



# OPERATIONS OVERVIEW

Developing the Mbalam Iron Ore Project in  
the Republics of Cameroon and Congo

Sundance Resources AGM  
25 November 2011

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SUNDANCE  
RESOURCES LTD

ASX Code: SDL  
ABN 19 055 719 394

# Disclaimer



## Competent Persons Statement

- *The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy. Mr Longley and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.*
- *The information in this report that relates to Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.*
- *Messrs Longley, Widenbar and Gregory consent to the inclusion in this report of the matters based on their information in the form and context in which it appears. For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company’s website: [www.sundanceresources.com.au](http://www.sundanceresources.com.au).*

## Forward-Looking Statement

- *Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of Sundance’s operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding Sundance’s exploration 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, 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 Sundance’s most recent annual report and half year report. Sundance 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.*

# The Mbalam Iron Ore Project



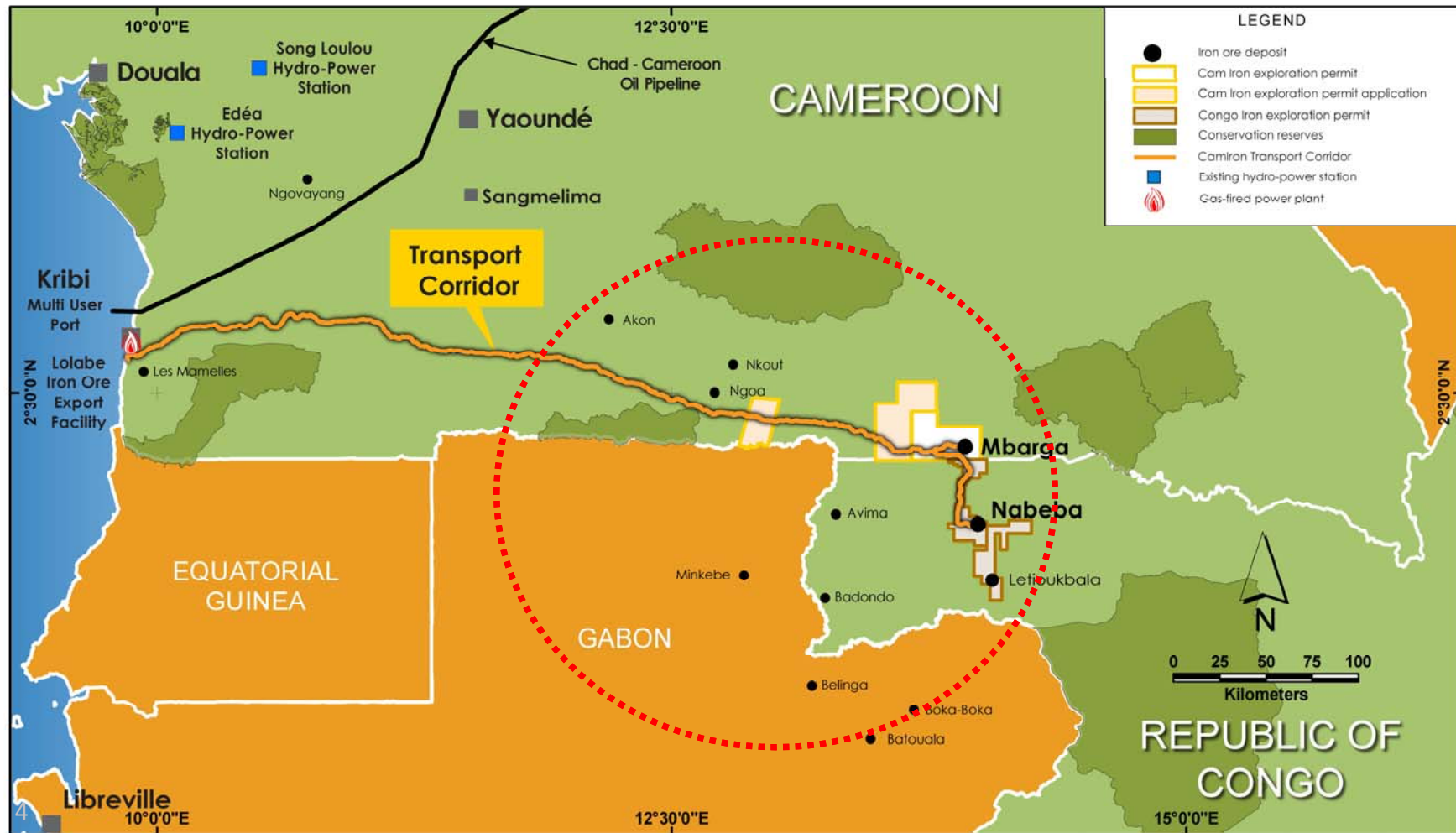
- 510 km rail line dedicated to the transport of iron ore and 70 km spur line from Nabeba
- Deep water port capable of taking bulk iron ore carriers of up to 300,000 DWT
- Stage One: Mining 35Mtpa of Direct Shipping Ore-quality High Grade Hematite for 10yrs
- Stage Two: Continued 35Mtpa of concentrate product from Itabirite for a further 15 yrs



