
SUNDANCE RESOURCES LIMITED
ACN 055 719 394

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

DATE: 29 April 2009

TIME: 2:00pm WST

PLACE: The Stirling Room
Parmelia Hilton Hotel
14 Mill Street, Perth
Western Australia

This Notice of a General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

If Shareholders are unable to attend the General Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Sundance Resources Limited ("Company") will be held at the Stirling Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on 29 April 2009 commencing at 2:00pm WST. An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Meeting.

Please note terms used in Resolutions 1 to 5 of this Notice of Meeting have the same meaning as set out in the glossary contained in the Explanatory Memorandum accompanying this Notice.

AGENDA BUSINESS

Resolution 1 Approval of Allotment of Shares to a Related Party of the Company

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That, for the purpose of Listing Rule 10.11 and for all other purposes, the Company approves the allotment and issue of 62,500,000 Shares to Talbot Group Investments Pty Limited at an issue price of \$0.08 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by Talbot Group Investments Pty Limited or any associate of Talbot Group Investments Pty Limited. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 Ratification of Issue of 17,111,317 Shares to Ausdrill Limited

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 17,111,317 Shares at a deemed issue price of \$0.097 per Share to Ausdrill Limited on 5 December 2008, on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by any person who participated in the issue or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 Proposed Issue of 1,000,000 Options to Ausdrill Limited

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of 1,000,000 Options, each having an exercise price of \$0.45 and expiring on 6 January 2012, to Ausdrill Limited on the terms and conditions set out in the Explanatory Memorandum.”

The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 Ratification of Issue of 5,000,000 Shares to Congo Mining Investments SA

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 5,000,000 Shares to Congo Mining Investments SA on the terms and conditions set out in the Explanatory Memorandum.”

The Company will disregard any votes cast on this resolution by any person who participated in the issue or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 Issue of Shares Pursuant to Underwriting Agreement with BBY Limited

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue to BBY Limited (ABN 80 006 707 777) or its sub-underwriters of up to \$5,000,000 worth of Shares at an issue price which is the lesser of (i) \$0.08 per Share or (ii) a 5% discount to the volume weighted average price (to three decimal places) of Shares traded in the ordinary course on ASX in the five trading days up to, and including, the day on which the Share Purchase Plan offer is scheduled to close, pursuant to the partial underwriting by BBY Limited of the Share Purchase Plan, on the terms and conditions set out in the Explanatory Memorandum.”

The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board of Directors



Mr John Carr-Gregg
Company Secretary
Sundance Resources Limited

Dated: 27 March 2009

VOTING BY PROXY

Votes at the General Meeting may be given personally or by proxy, attorney or representative.

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at the General Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.

A proxy may, but need not be a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorising in writing or, if such appointor is a corporation, either under seal or under hand of the officer of his attorney duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and must reach the registered office of the Company at least 48 hours prior to the General Meeting. For the convenience of Shareholders a proxy form is enclosed.

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding Shares at 5.00 pm WST on 27 April 2009 will be entitled to attend and vote at the General Meeting.

VOTING BY A CORPORATION

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the General Meeting.

SUNDANCE RESOURCES LIMITED
ACN 055 719 394

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Sundance Resources Limited (“Company”) in connection with the business to be conducted at the Stirling Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia 6000 on 29 April 2009 commencing at 2:00pm WST, to provide Shareholders with information to permit them to assess the merits of the proposed Resolutions in the accompanying Notice of General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before determining whether or not to support the Resolutions.

Resolution 1 – Approval of Allotment of Shares to a Related Party of the Company

Resolution 1 seeks Shareholder approval to allot and issue, in accordance with Listing Rule 10.11, 62,500,000 Shares to Talbot Group Investments Pty Limited, the Company’s largest Shareholder and an entity controlled by a Director, Ken Talbot. Listing Rule 10.11 prohibits the allotment and issue of Shares to related parties of the Company in the absence of an applicable exemption (none of which are applicable in this instance). Talbot Group Investments Pty Limited has agreed, subject to Shareholder approval, to subscribe for 62,500,000 Shares at an issue price of \$0.08 per Share (total consideration of \$5,000,000).

