

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Sundance Resources Ltd

ABN

19 055 719 394

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,892)	(3,646)
(b) development	(7,378)	(9,297)
(c) production	-	-
(d) administration	(4,096)	(8,572)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	299	377
1.5 Interest and other costs of finance paid	(1,254)	(1,254)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(14,321)	(22,392)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(8)	(14)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(8)	(14)
1.13 Total operating and investing cash flows (carried forward)	(14,329)	(22,406)

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1.13	Total operating and investing cash flows (brought forward)	(14,329)	(22,406)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	40,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (legal and advisors fees in relation to the convertible notes issued)	(1,060)	(1,504)
	Net financing cash flows	(1,060)	38,496
	Net increase (decrease) in cash held	(15,389)	16,090
1.20	Cash at beginning of quarter/year to date	45,857	14,377
1.21	Exchange rate adjustments to item 1.20	8	9
1.22	Cash at end of quarter	30,476	30,476

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	541
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment to parties reported in 1.23:
Legal fees to a director related entity - \$176,724
Remuneration of Directors - \$364,225

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities:		
Convertible note with Hanlong (Africa) Mining Investments Ltd – see note 1	5,000	5,000
Convertible notes with investor consortium – see note 2	20,000	20,000
Convertible note with Noble Resources International Pte Ltd – see note 2	20,000	20,000
Convertible note with Wafin Limited – see note 3	40,000	40,000
3.2 Credit standby arrangements	-	-

Notes:

- 5 million convertible notes were issued by Sundance Resources Ltd (“**Company**”) on 6 February 2013 to Hanlong (Africa) Mining Investment Ltd (“**Hanlong**”) at an issue price of \$1.00 per note. The notes may be converted into underlying shares utilising a conversion price of the average daily volume weighted average price of Sundance shares traded on the ASX over the five trading days preceding the date of conversion. On 12 December 2014, Sundance advised that the Maturity Date for the Hanlong convertible notes had been extended from 31 December 2014 to 31 December 2015, and from 1 January 2015, Sundance will pay interest to Hanlong at the rate of 10% per annum on a quarterly basis on the outstanding convertible notes. Conversion may occur at any time until 31 December 2015 at the election of either Sundance or Hanlong. If the notes have not been converted they will be redeemed on 31 December 2015 at \$1.00 per note, \$5 million in total.
- The Company issued a convertible note with a face value of \$20 million (“**Noble Note**”) and 200 million free attaching options (“**Noble Options**”) to Noble Resources International Pte Ltd, and \$20 million through the issue of 20,000 convertible notes each with a face value of \$100 (“**Consortium Notes**”) and 260 million free attaching options (“**Consortium Options**”) to 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**”). The Noble Note and Consortium Notes (together with 60 million free attaching Consortium Options with an exercise price of 10 cents) were issued on 4 November 2013 raising \$40 million. 200 million free attaching Noble Options with an exercise price of 12 cents and 140 million free attaching Consortium Options with an exercise price of 10 cents and 60 million free attaching Consortium Options with an exercise price of 12 cents were issued on 3 December 2013 following shareholder approval.
On 3 September 2014 the Company agreed, subject to ASX and any other regulatory and shareholder approvals, with the Investor Consortium to replace the existing \$20 million convertible notes held by the Investor Consortium, which mature in November 2015, with new \$22 million two-year convertible notes expiring in November 2016. In November 2014 the Company was granted a waiver by the ASX from Listing Rule 6.23.3 allowing the Company to proceed with the Refinancing Proposal with the Investor Consortium and to cancel the existing options held by the Investor Consortium and issue new options to them. Shareholder approval is still required for this to be completed.
- On 23 September 2014 Sundance issued 400,000 convertible notes to Wafin Limited (“**Wafin**”) with an issue price of \$100 per convertible note for a total investment of \$40 million, maturing 36 months from the date of issue (23 September 2017). The Wafin Note is convertible at a price of 10 cents per Sundance share. If not converted into Sundance shares, these notes are redeemable at maturity for 130% of face value. Wafin received options over 260 million ordinary shares with an exercise price of 12 cents, which expire on the earlier of 60 months from issue, 20 business days after the project’s Financial Close or a Change of Control Event. 50 million of these options not subject to Shareholder approval were issued on 23 September 2014, approval for the remaining 210 million options was received from shareholders at the Company’s AGM held on 27 November 2014. For full details of the convertible notes issued to Wafin please refer to Sundance’s ASX release dated 3 September 2014.

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	860
4.2	Development	3,756
4.3	Production	-
4.4	Administration	3,445
Total		8,061

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	14,076	20,357
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)		
- Term Deposits	16,400	25,500
Total: cash at end of quarter (item 1.22)	30,476	45,857

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	3,089,651,736	3,089,651,736		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5 +Convertible debt securities				Maturity Date
Hanlong (Africa) Mining Investments Ltd	5,000,000	-	100 cents	31 December 2014
Noble Resources International Pte Ltd	1	-	\$20,000,000	4 November 2015
Investor consortium	200,000	-	\$100	4 November 2015
Wafin Limited	400,000	-	\$100	23 September 2017
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7 Options <i>(description and conversion factor)</i>			Exercise Price	Expiry Date
	210,338	-	25 cents	30 January 2015
	200,000,000	-	12 cents	18 November 2015
	60,000,000	-	10 cents	4 November 2015
	140,000,000	-	10 cents	4 November 2015
	60,000,000	-	12 cents	4 November 2015
	50,000,000	-	12 cents	23 September 2019
	210,000,000	-	12 cents	28 November 2019

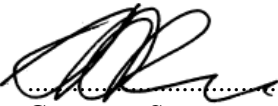
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		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.8	Issued during quarter	210,000,000	-	12 cents	28 November 2019
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		
7.13	Performance rights <i>(totals only)</i>	24,359,792	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~ give a true and fair view of the matters disclosed.

Sign here:  Date: 29 January 2015
 Company Secretary

Print name: Alan Rule

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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