# Regional Development



- Mbalam Project strategically located at the heart of an emerging iron ore province
- Sundance is well placed with first-mover advantage
- Critical rail and port export infrastructure to unlock potential of the region >100Mt

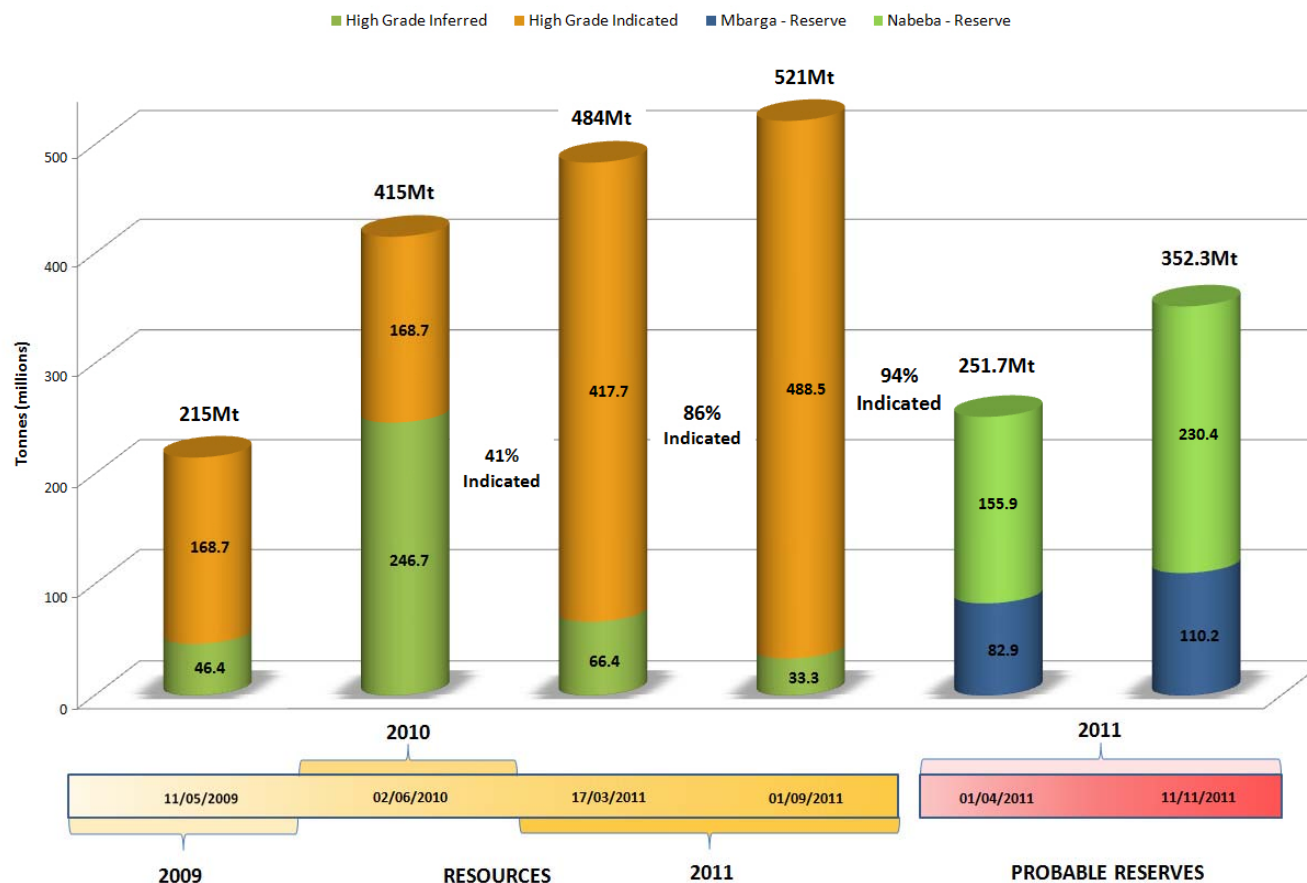


**This page comprises the  
Project Video which is available for  
viewing on the Sundance website  
[www.sundanceresources.com.au](http://www.sundanceresources.com.au)**