Talbot Group Investments Pty Limited is relying on the “3% creep” exception to the takeover prohibition set out in item 9 of section 611 of the Corporations Act. That exception provides that the general takeover prohibition that a person may not increase their voting power in a company from a starting point above 20% and below 90%, does not apply to an acquisition by a person if:

- (a) throughout the 6 months before the acquisition that person, or any other person, has had voting power in the company of at least 19%; and
- (b) as a result of the acquisition, none of the persons referred to in paragraph (a) would have voting power in the company of more than 3 percentage points higher than they had 6 months before the acquisition.

Talbot Group Investments Pty Limited’s voting power in the Company 6 months prior to the proposed placement and following the placement is set out in the following tables:

Table A: Voting Power of Talbot Group Investments and its Associates

Talbot Group Investments Pty Limited and its Associates	SDL Shares	Total SDL Shares Issued 6 Months Before Proposed Placement	Voting Power
Total:	372,606,616	1,880,915,241	19.81%

Table B: 3% Creep Availability*

Voting Power of Talbot Group Investments Pty Limited and its Associates 6 months Before Proposed Placement	Maximum Voting Power permitted by Section 611 item 9	Total Shares Issued following Allotment of 62.5m shares*	Voting Power
19.81%	22.81%	1,965,526,558	22.14%

**The Creep Availability has been calculated by reference to the share capital of the Company immediately after the proposed allotment to Talbot Group Investments Pty Limited and does not take into account any Shares that may or may not be issued to Shareholders pursuant to the Share Purchase Plan (Shareholders are referred to the explanatory section of Resolution 5 for further information regarding the Share Purchase Plan).*

Although the Corporations Act permits “creeping” acquisitions and this acquisition would fall within that exemption as it involves an acquisition of less than the prescribed percentage of Shares, as noted above, the Listing Rules prohibit allotments and issues of securities to related parties without Shareholder approval irrespective of whether the allotment falls within the “3% creep” exception set out in item 9 of section 611 of the Corporations Act.

The Company accordingly seeks, pursuant to Resolution 1, Shareholder approval for the proposed allotment.

The Board notes that Shareholders are being offered the opportunity to participate in a Share Purchase Plan on the same or potentially more favourable terms (i.e. the issue price under the Share Purchase Plan offer has the potential to be less than \$0.08 per Share) and believes that this is relevant to Shareholders in their consideration of the proposed Resolution. Shareholders are referred to the explanatory section of Resolution 5 for further information regarding the Share Purchase Plan.

Information Requirements

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Shares will be issued to Talbot Group Investments Pty Limited, an entity controlled by a Director, Ken Talbot, and accordingly, a related party of the Company;
- (b) the maximum number of Shares the Company may issue is 62,500,000;
- (c) the Company will issue the Shares on one date which will be no later than 1 month after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Shares will be issued at an issue price of \$0.08 each;
- (e) the Shares to be issued will be fully paid ordinary shares which rank equally with all other existing fully paid ordinary shares on issue; and
- (f) the funds raised from the issue will be used as working capital for the purposes of advancing the development of the Company’s projects in Cameroon and the Republic of Congo and associated support purposes.

The Board (Mr. Talbot abstaining) recommends that Shareholders approve the allotment for the purposes of the ASX Listing Rules.

Resolution 2 – Ratification of Issue of 17,111,317 Shares to Ausdrill Limited

Background

On 10 March 2008, the Company entered into an agreement with Ausdrill Limited for the provision by Ausdrill Limited of drilling services to the Company in relation to the Mbalam Iron Ore Project (“Mbalam Project”).

On 5 December 2008, the Company issued 17,111,317 Shares (at a deemed issue price of \$0.097 per Share) to Ausdrill Limited as part payment for drilling services provided by Ausdrill Limited to the Company. The Company placed these Shares under its 15% placement capacity and seeks, pursuant to Resolution 2, shareholder approval to ratify, in accordance with Listing Rule 7.4, the issue of the 17,111,317 Shares.

It should be noted that the Company has also agreed to compensate Ausdrill Limited for additional management resources that have and will be allocated to the Mbalam Project, in the form of an issue of 1,000,000 Options to Ausdrill Limited. The proposed issue of these Options is the subject of Resolution 3.

