



ASX Announcement | Media Release
26 July 2016

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 JUNE 2016

Summary:

- **Nabeba Convention passed into law**
- **Actions initiated for capital restructuring**
- **Meetings held in Cameroon and Congo**
- **\$2.8 million cash on hand at 30 June 2016**

Sundance Resources Limited (ASX: SDL) (“Sundance” or “Company”) provides the following information about activities for the quarter ended 30 June 2016:

NABEBA CONVENTION PASSED INTO LAW

On 23 May 2016 Sundance announced that the Nabeba Mining Convention had been passed into law by the Government of the Republic of Congo.

As reported in Sundance’s March 2016 Quarterly, the Convention was unanimously ratified by both houses of Parliament in Congo on 8 April 2016 and was presented to the President of the Republic of Congo for signing and promulgation into law.

This has now been completed following the signing by the President, His Excellency Denis Sassou-N’Guesso, Minister of Mines and Geology Pierre Oba, Minister of Economy, Finance and Budget Gilbert Ondongo and Minister of Transport and Civil Aviation Radolphe Adada. Law No. 14-2016 relating to the Convention has now been published in the Official Journal of the Republic of Congo.

ACTIONS INITIATED FOR CAPITAL RESTRUCTURING

On 6 June 2016 Sundance announced it had appointed specialist resources sector advisory firm RFC Ambrian Limited to assist with assessing capital restructuring proposals.

Sundance presently has convertible notes on issue with a total face value of \$93.5 million and a total redemption value of \$116.8 million. Apart from \$2.5 million due on 31 December 2016 to Hanlong, the remainder of the convertible notes are due on 23 September 2017. There is no ongoing obligation to make interest payments on any of the convertible notes except for those held by Hanlong. The Hanlong notes can be converted to equity at either party’s discretion.

RFC Ambrian has begun constructive engagement with the noteholders. In coming months, they will make specific recommendations to the Sundance Board about restructuring options to best position the Company for the future.

To provide additional support, RFC Ambrian has engaged Mr Mark Eames as part of its advisory team for the Sundance assignment. Mr Eames was formerly Head of Iron Ore Assets at Glencore plc and has extensive experience in iron ore with both Rio Tinto and Glencore. Specifically, he has intimate knowledge of the African iron ore industry and has worked on developments in the Republic of Congo, where Sundance’s Nabeba deposit is located.

It is envisaged that Mr Eames will join the Sundance Board in the event the restructuring process reaches a satisfactory outcome.



MEETINGS IN CAMEROON AND CONGO

During June Sundance CEO Giulio Casello and Mark Eames held discussions on the future of the Mbalam-Nabeba Iron Ore Project (“**Project**”) in both the Congo and Cameroon.

Positive discussions were held with the Prime Minister of Cameroon, the newly appointed Prime Minister of Congo, the Minister of Mines for Cameroon, senior representatives of the Department of Mines in Congo and other government officials. The meetings provided the opportunity for both Sundance and the host Governments to reiterate their support for the project and the commitment by all parties to work together to move the Project forward.

Progress on the funding of the port and rail by the Cameroon Government was discussed. The Government continues to pursue this actively with Chinese authorities and the selected EPC contractor. They have been encouraged by the discussions but as yet no conclusion has been reached.

CORPORATE

Sundance continued to reduce its operating costs through the June quarter. Total cash outflow for the period was \$1.476 million excluding interest which was below the forecast cash expenditure of \$1.9 million for the quarter and compared favourably to \$5.2 million in the March 2016 quarter.

Sundance ended the June quarter with \$2.871 million in cash and deposits.

PATH FORWARD

Sundance remains fully committed to the development of the Mbalam-Nabeba Project and is focusing on ensuring that it is ready for development financing as market conditions permit and the Company is fully funded until development.

In particular, the Company will continue working with RFC Ambrian to restructure the Company’s capital position and prepare for discussions with equity investors into the mines whilst supporting the Cameroon and Congo Governments as required to advance the port and rail infrastructure funding.

EXPENDITURE

The Pro-forma appendix 5B - Statement of Consolidated Cash Flows is provided in a separate report.

COMMENT FROM THE CEO

Sundance CEO Giulio Casello said: *“We are encouraged by our recent meetings with the Cameroon and Congo Governments and the advances being made by RFC Ambrian with our note holders. The capital restructuring work currently underway is critical to cementing the position of the Company. Our Project is widely recognised as being in the front rank of iron ore projects globally and its credibility has been further strengthened by the appointment of Mr Mark Eames as an advisor.*

“Our preferred development option is for the Cameroon Government and the Chinese EPC contractor to sign the EPC contract for the development of the rail and port infrastructure. Sundance supports this approach, but continues to review other development options.”



ASX ANNOUNCEMENTS

The Quarterly Report should be read in conjunction with all announcements made by the Company to ASX, in particular, the Rights Issue Prospectus dated 2 February 2016, the financial statements for the year ended 30 June 2015 and the half-year ended 31 December 2015 which contain further details about Material Business Risks. These announcements can be found on the following link:

<http://www.sundanceresources.com.au/irm/content/asx-announcements.aspx>

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About Sundance Resources

Sundance Resources is seeking to develop its flagship Mbalam-Nabeba Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. Stage One will be the production of a Direct Shipping Ore (“DSO”)-quality sinter fines product averaging >62.0% Fe at a rate of 40Mtpa for approximately 14 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. The Project will utilise the rail and port infrastructure to be financed, built and owned by the Government of Cameroon, a 540km rail line dedicated to the transport of iron ore through Cameroon and a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.

Forward Looking Statements

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, financing a large capital project, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of Sundance’s operations including the likely financing and commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital sources and expenditure, contain or comprise certain forward-looking statements regarding Sundance’s operations, economic performance and financial condition.

Although Sundance 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, deterioration in the iron ore market, deterioration in debt and equity markets that lead to the Project not being able to be financed, success of business and operating initiatives, changes in the regulatory environment and other government action, fluctuations in iron ore prices and exchange rates, business and operational risk management, changes in equipment life, capability or access to infrastructure, emergence of previously underestimated technical challenges, environmental or social factors which may affect a license to operate.