



SUNDANCE
RESOURCES LTD

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SUNDANCE RESOURCES LIMITED

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www.sundanceresources.com.au

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Friday, 17 February 2017

Time of Meeting

2:00pm (WST)

Place of Meeting

45 Ventnor Street, West Perth

WESTERN AUSTRALIA

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

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

Sundance Resources has gone green.

Please vote by proxy online at

www.investorvote.com.au

SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Sundance Resources Limited ABN 19 055 719 394 (Company) will be held at 2:00pm (WST) on Friday, 17 February 2017 at 45 Ventnor Street, West Perth, Western Australia for the purpose of transacting the following business referred to in this Notice of General Meeting. The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the General Meeting.

AGENDA

PLEASE NOTE

Resolutions 2 and 3 are conditional upon the passing of each other, so that each will not have effect unless and until the other is passed (**Interdependent Resolutions**). It is important to note that neither of these Resolutions will take effect unless both of the Interdependent Resolutions are passed.

Resolutions 1, 4 and 5 are independent Resolutions whose outcome will not affect the Interdependent Resolutions.

ITEMS OF BUSINESS

Resolution 1 – Election of Mr David Porter as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr David Porter, who was appointed to the Board since the last Annual General Meeting ceases to hold office and, being eligible, offers himself for election, be elected as a Director of the Company."

The Company will disregard any votes cast on Resolution 1 by Mr David Porter and any of his Associates. 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 - Approval to issue 2016 Investor Group Notes to Noble and Senrigan Capital

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to Resolution 3 being passed, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 10,400 2016 Investor Group Notes each with a face value of \$100 to Noble and Senrigan Capital on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 2 by Noble, Senrigan Capital and any of their Associates. Votes will also be excluded from 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. However, the Company need not disregard a vote if the vote 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 the vote 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 - Approval to issue 2016 Investor Group Notes to Mr David Porter

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to Resolution 2 being passed, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,600 2016 Investor Group Notes each with a face value of \$100 to Mr David Porter on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 3 by Mr David Porter and any of his Associates. However, the Company need not disregard a vote if the vote 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 the vote 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 – Approval of Employee Share Option Plan

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, the Company approves the future issue of securities under the employee incentive option scheme for employees and directors known as "Sundance Resources Limited Employee Share Option Plan", as an exception to Listing Rule 7.1 on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 4 by a Director of the Company and any person associated with 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 Options to Managing Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.14 and Section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to issue:"

- (a) 100,000,000 Options for no consideration, each Option having an exercise price of \$0.003 vesting on 1 December 2017 and an expiry date five years from the date of issue; and
- (b) 100,000,000 Options for no consideration, each Option having an exercise price of \$0.006 vesting on 1 December 2018 and an expiry date five years from the date of issue,

to Mr Giulio Casello or his nominee, under the Company's Employee Share Option Plan on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 5 by Mr Giulio Casello and any associate of Mr Giulio Casello, any director of the entity or in the case of a trust, the responsible entity, who is eligible to participate in the employee incentive scheme in respect of which the approval is sought. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Mr Giulio Casello or an associate of Mr Giulio Casello.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

For the purposes of Resolutions 1 to 5, the definitions contained in the glossary to the Explanatory Memorandum apply to this Notice.

By order of the Board



Carol Marinkovich
Company Secretary

Dated: 17th January 2017

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of General Meeting and by submitting their proxy appointment and voting instructions in person, by post, by facsimile or online.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting. To be effective a certified copy of the power of attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1-5, in accordance with a direction on how the proxy is to vote, or if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 2:00pm (WST) on 15 February 2017. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form by post to Computershare Investor Service Pty Limited, GPO Box 242, Melbourne VIC 3001;
 - by faxing a completed proxy form to (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555.; or
 - by logging in online – www.investorvote.com.au

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2:00pm (WST) on 15 February 2017. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 4:00pm (WST) on 15 February 2017.

SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of Sundance Resources Limited (**Sundance** or the **Company**).

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Resolutions 2 and 3 are conditional upon the passing of each other, so that each will not have effect unless and until the other is passed (**Interdependent Resolutions**). **It is important to note that neither of these Resolutions will take effect unless both of the Interdependent Resolutions are passed.**

Resolutions 1, 4 and 5 are independent Resolutions whose outcome will not affect the Interdependent Resolutions.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the glossary to the Explanatory Memorandum.

RESOLUTION 1 – ELECTION OF MR DAVID PORTER AS A DIRECTOR

Resolution 1 seeks approval for the election of Mr David Porter as a Director with effect from the end of the Meeting.

Clause 13.5 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Mr Porter was appointed as a Director on 23 December 2016 and therefore retires from office and submits himself for election.