The Resolution

As noted above, on 5 December 2008, the Company issued 17,111,317 Shares (at a deemed issue price of \$0.097 per Share) to Ausdrill Limited under its 15% placement capacity and now seeks, pursuant to this Resolution 2, Shareholder approval to ratify, in accordance with Listing Rule 7.4, the issue of the 17,111,317 Shares.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company’s maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the Shares issued is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the number of Shares allotted and issued was 17,111,317;
- (b) the Shares were issued at a deemed issue price of \$0.097 each;
- (c) the Shares issued are fully paid ordinary shares which rank equally with all other existing fully paid ordinary shares on issue;
- (d) the Shares were issued to Ausdrill Limited. The allottee is not a related party of the Company; and
- (e) no funds were raised from the issue as the Shares were issued as part payment for drilling services.

The Board recommends that Shareholders vote in favour of this Resolution.

Resolution 3 – Proposed Issue of 1,000,000 Options to Ausdrill Limited

As noted above, the Company has agreed to compensate Ausdrill Limited for additional management resources that have and will be allocated to the Mbalam Project, in the form of an issue of 1,000,000 Options to Ausdrill Limited.

Accordingly, the Company seeks, pursuant to this Resolution 3, Shareholder approval to issue, in accordance with Listing Rule 7.1, the 1,000,000 Options.

Listing Rule 7.1

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue. Any securities that are issued with shareholder approval are not included in this 15% allowance. The Company therefore seeks to obtain prior approval pursuant to Listing Rule 7.1 for the proposed issue of Options to enable the Company to retain its maximum discretionary power to issue further securities up to 15% of the issued capital of the Company without requiring Shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the Options to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Options the Company may issue is 1,000,000;
- (b) the Options will be issued in consideration for Ausdrill Limited allocating additional management resources to the Mbalam Project;
- (c) the Company will issue the Options on one date which will be no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Options will have an exercise price of \$0.45 per Share and will expire on 6 January 2012 and will otherwise have the terms and conditions set out in Annexure A to this Explanatory Memorandum;
- (e) the Options will be allotted to Ausdrill Limited, an unrelated party to the Company;
- (f) no funds will be raised by the issue of the Options; and
- (g) the Options will be issued on Monday 4 May 2009.

The Board recommends that Shareholders vote in favour of this Resolution.

Resolution 4 – Ratification of Issue of 5,000,000 Shares to Congo Mining Investments SA

Background

On 23 January 2009, the Company issued 5,000,000 Shares to Congo Mining Investments SA as part consideration for the Company to increase its interests in Exploration Permits 2007-362 and 2007-363 in the Republic of Congo, as announced to the market on 10 October 2008.

The Resolution

The 5,000,000 Shares as noted above, were issued by the Company to Congo Mining Investments SA under the Company's 15% placement capacity and the Company now seeks pursuant to this Resolution 4, Shareholder approval to ratify, in accordance with Listing Rule 7.4, the issue of the 5,000,000 Shares.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the Shares issued is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the number of Shares allotted and issued was 5,000,000;
- (b) the Shares were issued as part consideration for the Company to increase its interests in Exploration Permits 2007-362 and 2007-363 in the Republic of Congo;
- (c) the Shares issued are fully paid ordinary shares which rank equally with all other existing fully paid ordinary shares on issue;
- (d) the Shares were issued to Congo Mining Investments SA. The allottee is not a related party of the Company;
- (e) no funds were raised from the issue; and
- (f) the 5,000,000 shares were issued at a deemed price referable to the consideration received by the Company pursuant to its agreement with Congo Mining Investments SA. That consideration included a transfer of a 15% interest in Congo Iron SA from Congo Mining Investments SA to the Company subject to the terms of the agreement with Congo Mining Investments SA.

The Board recommends that Shareholders vote in favour of this Resolution.

Resolution 5 - Issue of Shares Pursuant to Underwriting Agreement with BBY Limited

Background

As noted elsewhere in this Explanatory Memorandum, the Company has adopted a Share Purchase Plan. The Share Purchase Plan involves an offer by the Company to each of its eligible Shareholders to subscribe for Shares with a minimum value of \$500 and a maximum value of \$5,000, at an issue price per Share which is the lesser of:

- (a) \$0.08; and
- (b) a 5% discount to the volume weighted average price (to three decimal places) of Shares traded in the ordinary course on ASX in the five trading days up to, and including, the day on which the Share Purchase Plan offer is scheduled to close.

The Company has entered into an Underwriting Agreement with BBY Limited pursuant to which BBY Limited has agreed to partially underwrite the Share Purchase Plan up to a maximum amount of \$5,000,000 at an issue price per Share of the lesser of (i) \$0.08 or (ii) a 5% discount to the volume weighted average price (to three decimal places) of Shares traded in the ordinary course on ASX in the five trading days up to, and including, the day on which the Share Purchase Plan offer is scheduled to close.

