

ASX Announcement & Media Release

22 November 2011

ANSWERS TO FREQUENTLY ASKED QUESTIONS REGARDING THE PROPOSED HANLONG SCHEME OF ARRANGEMENT

1. What is Hanlong proposing to offer Sundance shareholders?

Hanlong (Africa) Mining Investment Limited ('Hanlong') has proposed to acquire 100 per cent of Sundance Resources Limited ('Sundance') for A\$0.57 cash per share via an Australian Scheme of Arrangement ('Scheme').

2. What is a Scheme and why is it being used?

The two most common methods of acquiring control of a listed entity in Australia are an off-market takeover bid under Chapter 6 of the Corporations Act 2001 and a court approved Scheme. Given the responsibility for a Scheme rests with the target, it can only be used where the target's board is prepared to co-operate with the bidder (as Sundance is in this instance). A Scheme is often an attractive method of carrying out the transaction when the bidder wants to be certain of acquiring 100% of the target. It is also used in larger, more complex transactions. In order to acquire 100% of the target by a Scheme, the Scheme must be approved by a majority in number of the shareholders in each class who vote at the relevant scheme meeting and 75% of the votes cast on the resolution at the Scheme meeting.

In contrast, in order for a bidder to obtain 100% of the target in an off-market take-over bid, the bidder needs to obtain a relevant interest in at least 90% of the class of securities bid for and at least 75% of the securities that the bidder offered to acquire under the bid – once this occurs, the bidder can then compulsorily acquire the outstanding securities in that class.

3. What is the Sundance Board's recommendation?

Sundance Directors believe the price, which values the company at A\$1.65 billion, is attractive and they therefore unanimously recommend shareholders vote in favour of the Scheme in the absence of a superior proposal, and provided that the Independent Expert's report concludes the Scheme is in the best interests of all Sundance shareholders.

4. What are the conditions of the Scheme?

The Scheme is conditional on the receipt of all necessary government agency approvals in China and Australia, and the securing of both the Mbalam Convention with the Government of the Republic of Cameroon, and the Congo Mining Permit by the Government of the Republic of Congo. There are also certain other conditions which are set out in the Summary of Key Terms which was released as an addendum to Sundance's official ASX announcement or in the Scheme Implementation Agreement Document ('SIA'), both which were lodged with the ASX on 4/10/2011.

5. What are the key dates for shareholders?

Assuming the conditions of Phase 1 of the SIA are all met on acceptable terms, it is anticipated that Phase 2 of the Scheme would commence in early 2012. It is anticipated that Sundance shareholders would receive Scheme documents in approximately March 2012 and would vote on the Scheme in April 2012, with completion of the transaction expected by May 2012.

These are only estimates and it is possible things could take longer, or be brought forward, depending on how long it takes for all conditions and regulatory approvals to be secured.

Event	Timing (approximate date)
Lodge Scheme Booklet with ASIC and ASX	13 February 2012
First Court Date	28 February 2012
Shareholder Scheme Meeting held in Perth W.A.	10 April 2012
Second Court Date (subject to Regulatory Approvals having been obtained)	16 April 2012
Implementation Date	2 May 2012

6. Why will the Scheme take up to seven months to be completed?

The Scheme timetable provides for what Sundance and Hanlong believe is a reasonable time (using their reasonable endeavours) for all the conditions required to be completed before the Scheme can be approved and implemented, including conditions around regulatory approval (Australian, Chinese and the Republics of Congo and Cameroon) and financing.

If Sundance and Hanlong can satisfy all the conditions earlier, the Scheme may complete sooner, but some of the conditions are outside of the direct control of Sundance and Hanlong. The nature of the conditions are not typical for a Scheme, however given the number of jurisdictions involved, significant time is required.