# JORC-Code Compliant High Grade Hematite Resources and Reserves



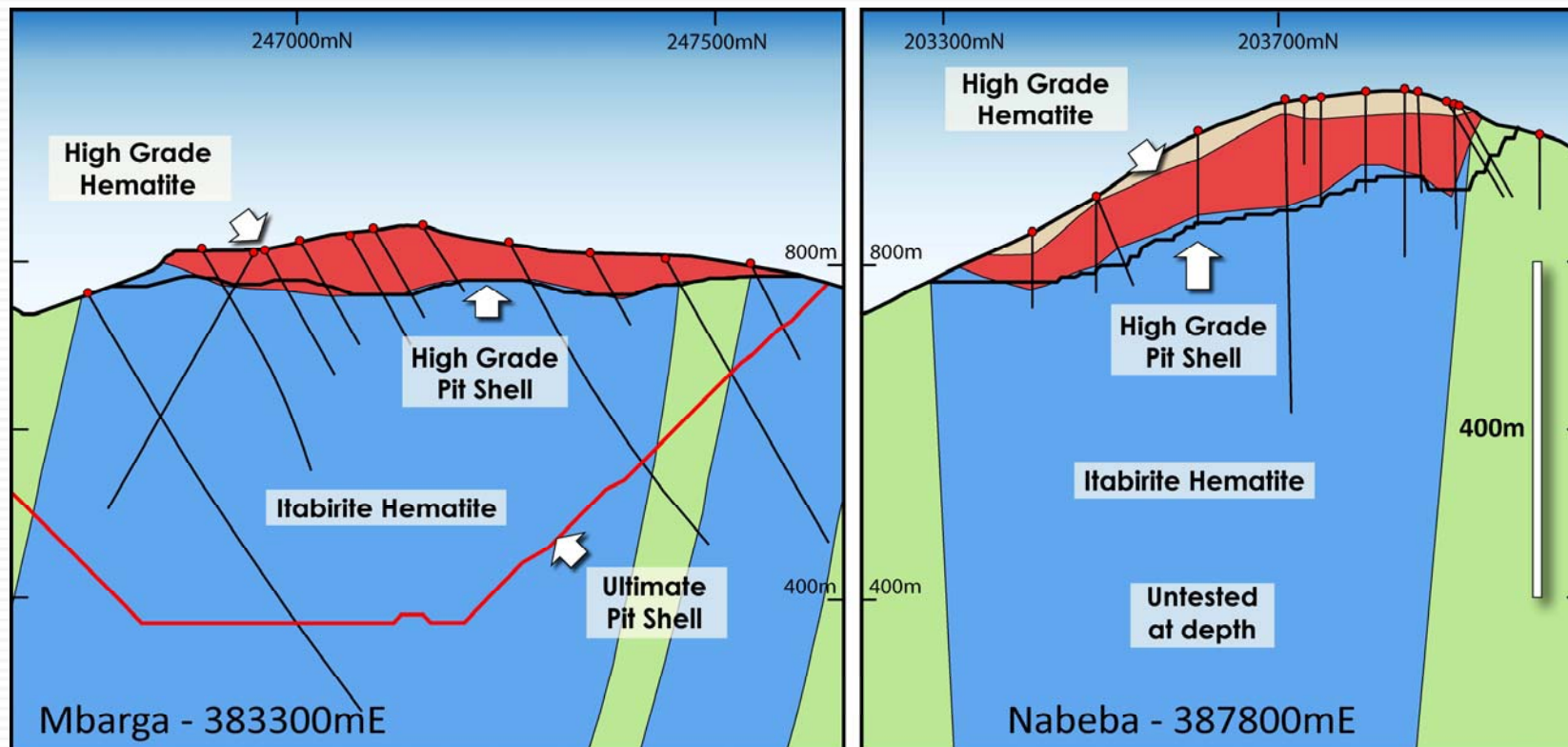
- 521.7 million tonnes @ 60.7% Fe High Grade Hematite Resources
- 94% of total tonnage of High Grade Resources now in the 'Indicated' category
- Maiden Ore Reserve estimate of 251.7 at 63.6% Fe announced in April 2011
- Upgrade of High Grade Reserves to 352 million tonnes @ 62.4% Fe in November 2011
- Confirms Stage One production of Direct Shipping Ore for 10 years