Listing Rule 7.2 Exception 15 allows the Company to issue Shares under the Share Purchase Plan without Shareholder approval, however it does not extend to Shares issued to an underwriter of the Share Purchase Plan.

Accordingly, any Shares issued to BBY Limited (or its sub-underwriters) as a result of any shortfall under the Share Purchase Plan will reduce the 15% allowed to be issued by the Company pursuant to Listing Rule 7.1. For this reason, Shareholder approval is sought pursuant to Listing Rule 7.1 for the issue of the maximum number of Shares which could be issued to BBY Limited or its sub-underwriters.

Listing Rule 7.1

Listing Rule 7.1 broadly provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue. The Company therefore seeks to obtain prior approval pursuant to Listing Rule 7.1 for the potential issue of Shares to BBY Limited (or its sub-underwriters) to enable the Company to retain its maximum discretionary power to issue further securities up to 15% of the issued capital of the Company without requiring Shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares the Company may issue is equal to the maximum amount BBY Limited has agreed to underwrite under the Share Purchase Plan, being \$5,000,000, divided by the issue price of the Shares offered under the Share Purchase Plan, which issue price is set out in paragraph (b) below;

- (b) the Shares will be issued at an issue price per Share which is the lesser of:
 - (i) \$0.08; and
 - (ii) a 5% discount to the volume weighted average price (to three decimal places) of Shares traded in the ordinary course on ASX in the five trading days up to, and including, the day on which the Share Purchase Plan offer is scheduled to close.
- (c) the Company will issue the Shares on one date which will be no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Shares to be issued will be fully paid ordinary shares which rank equally with all other existing fully paid ordinary shares on issue;
- (e) the Shares will be allotted to BBY Limited (or its sub-underwriters) if it (or they) participate(s) in any shortfall under the Share Purchase Plan. The allottees will not be related parties of the Company;
- (f) the funds raised from the issue will be used as working capital for the purposes of advancing the development of the Company's projects in Cameroon and the Republic of Congo and associated support purposes; and
- (g) the maximum number of shares to be issued pursuant to the Share Purchase Plan is capped at 30% of the total number of shares on issue.

The Board recommends that Shareholders vote in favour of this Resolution.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

ASX	means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors of the Company.
Chairman	means the person chairing the Meeting.
Company or Sundance	means Sundance Resources Limited ACN 055 719 394.
Constitution	means the constitution of the Company.
Corporations Act	means Corporations Act 2001 (Cth).
Corporations Regulations	means Corporations Regulations 2001 (Cth).
Director	means a director of the Company.
Listing Rules	means the Listing Rules of ASX.
Meeting or General Meeting	means the General Meeting to be held on 29 April 2009 at 2:00pm WST, at the Stirling Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, to which the Notice relates.
Notice or Notice of Meeting	means the Notice of General Meeting accompanying this Explanatory Memorandum.
Option	means an option to acquire a Share.
Resolution	means a resolution contained in this Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means an ordinary shareholder of the Company.
Share Purchase Plan	means the Share Purchase Plan announced by the Company on or about 10 March 2009
WST	means Australian Western Standard Time.

ANNEXURE A

TERMS OF OPTIONS TO BE ISSUED TO AUSTRILL LIMITED

The terms of the options (“**Options**”) to be issued to Ausdrill Limited are as follows:

- (a) each Option entitles the holder, when exercised, to one fully paid ordinary share in the capital of Sundance Resources Limited ACN 055 719 394 (“**Company**”) (“**Share**”);
- (b) the exercise price of the Options is 45 cents each;
- (c) the Options are exercisable on or before 6 January 2012 (“**Expiry Date**”);
- (d) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (e) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company’s then issued Shares. The Company will apply for official quotation by the Australian Securities Exchange (“**ASX**”) of all Shares issued upon exercise of the Options;
- (f) there is no current intention of the Company to apply for quotation of the Options on ASX;
- (g) subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and the Company’s Constitution, the Options and resulting Shares are tradable;
- (h) there are no participating rights or entitlements inherent in the Options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of the proposed issue, notice of the new issue will be given to option holders at least seven (7) business days before the record date. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of the option holders will be varied in accordance with the ASX Listing Rules.