7. Why is the Scheme in two phases?

An initial first phase ('Phase 1') of the Scheme has been introduced to provide comfort to Sundance that within eight weeks of signing the SIA, Hanlong will deliver a Highly Confident Letter that confirms they have the financial capacity to fund this acquisition, otherwise Sundance does not need to continue with the Scheme. For Hanlong, Phase 1 ensures that suitable arrangements are put in place by 29 February 2012 to confirm that the Mbalam Convention between Cam Iron and the Government of the Republic of Cameroon, as well as the Congo Mining Permit, are confirmed on agreed terms. It also ensures that Hanlong is reasonably satisfied key executives remain employees of Sundance for periods agreed by the parties.

8. What will happen to Sundance if the Scheme is successful?

Hanlong will own all of the shares in Sundance and Sundance shareholders on the register at the Implementation Date will receive A\$0.57 cash per share.

9. Have Sundance and Hanlong entered into exclusivity arrangements?

Yes. The exclusivity arrangements are standard for a transaction of this nature and include a “no shop”, “no talk” and “no provision of information” prohibition on Sundance (subject to fiduciary carve outs).

10. What is the current status of negotiations with potential JV partners?

We ceased progressing discussions with other parties now that we are in an exclusive arrangement with Hanlong.

11. Can Hanlong or Sundance pull out of the SIA before May 2012?

The failure to satisfy Phase 1 or Phase 2 conditions may give rise to termination rights for either party. The conditions and the party entitled to the benefit of the conditions (and whether they have the right to waive the condition) are set out in Schedule 2 of the Scheme Implementation Agreement dated 4 October 2011.

12. Are there break fees?

Break fees are payable only during the second phase. Hanlong is to pay to Sundance a break fee equal to 1% of the equity value of Sundance based on the Scheme Consideration if the Scheme does not proceed because Sundance has validly terminated the SIA due to Hanlong materially breaching its obligations under the SIA.

Sundance is to pay Hanlong a break fee equal to 1% of the equity value of Sundance based on the Scheme Consideration if a Competing Transaction completes or is recommended, the majority of the Sundance Board fails to recommend the Scheme or there is a change of recommendation by the Sundance Board (except as a result of an Independent Expert concluding that the Scheme is not in the best interests of Shareholders), Hanlong validly terminates the SIA due to Sundance materially breaching the SIA, there is a Superior Proposal, or a Prescribed Event or Material Adverse Change which is within the control of Sundance occurs and is not rectified.

If Hanlong ultimately acquires beneficial ownership of not less than 50% of all Sundance's shares within 12 months from the date of the SIA, then Hanlong or Sundance (as applicable) must promptly repay to the other party any break fee it has received.

13. Can another company come in with a better offer than Hanlong before May 2012? If there are other interested parties, is there a deadline by when they would need to put forward their bid?

If a superior offer was made, the Board has obligations under the SIA and also under the Corporations Act to disclose this. The Board would be obliged to disclose this to Hanlong, who would get a first right to match or better the competing bid. If Hanlong declined to match or better their price then the Sundance Board would be obliged to present the superior offer to shareholders.

14. Can Hanlong reduce it's A\$0.57 offer if the market goes down further?

No.

15. If the market rises, can Sundance re-negotiate the price?

No.

16. Would Sundance have preferred a JV to a full takeover of the company?

The Company's ultimate objective is to deliver shareholder value. To develop this project, we require funding (US\$4.7B) and Hanlong is well placed to obtain the backing of the Chinese banks.

17. The Company previously advised that negotiations with potential strategic partners, including some of the world's largest steel mills, were at an advanced stage and they had completed due diligence on the Project. So why has the Board accepted Hanlong's takeover offer?

The scope of this integrated port, rail and mine project is a significant undertaking that Sundance cannot do alone. The certainty of funding for the Project which Hanlong brings offers not only value to shareholders, but also substantial benefits for the Governments and people of Cameroon and Congo who are eager to see this Project developed quickly.

Although the Company received considerable interest from a range of international steel mills and mining houses, the Company has not received any formal proposals that were superior to Hanlong's offer which values the Company at A\$1.65 billion.