# Potential Long Mine Life with 2.3 Bt Itabirite

- High Grade Hematite strip ratio of average 0.74
- 2.3 Bt Itabirite Hematite Resource directly underneath Mbarga Supergene cap with a strip ratio averaging 0.3
- Stage Two PFS outlines long mine life potential 25+ years
- Exploration target of an additional 1.5 - 2.5 Bt of Itabirite at 30 - 40% Fe <sup>1</sup>
- Exploration drilling of the Nabeba Itabirite to commence in 2012

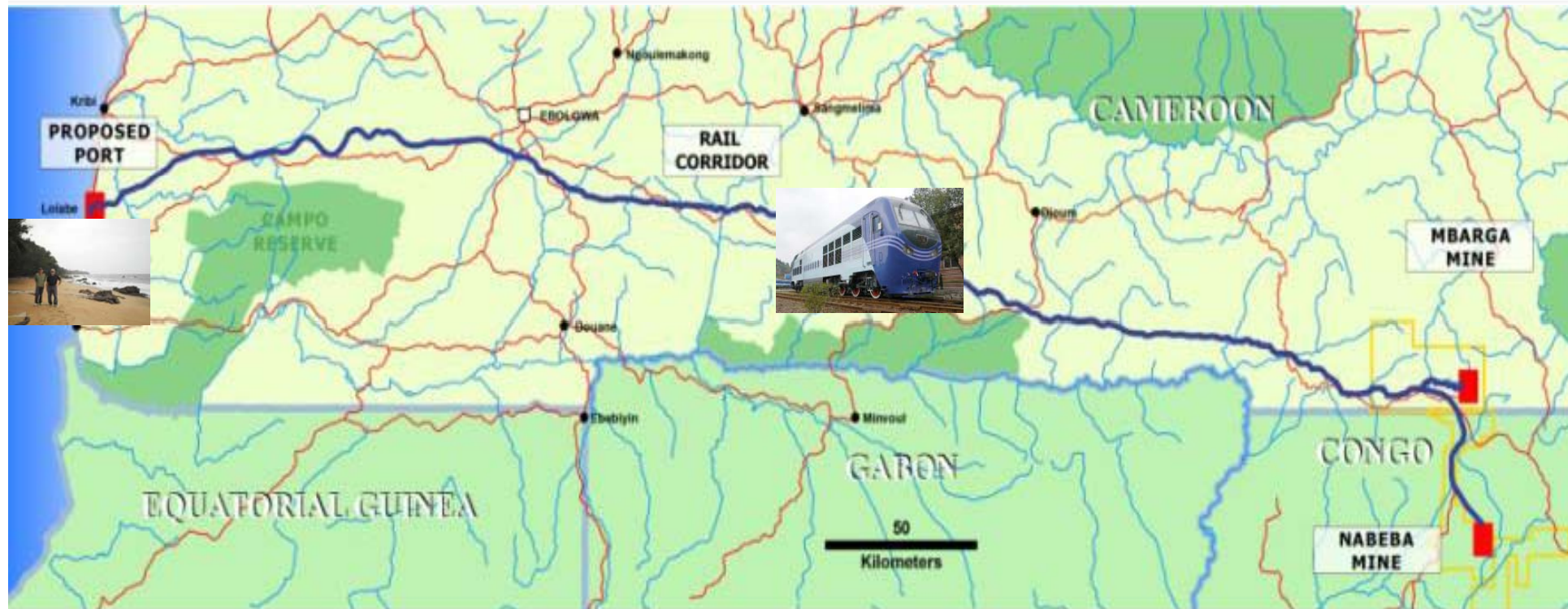


1. It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.



## Rail & Port

- 510 km rail line from Mbarga to Port
- 70 km spur line from Nabeba
- 32 t axle loads (3 locos & 190 wagons)
- 28-hour cycle time from port to mine
- Deep water near shore (25 meters)
- Open water jetty – no breakwater
- Single berth capacity for up to 45 Mtpa
- Port being designed for 300,000 DWT “China-max” bulk ore carriers
- **Environmental approval granted for Port, Rail and Mine in Cameroon in 2010**
- **Declaration of Land for Public Utility for Port in 2010; and for Rail Corridor in Nov 2011**





# Feasibility Studies – completed April 2011



## Definitive Feasibility Study – Stage One

CAPEX <sup>1</sup>	US\$M
Mining, Processing and Infrastructure	914
Rail	2,019
Port	537
Subtotal	3,471