Mr David Porter has 45 years of experience in the exploration and mining industry in Australia, south eastern Asia, Iran and Africa. He is a geologist who has explored for a range of mineral commodities in different geological settings. The commodities include gold, nickel, iron ore, heavy mineral sands, uranium, coal, diamonds and base metals. In recent years Mr Porter has specialized in the entrepreneurial development of small companies by identifying mineral deposits at exploration and prefeasibility stage and raising the funds on the Australian Stock Exchange Limited to develop the projects.

Mr Porter's other specialties include conceptual development of exploration targets and development of mineral resource deposits from exploration to feasibility stage. He is skilled in most aspects and techniques of mineral exploration.

Mr Porter is a Director of Blina Minerals NL and Metallica SMSF Pty Ltd.

The Directors (apart from Mr Porter) recommend that Shareholders vote in favour of the election of Mr Porter. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of Resolution 1.

BACKGROUND TO RESOLUTIONS 2 AND 3 - ISSUE OF 2016 INVESTOR GROUP NOTES

On 25 November 2016, the Company announced to ASX that it had executed a term sheet with the members of the 2016 Investor Group to raise \$1,300,000 (before costs) pursuant to which the Company proposed to issue 13,000 convertible notes each with a face value of \$100 (**2016 Investor Group Notes**). The Company announced that the issue of the 2016 Investor Group Notes would be subject to final documentation of the terms and conditions of the notes and any regulatory approvals required.

On 23 December 2016, the Company announced to ASX that it had reached an in principle agreement relating to the subscription for the 2016 Investor Group Notes and was in the process of executing formal documentation for the 2016 Investor Group Notes.

On 12 January 2017, the Company announced to ASX that had executed formal documentation relating to the subscription for the 2016 Investor Group Notes.

Under the binding convertible note deed entered into by the Company and the members of the 2016 Investor Group (**2016 Investor Group Deed**), the Company proposes, subject to the receipt of Shareholder approval and the satisfaction or waiver of any other remaining conditions precedent, to issue the 2016 Investor Group Notes to the members of the 2016 Investor Group on or about 22 February 2017.

The funds raised from the issue of the 2016 Investor Group Notes will assist in an enhanced strategy to find a partner for the Project.

A summary of the key terms of the 2016 Investor Group Notes is set out in Annexure A.

The 2016 Investor Group Notes have a face value of \$100 each, maturing on 23 September 2019 (unless the 2016 Investor Group Notes have been previously redeemed or converted). No interest is payable on the 2016 Investor Group Notes.

The 2016 Investor Group Notes may be converted into shares as set out in Annexure A. If the 2016 Investor Group Notes are not converted into shares prior to the Maturity Date, they must be redeemed by the Company at 120% of face value (being \$1,560,000).

Conditions Precedent

The issue of the 2016 Investor Group Notes, and the obligations of each member of the 2016 Investor Group to subscribe for the 2016 Investor Group Notes under the 2016 Investor Group Deed are subject to what the Company considers to be customary completion conditions for a transaction of this nature. These include no material adverse effect, no event of default or potential event of default having occurred under the transaction documents or an Existing Note Deed, and the Company obtaining all necessary consents to implement the transactions contemplated.

Security

There will initially be no security for the 2016 Investor Group Notes. However, under the 2016 Investor Group Deed, the Company is required to seek a waiver of the ASX Listing Rules to permit it to provide security in respect of the 2016 Investor Group Notes such that they become secured obligations of the Company on substantially the same terms as the convertible notes issued under the Existing Note Deeds. If no waiver in form and substance satisfactory to the Company, the 2016 Investor Group and the Existing Noteholders is obtained, the Company is required to seek Shareholder approval at its 2017 Annual General Meeting to permit it to provide security in respect of the 2016 Investor Group Notes such that they become secured obligations of the Company on substantially the same terms as the convertible notes issued under the Existing Note Deeds.

Subject to the Company obtaining a waiver of the Listing Rules or alternatively Shareholder approval, both in form and substance satisfactory to the Company, the 2016 Investor Group and the Existing Noteholders, the Company would provide security in respect of the 2016 Investor Group Notes such that they become secured obligations of the Company on substantially the same terms as the convertible notes issued under the Existing Note Deeds. The security for the 2016 Investor Group Notes would then be over all the property of the Company (subject to certain exceptions) and would be held by a security trustee for the noteholders (i.e. the 2016 Investor Group) and other secured noteholders (i.e. the Existing Noteholders).

