



9 December, 2009

ASX ANNOUNCEMENT

CHAIRMAN'S ADDRESS 2009 GENERAL MEETING

On the 9th of November, Sundance announced a private share placement to a range of institutional investors to raise \$85 million through the issue of 567 million shares at a price of 15 cents per share, this being the market price of Sundance shares immediately prior to announcement of the placement.

The first tranche of this placement was completed on 23 November. This raised \$47.5 million with the new shares issued within the Company's 15% capacity under the ASX Listing Rules.

The second tranche of the placement will, subject to shareholder approval being obtained at this meeting, raise a further \$37.5 million from the same group of institutional shareholders who participated in the first tranche.

Since the first tranche placement was completed, Sundance has announced the successful completion of its share purchase plan. This raised a further \$4.7m with 31,286,457 shares being issued at 15 cents to the shareholders who participated in the share purchase plan.

The total number of shares on issue after both the first tranche issue and the share purchase plan were completed is 2,460,135,686 shares.

Subject to your approval here today, the total number of shares on issue post the placement will be 2,709,995,932 shares (increasing from 2,112,042,808 shares on issue before the placement and the share purchase plan).

Given that this is the largest capital raising undertaken in the company's history, I would like to outline to you today the Board's reasoning behind the placement.

In our view, Africa has the potential to become a major new long-term supplier of high quality iron ore in the seaborne traded market. This is driven by the fact that there are now very limited opportunities for major industry players to secure stakes in world-scale iron ore projects within established producing regions.

Your Board's core objective is to create value for shareholders and we strongly believe that the best way to maximise this value is to ensure that the Mbalam Project is the most highly-rated greenfields iron ore project in Africa. By doing so, we can position Mbalam to attract the partners required to exploit the significant resource assets that we control in this emerging iron ore province.

To achieve this objective, the Board had to ensure that Sundance's 2010 project development and financing work program was fully funded. This placement achieves this key outcome.

The placement was arranged by the London-based team of Renaissance Capital whose leading mining analyst visited the Mbalam site in September and recently initiated research coverage on the Company.

His view is that the Mbalam Project is already one of the top two iron ore projects in Africa, being significantly more advanced than its competitors in terms of resource definition and potential. Completion of the Definitive Feasibility Study in 2010 will ensure that Mbalam remains at the forefront of major iron ore projects in the Atlantic Basin.

Until now, other than for the holding of the Talbot Group, the Sundance share register has been dominated by smaller and very supportive Australian retail investors. We have had relatively modest exposure to the UK and North American markets and the Board made the conscious decision to increase this focus ahead of our proposed project financing activities in 2010.

The placement is significant in that a substantial number of new international institutional investors have joined Sundance's shareholder register for the first time. These investors understand the risk-reward profile of Africa and are willing to support Sundance progress the project through the development cycle.

I believe that this support is excellent news and represents a significant milestone for the Company.

Mbalam is a world-scale iron ore project requiring significant capital investment in mine and infrastructure development. We are targeting production of 35 million tonnes per annum of high quality iron ore with start-up capital expenditure in the order of US\$3.3 billion.

Project financing requires clear definition of project scope, costs and product specifications and all associated approvals must be in place prior to close of financing and commencement of construction.

The successful completion of project financing therefore requires further significant expenditure on key work programs, including:

1. Resource and Reserve Definition – the Company has recently re-commenced drilling at Mbalam with the aim to both increase our High Grade resource inventory and to progressively convert defined resources to reserves. We are this week completing our first drill hole at the Meridional Prospect on EP92 (located to the south of the Mbarga Deposit) with visual inspection and field Niton XRF data indicating promising intersections of High Grade hematite. We are scheduled to commence drilling on the Nabeba Deposit in the neighbouring Republic of Congo early in the New Year. Achievement of our exploration objectives through the definition of additional High Grade hematite resources has the potential to add significant value to the Company's asset base;
2. Definitive Feasibility Study – the Company is already advancing Definitive Feasibility Studies in support of proposed project financing in 2010. Current work is focused on optimisation of design and costings for the transport network from mine to port;
3. Partner Agreements and Project Financing – Deutsche Bank is actively engaged on our behalf with a range of prospective strategic partners, represented by steel mills, conglomerates, trading houses and finance groups. Preferred partners will be actively involved in Deutsche Bank's project financing strategy;
4. Government Agreements – negotiations are being progressed with the Cameroon Government towards the development and completion of the Mbalam Convention. We submitted our feasibility study to the Government in October, together with our proposed fiscal and development terms and financial model.

Discussions have also recently commenced with the Congo Government in respect of the approvals required to support operations in the Republic of Congo; and

5. Approvals – the Company has completed its Project Environmental and Social Assessment (ESA) report with the public presentation and review process scheduled to commence in the New Year. The Company will complete land acquisition and compensation procedures in parallel with the environmental approval process.

Adequate funding of these activities is imperative to maintain our targeted program for project financing and I therefore trust that our shareholders will see the placement as a key value-building initiative for Sundance.

Your Board understands that the raising will result in dilution of existing shareholdings, however, our view is that the value to be gained from advancing the project and securing the right development partners will more than offset this dilution.

The Board also made the decision to proceed with a Share Purchase Plan offer so that existing retail shareholders had the opportunity to purchase shares at the same pricing as the new international institutional investors. I am pleased to note that 1,063 shareholders elected to participate in the Share Purchase Plan.

In conclusion, with your approval here today, Sundance will enter 2010 with the financial resources in place to complete the activities required to progress project financing of the world-scale Mbalam Iron Ore Project.

I endorse both resolutions before you today, both as a Director and as a Shareholder, and I would like to acknowledge the tremendous efforts of the Company's management in securing this funding.

With your support, I am confident that our Company will have an exciting year ahead.

Thank you for your attention.

ENDS

**For further information contact:
John Carr-Gregg, Company Secretary
(+61-8) 9220-2353 / +61-419 269 369
Web: www.sundanceresources.com.au**

About Sundance Resources Limited

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo, on the central west coast of Africa. Sundance has commenced feasibility study on the Mbalam Iron Ore Project in Cameroon 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 and the nearby Belinga Project in Gabon, under development by the China National Machinery and Equipment Import and Export Corporation.

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.