EPCM, Owners Costs and Contingency	1,214
<b>Total (US\$M, real as at December 2010)</b>	<b>4,686</b>

OPEX <sup>1</sup>	
Estimated Operating Cost <sup>2,3</sup>	US\$21.20/t

1. CAPEX & OPEX estimates for DSO production only
2. OPEX includes cash operating costs and contingency
3. Assumed advantageous fiscal regime yet to be agreed

## Pre-Feasibility Study – Stage Two

CAPEX <sup>1</sup>	US\$M
Beneficiation	1,908
Pellet Plant	400
Subtotal of direct costs	2,308
EPCM, Owners Costs and Contingency	835
<b>Total (US\$M, real as at December 2010)</b>	<b>3,143</b>

OPEX <sup>1</sup>	
Estimated Operating Cost <sup>2,3</sup>	US\$40/t

1. CAPEX & OPEX estimates for Stage Two Itabirite production only
2. OPEX includes cash operating costs and contingency
3. Assumed advantageous fiscal regime yet to be agreed



# Strong In-Country Presence

- Currently have ~300 total employees (direct and indirect) in-country
- Majority of workforce are local Cameroon / Congolese people
- We are committed to developing the skills of the local workforce
- Project set to employ thousands of people directly and tens of thousands indirectly

## Cameroon:

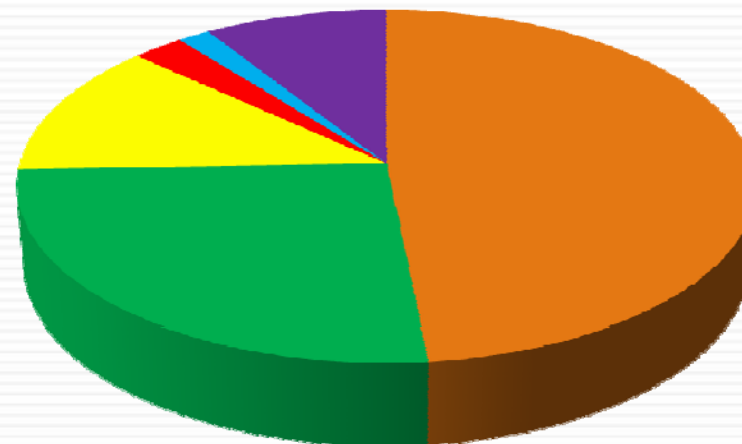
- Commenced drilling in June 2007
- Framework agreement signed Dec. 2008
- Office in Yaoundé; camp at Mbarga