Undertakings

Under the 2016 Investor Group Deed, the Company agrees (for so long as the 2016 Investor Group Notes remain outstanding and prior to the day that is 5 business days after a Relevant Event), except to the extent the noteholders consent:

- (a) the Company will not make or pay any dividends to Shareholders; and
- (b) the Company must not (and must procure that its subsidiaries do not) issue or agree to issue any securities other than:
 - I. an Exempted Event, including securities issued pursuant to (and Shares issued on conversion under) the 2016 Investor Group Deed and securities issued under an employee incentive scheme;
 - II. a pro rata or bonus issue to Shareholders;
 - III. as contemplated in the definition of Change of Control Event; or
 - IV. to the extent that, acting in good faith and in accordance with their fiduciary and other duties to the Company, the directors of the Company form the view that it is required in order for the Directors to satisfy their duties.

Covenants by the Company

Under the 2016 Investor Group Deed, the Company agrees not to do certain things prior to the Maturity Date of the 2016 Investor Group Notes, which broadly include the following:

- (a) not to incur further finance debt or grant or permit to exist any security interest, except as permitted under the 2016 Investor Group Deed;
- (b) not to dispose of, sell or part with possession of or create an interest in, any assets of the Company except in the ordinary course of day-to-day trading at arm's length, where proceeds of disposal are retained and applied for use in the development of the Project;
- (c) not to acquire or agree to acquire any asset other than those permitted under the 2016 Investor Group Deed; and
- (d) not to substantially change the general nature or scope of its business from that carried out on the date of the 2016 Investor Group Deed.

Events of Default

The 2016 Investor Group Deed contains customary events of default including insolvency of the Company, material breaches of the law, the Company ceasing to be listed on the ASX or being suspended from trading for more than 5 consecutive trading days.

Where an event of default under the 2016 Investor Group Deed has occurred and while it is continuing, subject to the terms agreed between the noteholders (i.e. the 2016 Investor Group) and the Existing Noteholders as to when such action can be taken:

- (a) the noteholders may demand payment of the redemption amount on the 2016 Investor Group Notes by way of redemption of the 2016 Investor Group Notes and that redemption amount would become immediately due and payable; and
- (b) if the 2016 Investor Group Notes are secured at that time, the security referred to above may be required to be enforced.

Amendments

The 2016 Investor Group Deed provides that at any time and from time to time the Company may, by resolution of its Board, modify, alter, cancel, amend or add to all or any of the 2016 Investor Group Deed and the terms of the 2016 Investor Group Notes (as set out in Annexure A) provided that the modification, alteration, cancellation, amendment or addition is approved by the noteholders in accordance with the 2016 Investor Group Deed.

Withholding Tax

If the Company is required to make any payments to a person (a "Payee") as referred to above, there is a risk that withholding tax at the rate of up to 30% will apply. If withholding tax applies, the Company is required to pay the Payee any additional amounts necessary to ensure that the Payee receives a net amount equal to the full amount which it would have received had a deduction for withholding tax not been made.

Resolutions 2 and 3 Interdependent

Resolutions 2 and 3 are conditional upon the passing of each other, so that each will not have effect unless and until the other is passed (**Interdependent Resolutions**). **It is important to note that neither of these Resolutions will take effect unless both of the Interdependent Resolutions are passed.**

Resolutions 1, 4 and 5 are independent Resolutions whose outcome will not affect the Interdependent Resolutions.

RESOLUTION 2 – APPROVAL TO ISSUE 2016 INVESTOR GROUP NOTES TO NOBLE AND SENRIGAN CAPITAL

As noted above, the Company expects to issue the 2016 Investor Group Notes to Members of the Investor Group on or about 22 February 2017, subject to the receipt of Shareholder approval and the satisfaction or waiver of any other remaining conditions precedent.

Listing Rule 7.1 requires Shareholder approval for the proposed issue of securities in the Company. 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.

Resolution 2 seeks Shareholder approval to issue 2016 Investor Group Notes to Noble and Senrigan Capital pursuant to Listing Rule 7.1.

The following information in relation to the proposed issue of the 2016 Investor Group Notes to Noble and Senrigan Capital is provided to Shareholders for the purpose of Listing Rule 7.3:

- (a) 10,400 2016 Investor Group Notes will be issued to Noble and Senrigan Capital;
- (b) the Company will issue the 2016 Investor Group Notes no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the 2016 Investor Group Notes will be issued with a face value of \$100 each. The 2016 Investor Group Notes may be converted into Shares in the circumstances set out in Annexure A, at a conversion price of \$0.0035 (as adjusted in accordance with the mechanisms referred to in Annexure A). 297,142,857 Shares will be issued if the 10,400 2016 Investor Group Notes to be issued to Noble and Senrigan Capital are converted (assuming no adjustments to the conversion price);
- (d) the 10,400 2016 Investor Group Notes the subject of Resolution 2 will be issued to Noble and Senrigan who are each unrelated parties of the Company;
- (e) a summary of the terms and conditions of the 2016 Investor Group Notes is set out in Annexure A;
- (f) funds raised from the issue of the 2016 Investor Group Notes will assist in an enhanced strategy to find a partner for the Project;

- (g) the 2016 Investor Group Notes will be issued on one date; and
- (h) a voting exclusion statement in respect of Resolution 2 is set out under Resolution 2 in the Notice.