18. Does Hanlong have the financial capacity to fund an acquisition of Sundance?

In Phase 1 Hanlong is required to deliver a Highly Confident Letter that confirms they have the financial capacity to fund this acquisition. Within 13 weeks of the delivery of the Highly Confident Letter, Hanlong is obliged to deliver a Credit Approved Term Sheet which confirms that credit approval has been obtained from Hanlong's financier. Both the delivery of the Highly Confident letter and the Credit Approved Term Sheet are conditions expressed for the benefit of both parties.

19. What will happen should a deal with Hanlong not eventuate?

In the event that a deal with Hanlong does not eventuate, Sundance will continue to progress the Project and alternative strategic partner discussions.

20. Will Hanlong now take / request a Board position?

Hanlong has not requested a Sundance Board seat.

21. What is the status of the negotiations with Governments on the Convention / Mining Permit?

Talks with the Republic of Cameroon and Republic of Congo Governments are in advanced stages regarding the Mbalam Convention and Congo Mining Permit. Representatives from Sundance and Hanlong have together travelled to Cameroon and Congo for further meetings with a view to giving the Governments confidence that the Project now has the appropriate financial backing in order to finalise the terms for the Mbalam Convention and Congo Mining Permit.

The Scheme is conditional on regulatory approvals in the Republics of Cameroon and Congo, as well as in Australia and the People's Republic of China. The Governments involved have shown strong support and are eager for the completion of these talks so that construction may commence as soon as possible.

22. What is a 'Convention'?

The Mbalam Convention is an agreement with the Government of the Republic of Cameroon covering the development terms for the Project and deals with matters such as authority to establish infrastructure and appropriate access and security of tenure, specific taxation and duty matters. An Enabling Act is required to be passed by the National Assembly of Cameroon in order for the Convention to be effective.

23. How long do you expect it to take to finalise the Mbalam Convention and Congo Mining Permit?

A condition of Phase 1 is that prior to 29 February 2012, the Mbalam Convention in Cameroon, and the Congo Mining Permit in the Republic of Congo are on agreed terms and Hanlong, acting reasonably, is satisfied with the Agreed Terms. Pursuant to the indicative timetable in the SIA, Sundance and Hanlong are aiming to have this completed by 31 December 2011.

A condition of Phase 2 is that the Mbalam Convention is entered into between Cam Iron and Government of the Republic of Cameroon and an Enabling Act is passed by the National Assembly of the Republic of Cameroon prior to the second court date. By the same date, the Congo Mining Permit must also be granted to Congo Iron in relation to the Nabeba Project in the Republic of Congo. Pursuant to the indicative timetable in the SIA, Sundance and Hanlong are aiming to have these completed by 16 April 2012

24. Will the existing relationship between Cameroon and China prevent the mining permits from being granted if a Non-Chinese entity made a successful higher bid for Sundance? What safeguards, plans or clauses are in place to prevent a situation like this from occurring?

The Mbalam Convention will be entered into between Cam Iron, a wholly owned subsidiary of Sundance Resources, and the Government of the Republic of Cameroon. An Enabling Act which is passed by the National Assembly of the Republic of Cameroon will ensure that the Convention is binding on the State. The Congo Mining Permit is also to be granted to Sundance's subsidiary Congo Iron in relation to the Nabeba Project in the Republic of Congo. Therefore it will be Cam Iron and Congo Iron that will develop the Project in Cameroon and Congo. There is no condition imposed by the Cameroon and/or the Congo government that the controlling entity of Cam Iron or Congo Iron shall be a Chinese entity.

25. What about other Government regulatory approvals – such as the National Development and Reform Commission of China and Australia's Foreign Investment Review Board? Do you expect any problems with the granting of approval for the Scheme to go ahead by these entities?

According to the terms of the SIA, Hanlong shall provide regular updates on regulatory approvals. At this date we are not aware of anything that indicates that these approvals will not be forthcoming.

ENDS

Released by:

Giulio Casello
CEO and MD
Sundance Resources Ltd

Shareholder/Media enquiries:

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

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