## Republic of Congo:

- Commenced drilling in Feb 2010
- Office in Brazzaville; camp at Yangadou



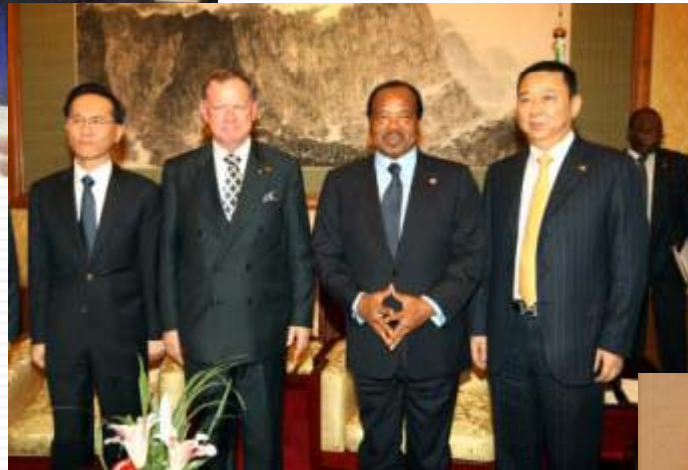
## Workforce Nationalities



- Cameroon
- Congo
- Australian
- British
- French
- Other



# Firm Commitment from Government



- Stable Governments
- Enjoy peaceful relations
- Share the same currency (pegged to the Euro)
- Both members of "Communauté Economique et Monétaire de l'Afrique Centrale" (CEMAC)
- Strong support for Cam Iron and Congo Iron in both countries

- Met with Cameroon President Biya in July 2011
- Met with Congo President Sassou-Nguesso in Oct 2011
- Met with Cameroon Prime Minister Yang in Oct 2011
- Negotiations for Mbalam Convention and Congo Mining Permit nearing completion

# Emerging Trends: China's Focus on Emerging Iron Ore Provinces



## Emerging Trends - Chinese desire self sufficiency in overseas iron ore production

- Last 5 years Chinese crude steel output increased from 350Mtpa to 630Mtpa - 12.2% CAGR
- Between 2015-2020, predicted domestic crude steel consumption will reach 770-820Mt
- Chinese internal domestic iron ore production is decreasing (currently 50% of 2010)
- Whilst majors are targeting iron ore expansions, they're not part of Chinese equity owned ore strategies

## 12<sup>th</sup> Five-Year Development Plan (2011-2015) from the PRC Ministry of Industry and IT

- Strategic focus on iron ore, coal and steel industries
- China aims to own 50% of the seaborne iron ore it imports by 2015
- China's ownership of overseas iron ore production capacity to increase by more than 100Mtpa
- Rapid consolidation of Chinese steel mills to compete with larger raw material suppliers

# Hanlong Scheme of Arrangement



- 18 March Hanlong enters SDL register
- 15 July Proposal for conditional cash offer for 100% of SDL at 50 cents per share
- 4 October Revised offer of 57 cents cash per share and SDL signs Scheme Implementation Agreement with Hanlong

## Scheme Indicative Timetable:

PHASE 1	Convention/Mining Permit on agreed terms	By 29 February 2012
	Lodge Scheme Booklet with ASIC & ASX	February 2012
	First Court Hearing	February 2012
	National Assembly – Ratification of Convention	March 2012
PHASE 2	Shareholders receive Scheme Booklet	March 2012
	Scheme Meeting	April 2012
	Second Court Hearing Regulatory approvals	April 2012
	Implementation	May 2012



*Vision Without Venture is Nothing...*

*“It is not enough to stare up the steps;  
We need to step up the stairs!”*

*Vaclav Havel*

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