If Shareholder approval is granted, the 2016 Investor Group Notes will be issued to Noble and Senrigan Capital as soon as practical following the satisfaction or waiver of any remaining conditions precedent.

The Board recommends that Shareholders vote in favour of Resolution 2. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of Resolution 2.

RESOLUTION 3 - APPROVAL TO ISSUE 2016 INVESTOR GROUP NOTES TO MR DAVID PORTER

As noted above, the Company expects to issue the 2016 Investor Group Notes to members of the 2016 Investor Group on or about 22 February 2017, subject to the receipt of Shareholder approval and the satisfaction of any other remaining conditions precedent.

Mr David Porter is a member of the 2016 Investor Group and a Related Party of the Company because he is a Director. As additional information, Mr Porter is also a substantial shareholder of the Company who holds 1,838,243,496 Sundance shares as at the date of this Notice, which equates to a relevant interest of approximately 29.45%.

Listing Rule Requirements

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Whilst the Board considers that exception 6 of Listing Rule 10.12 may apply in the current circumstances, out of an abundance of caution, Resolution 3 seeks Shareholder approval to issue 2016 Investor Group Notes to Mr David Porter pursuant to Listing Rule 10.11.

The following information in relation to the proposed issue of 2016 Investor Group Notes to Mr David Porter is provided to Shareholders for the purpose of Listing Rule 10.13:

- (a) the 2,600 2016 Investor Group Notes the subject of Resolution 3 will be issued to Mr David Porter;
- (b) the maximum number of 2016 Investor Group Notes to be issued to Mr David Porter is 2,600;
- (c) the Company will issue the 2016 Investor Group Notes no later than one month after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the 2016 Investor Group Notes will be issued with a face value of \$100 each. The 2016 Investor Group Notes may be converted into Shares in the circumstances set out in Annexure A, at a conversion price of \$0.0035 (as adjusted in accordance with the mechanisms referred to in Annexure A). 74,285,714 Shares will be issued if the 2,600 2016 Investor Group Notes to be issued to Mr David Porter are converted (assuming no adjustments to the conversion price). A summary of the terms and conditions of the 2016 Investor Group Notes is set out in Annexure A;
- (e) a voting exclusion statement in respect of Resolution 3 is set out under Resolution 3 in the Notice; and
- (f) funds raised from the issue of the 2016 Investor Group Notes will assist in an enhanced strategy to find a partner for the Project.

As Shareholder approval is being obtained under Listing Rule 10.11 to issue 2016 Investor Group Notes to Mr David Porter, Shareholder approval pursuant to Listing Rule 7.1 is not required. Accordingly, the issue of 2016 Investor Group Notes to Mr David Porter will not be included in the calculation of the Company's annual 15% placement capacity pursuant to Listing Rule 7.1 or its additional placement capacity pursuant to Listing Rule 7.1A.

If Shareholder approval is granted, the 2016 Investor Group Notes will be issued to Mr David Porter as soon as practical following the satisfaction or waiver of any remaining conditions precedent.

The Board (apart from David Mr Porter) recommends that Shareholders vote in favour of Resolution 3. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of Resolution 3.

Corporations Act Requirements

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a Related Party unless one of the statutory exceptions applies or shareholders have in a general meeting approved the giving of that financial benefit.

As noted above, Mr David Porter is a Related Party of the Company as defined in the Corporations Act because he is a Director and the issue of 2016 Investor Group Notes to him constitutes the giving of a "financial benefit".

The 2016 Investor Group Notes are being issued to Mr David Porter pursuant to his subscription for 2016 Investor Group Notes under the 2016 Investor Group Deed.

Section 210 of the Corporations Act provides an exception to the need to obtain shareholder approval to the giving of a financial benefit to a Related Party where the financial benefit is being given on terms that:

- (a) would be reasonable in the circumstances if the public company and the Related Party were dealing at arm's length; or
- (b) are less favourable to the Related Party than the terms that would apply if the parties were dealing at arm's length.

