (in which case the redemption amount payable is Face Value) and (ii) the occurrence of an event of default and receipt of a corresponding demand from Noble (in which case the redemption amount payable is 120% of Face Value).

(g) **Conversion into MarketCo shares:** at any time after the issue of the Noble Note and before the Maturity Date, if MarketCo has been incorporated and the Company has finalised the Marketing Arrangements 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 shareholding 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 the Congo.

(h) **Conversion into Shares:** The noteholder may elect to convert the Noble Note into Shares:

   (i) at the Maturity Date provided MarketCo has not been incorporated and/or the Company has not finalised 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 of $0.12 subject to adjustment. 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 or 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.

Annexure B – Summary of key terms of Consortium Notes

(a) **Face Value**: the Consortium Notes have a face value of A$100 (**Face Value**).

(b) **Form and status**: the Consortium 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 Consortium Notes mature on the date 24 months from issue.

(d) **Voting rights**: the Consortium Notes do not afford the holder voting rights in the Company or right to attend general meetings of the Company.

(e) **Interest**: no interest will accrue in respect of the Consortium Notes.

(f) **Mandatory redemption**: provided the Consortium Notes have not otherwise been converted, redeemed or cancelled, the Company must redeem the Consortium 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 Consortium resolving by special resolution to require the Company to redeem the Consortium Notes.

(g) **Conversion into Shares and cash settlement:** at any time commencing on the earlier of:

(i) 45 days after the Consortium Notes are issued;

(ii) a Relevant Event;

(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 Consortium 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 Consortium Notes for an amount equal to 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 a cash election notice to the noteholder within the time specified, it must convert the relevant Consortium Notes at a conversion price of $0.10. The terms of the Consortium 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 Consortium Notes are not adversely affected by the event.

(h) **Conversion to Shares precluded:** the Company may refuse to convert the Consortium 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 Consortium Notes may only be transferred with the prior written consent of the Company (such consent not to be unreasonably withheld) or while an event of default subsists.

Annexure C – Summary of key terms of Tranche 1 Options, Tranche 2 Options and Tranche 3 Options

(a) **Exercise price**: the Tranche 1 Options have an exercise price of $0.10. The Tranche 2 Options have an exercise price of $0.10. The Tranche 3 Options have an exercise price of $0.12.

(b) **Vesting condition**: the Options may be exercised at any time after a Relevant Event.

(c) **Expiry Date**: the Options expire on the later of 5pm WST on the maturity date of the Consortium Notes and 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.

(d) **Exercise:** the Tranche 1 Options, Tranche 2 Options and Tranche 3 Options are exercisable into Shares.

Definitions

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..

Project Event means, in relation to the finance and construction of the Project, the earlier 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).

Relevant Event means any Project Event or Change of Control Event which occurs prior to the Maturity Date.

Annexure D- Summary of key terms for Noble Options

(a) **Exercise price**: the Noble Options have an exercise price of $0.12.

(b) **Vesting condition**: the Noble Options shall be exercisable by Noble at any time on or after Noble converts the Noble Note into Sundance shares in accordance with the Noble Deed.

(c) **Expiry Date**: the Noble Options automatically lapse on the earlier of:

(i) 14 days after the day on which the Company has satisfied in full its obligations in relation to the conversion of the Noble Note and the issue of the Sundance shares;

(ii) Immediately after the conversion of the Noble Note into MarketCo shares and satisfaction in full of the Company's obligation in relation to conversion of the Noble Note and issue of the MarketCo shares; and

(iii) 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 at the Maturity Date, provided no Event of Default subsists, and 120% of Face Value in all other cases).

(d) **Exercise:** Noble Options are exercisable into Shares.