The Board (with the exception of Mr David Porter) considers that the issue of 2016 Investor Group Notes to Mr David Porter is on arm's length terms and falls within the exception in section 210 of the Corporations Act. Accordingly, the Company will not seek Shareholder approval of the issue of the 2016 Investor Group Notes to Mr David Porter pursuant to Chapter 2E of the Corporations Act.

RESOLUTION 4 – EMPLOYEE SHARE OPTION PLAN

The Directors considered that it was desirable to renew the established option plan under which employees may be offered the opportunity to subscribe for Options to acquire Shares in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and accordingly adopted the Sundance Resources Limited Employee Share Option Plan (**Plan**) on 10 October 2007. The Plan was renewed and approved by shareholders on 24 November 2010.

The Plan is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Options pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without shareholder approval. Accordingly, shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

A summary of the terms of the Plan are set out below. A copy of the rules for the Plan, which sets out the full terms and conditions of the Plan, is available from the Company's website at www.sundanceresources.com.au, or the Company will send a copy free to a shareholder on request.

The Plan is limited to employees of the Company or of an associated body corporate of the Company (including salaried Directors) (**Eligible Employee**). Contractors and consultants will not be eligible to participate in the Plan. An employee's eligibility to participate in the Plan will be determined by the Board based on the seniority of the employee, their length of service with the Company, their record of employment, the potential contribution of that person to the growth of the Company, the employee's level of existing participation under the Plan (if any) and any other matters which the Board considers relevant. An Eligible Employee may renounce an offer of Options made by the Board under the Plan in favour of a nominee approved by the Board.

Options under the Plan will be granted for no monetary consideration. The exercise price of an Option under the Plan will be determined by the Board with regard to the market value of Shares at the time it resolves to offer the Options to Eligible Employees. For these purposes, the market value of Shares will be the average closing sale price of the Shares as recorded on the ASX over the five trading days immediately preceding the date the Board resolves to offer the Options.

The total number of Options that may be offered under the Plan to employees that are not executive officers (including any Options previously issued under the Plan, any Options issued and exercised in the 5 years prior to the date of the offer and any Share or Options issued under any other employee share schemes but disregarding any offer made, or Option acquired or Share issued by way of or as a result of: (i) an offer to a person situated at the time of receipt of the offer outside Australia; or (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or (iii) an offer made under a disclosure document) must not exceed 5% of the total number of issued Shares in the Company as at the time any offer under the Plan is made.

If an Eligible Employee ceases to be an Eligible Employee due to Retirement, Total and Permanent Disablement, Redundancy or death (a **Specified Reason**):

- (a) if the relevant Option is capable of exercise, it may be exercised at any time prior to the expiry date; or
- (b) if the relevant Option is not yet capable of exercise, it may be exercised within 3 months of the date of cessation as an Eligible Employee, or such longer period as the Board determines.

If an Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason:

- (a) if the relevant Option is capable of exercise, it may be exercised within 2 months of the date of cessation as an Eligible Employee, or such longer period as the Board determines; or
- (b) if the relevant Option is not yet capable of exercise, it will lapse.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- (a) a copy of the rules of the Plan is available at www.sundanceresources.com.au and is summarised above in this Explanatory Memorandum;
- (b) this is the third approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan;
- (c) No options have been issued under the Plan since its last approval at the 2010 Annual General Meeting; and
- (d) a voting exclusion statement has been included for the purposes of Resolution 4.

RESOLUTION 5 – ISSUE OF OPTIONS TO MR GIULIO CASELLO

The Company proposes to issue:

- (a) 100,000,000 Options for no consideration, each Option having an exercise price of \$0.003 vesting on 1 December 2017 and an expiry date five years from the date of issue; and
- (b) 100,000,000 Options for no consideration, each Option having an exercise price of \$0.006 vesting on 1 December 2018 and an expiry date five years from the date of issue ,

to Mr Giulio Casello or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

The proposed issue of Options to Mr Casello will be subject to the terms of the Company's Employee Share Option Plan (**Plan**).

The issue of Options encourages Mr Casello to have a greater involvement in the achievement of the Company's objectives and provides an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. It aligns the interests of the Directors with those of the shareholders and also recognises the difficulty that Directors have in buying shares on market due to the ongoing activities being undertaken by the Company and the insider trading provisions of the Corporations Act.

Under the Company's current circumstances the Directors consider (in the absence of Mr Casello) that the incentives intended for Mr Casello represented by the issue of these Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Shareholders should note that for the reasons set out above, it is proposed to issue Options to Mr Giulio Casello or his nominee. The number of Options to be issued to Mr Casello or his nominee has been determined based upon a consideration of:

- the reduction of Mr Casello's current remuneration package;
 - the Directors' wish to ensure that the remuneration offered is competitive with market standards. The Directors have considered the proposed number of Options to be issued will ensure that Mr Casello's overall remuneration is in line with market standards; and
 - incentives to attract and ensure continuity of service of Mr Casello who has appropriate knowledge and expertise.
- In the event the Options are exercised, the following amounts will need to be paid to the Company by Mr Casello:

Director	\$ (Options exercisable at \$0.003)	\$ (Options exercisable at \$0.006)
Mr Giulio Casello, or his nominee(s)	\$300,000	\$600,000

The Company will therefore receive \$900,000 from Mr Casello should all the Options be exercised.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Casello is considered to be a related party of the Company. Resolution 5 provides for the issue of Options to Mr Giulio Casello which is a financial benefit which requires shareholder approval.

Current Holdings

As at the date of this notice, Mr Casello's relevant interest in Shares and Options of the Company is as follows:

	Number
Shares	14,950,000
Listed Options – expiring 31/8/2017 @ \$0.006	7,000,000
Performance Rights	Nil

INFORMATION REQUIREMENTS

For the purposes of Chapter 2E of the Corporations Act the following information is provided:

The related parties to whom the proposed resolution would permit the financial benefit to be given:

Subject to shareholder approval, the following maximum number of Options will be issued to Mr Giulio Casello or his nominee:

	Number
Options exercisable at \$0.003	100,000,000
Options exercisable at \$0.006	100,000,000

The nature of the financial benefit

The proposed financial benefit to be given is the issue of Options to Mr Casello for no consideration as noted above.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above:

- Messrs Rule and Porter (who have no interest in the outcome of Resolution 5) recommend that shareholders vote in favour of Resolution 5; and
- Mr Casello declined to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of this Resolution as it relates to the proposed issue of Options to him or his nominee(s).

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors.

The proposed ordinary Resolution 5 would have the effect of giving power to the Directors to issue a total of 200,000,000 Options on the terms and conditions as set out in Annexure B to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 6,241,071,289 listed Shares and 2,822,487,341 listed Options expiring 31 August 2017 at \$0.006 on issue.

If all Options issued as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the share holding of existing shareholders by 0.2%. The market price of the Company's Shares during the period of the Options will normally determine whether or not the Participating Directors exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.

The Participating Directors' fees per annum (including superannuation) and the total financial benefit to be received by the Director in this current period as a result of the issue of the Options the subject of Resolution 5 are as follows:

Director	Fees p.a. (\$)	Value of Options (\$)	Total Financial Benefit (\$)
Mr Casello	165,000	Tranche A \$260,000 Tranche B 240,000	\$665,000

Valuation of Options – Options with an exercise price of \$0.003

The indicative option valuation of \$0.0026 is a theoretical valuation of each option using the Black & Scholes Option Pricing Model.

The Company's advisers have valued the Options to be issued to the Participating Director using the Black & Scholes Model. The value of an option calculated by the Black & Scholes Model is a function of a number of variables. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price as of date of valuation	\$0.003
Exercise price	\$0.003
Risk Free Interest Rate	2.12%
Volatility	130%
Time (years to expiry)	5

The Company's advisers have calculated the value of each option based on the following assumptions:

- They have based the underlying value of each share in the Company on the Australian Securities Exchange closing price of \$0.003 on 14 December 2016;
- Risk free rate of return – 2.12% (estimated, based on based on the implied yield on zero coupon Australian government bonds);
- They used a volatility of the share price of 130% as determined from the daily movements in share price over the last 1, 2 and 3 year periods; and
- There are no dividends presently expected to be paid in respect of the underlying Shares.

Based on the assumptions, it is considered that the estimated average value of the Options to be issued to the Participating Directors is \$0.0026 per Option. Any change in the variables applied in the Black & Scholes calculation between the date of the valuation and the date the Options are issued would have an impact on their value.

Valuation of Options – Options with an exercise price of \$0.006

The indicative option valuation of \$0.006 is a theoretical valuation of each option using the Black & Scholes Option Pricing Model.

The Company's advisers have valued the Options to be issued to the Participating Directors using the Black & Scholes Model. The value of an option calculated by the Black & Scholes Model is a function of a number of variables. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price as of date of valuation	\$0.003
Exercise price	\$0.006
Risk Free Interest Rate	2.12%
Volatility	130%
Time (years to expiry)	5

The Company's advisers have calculated the value of each option based on the following assumptions:

- They have based the underlying value of each share in the Company on the Australian Securities Exchange closing price of \$0.003 on 14 December 2016;
- Risk free rate of return – 2.12% (estimated, based on based on the implied yield on zero coupon Australian government bonds);
- They used a volatility of the share price of 130% as determined from the daily movements in share price over the last 1,2 and 3 year periods; and
- There are no dividends presently expected to be paid in respect of the underlying Shares.

Based on the assumptions, it is considered that the estimated average value of the Options to be issued to the Participating Directors is \$0.0024 per Option. Any change in the variables applied in the Black & Scholes calculation between the date of the valuation and the date the Options are issued would have an impact on their value.

The highest and lowest market price of the Shares during the 12 months to 17 December 2016 is set out below:

Highest Price (cents) / Date	Lowest Price (cents) / Date	Latest Price / Date
\$0.012 on 17/12/2015	\$0.002 on 15/10/2016	\$0.003 on 17/12/2016

Other Information

Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Options pursuant to Resolution 5.

Neither the Directors nor the Company are aware of other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolution.

Listing Rule Requirements

Listing Rule 10.14 provides that a company must not permit a Director to acquire securities under an employee incentive scheme without prior approval of holders of ordinary securities. Accordingly, under Resolution 5, approval is sought for the issue of Options to Mr Casello.

Listing Rule 10.15 requires the following information to be included in this Notice of General Meeting:

- The Options will be granted to Mr Casello or his nominee. Mr Casello holds the position of Chief Executive Officer and Managing Director of the Company;
- Subject to Shareholder approval being obtained, the number of Options the Company proposes to issue to Mr Casello or his nominee is:
 - 100,000,000 Options for no consideration, each Option having an exercise price of \$0.003 vesting on 1 December 2017 and an expiry date five years from the date of issue; and
 - 100,000,000 Options for no consideration, each Option having an exercise price of \$0.006 vesting on 1 December 2018 and an expiry date five years from the date of issue,
- No consideration is payable by Mr Casello at the time of grant of the Options. Once the Options have vested, Shares will automatically be issued upon the exercise of the Options and receipt of the relevant option payment. As noted above, the Company will receive \$900,000 from Mr Casello should all the Options be exercised;
- No options have previously been issued to Mr Casello under the Plan since it was last approved by Shareholders on 24 November 2010;
- Mr Casello is the only person referred to in Listing Rule 10.14 entitled to participate in the Plan for the purpose of the approval sought.
- No loans will be made by the Company in connection with the acquisition of Options by Mr Casello;
- The Options to be issued to Mr Casello or his nominee will be issued not later than 12 months after the date of the General Meeting; and
- A voting exclusion statement in respect of Resolution 5 is set out under Resolution 5 in the Notice.

GLOSSARY

2015 Investor Group means Wafin, Noble, Senrigan Capital and D. E. Shaw.

2015 Investor Group Deed means the convertible note deed between the Company and the members of the 2015 Investor Group dated 27 October 2015 (as amended and restated on 23 December 2016).

2016 Investor Group means Noble, Senrigan Capital and David Porter.

2016 Investor Group Deed means the convertible note deed between the Company and the members of the 2016 Investor Group dated on or about 23 December 2016.

2016 Investor Group Notes means the convertible notes which the Company expects will, subject to the satisfaction or waiver of any remaining conditions precedent, be issued to the members of the 2016 Investor Group on or about 22 February 2017.

Accounting Standards has the meaning given to that term in the Corporations Act.

Associate means an "associate" as defined in section 9 of the Corporations Act, except that a reference to "Associate" in relation to a Listing Rule has the meaning given to it in Listing Rule 19.12.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Blackstone means an investment vehicle managed by the Blackstone Group L.P.

Board means the board of Directors of the Company.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Change of Control Event means:

- (a) a person makes, or publicly proposes to make (in circumstances to which section 631 of the Corporations Act applies) a takeover bid under Chapter 6 of the Corporations Act in respect of more than 50% of the Shares then on issue;
- (b) the Company announces to ASX an intention to propose a transaction by way of scheme of arrangement pursuant to which a person would acquire more than 50% of the Shares then on issue, or otherwise obtain "control" of the Company as that term is defined by the Corporations Act;
- (c) the Company announces a direct or indirect sale (excluding any internal restructuring) of all or a substantial or material part of the assets and/or the business of the Company (including by way of a takeover bid, scheme of arrangement, capital reduction, sale of assets, sales of shares or a joint venture in respect of the Company's assets); or
- (d) the Company announces that there has been or there is proposed to be a change in "control" of the Company as that term is defined in the Corporations Act.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Sundance Resources Limited ABN 19 055 719 394.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

D. E. Shaw means the investment vehicle managed by D. E. Shaw Group.

Dollar and \$ means the lawful currency of Australia.

Exempted Event means:

- (a) Convertible notes or options issued under the Existing Note Deeds or shares issued on conversion of convertible notes or options issued under those deeds;

- (b) Shares or options (or shares on exercise of options) issued by the Company in connection with a capital raising conducted by way of a rights issue, share purchase plan and/or share placement to raise an aggregate amount of not more than \$5 million provided that the cash consideration paid in respect of such Shares is not less than \$0.01 per Share;
- (c) Shares issued pursuant to the convertible notes held in the Company by Hanlong (Africa) Mining Investment Limited;
- (d) Shares issued pursuant to other options or performance rights on issue in the Company as at 23 December 2016; and
- (e) Any securities issued under an employee incentive scheme of the Company.

Existing Note Deeds means each of the Noble Deed, Investor Consortium Deed, Wafin Deed and 2015 Investor Group Deed.

Existing Noteholders means Noble, the Investor Consortium, Wafin and the 2015 Investor Group.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Investor Consortium means Senrigan Capital, D. E. Shaw and Blackstone.

Investor Consortium Deed means the convertible note deed between the Company and the Investor Consortium dated 27 October 2015 (as amended and restated on 23 December 2016).

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the Listing Rules of the ASX.

Maturity Date means 23 September 2019 unless the convertible notes have been previously redeemed or converted.

Meeting means the extraordinary general meeting the subject of the Notice.

Noble means Noble Resources International Pte Ltd.

Noble Deed means the convertible note deed between the Company and Noble dated 27 October 2015 (as amended and restated on 23 December 2016).

Notice or Notice of General Meeting means the notice of general meeting which accompanies this Explanatory Memorandum.

Option means an option to acquire a Share.

Project means the Mbalam-Nabeba Iron Ore Project in the Republic of Cameroon and the Republic of Congo, approximately 500km from a proposed port near Lolabe and associated rail, port and mine.

Related Party has the meaning given to it in the Listing Rules.

Relevant Event means any Change of Control Event which occurs prior to the Maturity Date.

Resolution means a resolution proposed pursuant to the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Senrigan Capital means an investment vehicle managed by Senrigan Capital Group Ltd.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Wafin means Wafin Limited a company registered in Jersey.

Wafin Deed means the convertible note deed between the Company and Wafin dated 3 September 2014 (as amended and restated on 23 December 2016).

WST means Australian Western Standard Time.

Annexure A

2016 INVESTOR GROUP NOTES - TERMS AND CONDITIONS - RESOLUTIONS 2 AND 3

The Company expects that the 2016 Investor Group Notes will, subject to shareholder approval, be issued by the Company to the members of the 2016 Investor Group on or about 22 February 2017.

The following is a summary of the key terms of the 2016 Investor Group Notes:

- a) **Number of convertible notes:** 13,000.
- b) **Face value:** the convertible notes have a face value of \$100.
- c) **Form and status:** the convertible notes will be direct, unsubordinated, unconditional and unsecured obligations of the Company in certificated form, and will at all times rank at least pari passu in right of payment with all other existing and future unsecured and unsubordinated obligations of the Company (including the convertible notes issued under the Existing Note Deeds) (other than unsecured obligations preferred by mandatory provisions of law), and senior in right of payment to all existing and future subordinated obligations of the Company, provided that the convertible notes will become secured obligations of the Company where either a waiver from ASX or alternatively Shareholder approval, in either case in form and substance satisfactory to the Company, the 2016 Investor Group and the Existing Noteholders, is obtained to permit the Company to provide security in respect of them.
- d) **Maturity Date:** the convertible notes mature on 23 September 2019 (unless the convertible notes have been previously redeemed or converted).
- e) **Voting rights:** the convertible notes do not afford the holder voting rights in the Company or right to attend general meetings of the Company.
- f) **Participation rights:** the noteholders are not (by virtue of the convertible notes) entitled to participate in any new issue of securities to the holder of Shares without first converting the convertible notes.
- g) **Interest:** no interest will accrue in respect of the convertible notes.
- h) **Mandatory redemption:** provided the convertible notes have not otherwise been converted, redeemed or cancelled, the Company must redeem the convertible notes for 120% of the face value upon the earlier of the Maturity Date and 1 business day after the occurrence of an acceleration event.
- i) **Conversion into Shares and cash settlement:** at any time commencing on the earlier of:
 - I. the issue date;
 - II. a Relevant Event; and
 - III. an event of default,

and ending on the Maturity Date, the noteholder may give the Company an irrevocable notice electing to convert some or all of the convertible notes held by the noteholder at a conversion price of \$0.0035. The terms of the convertible notes contain provisions for the adjustment of the conversion price upon the occurrence of certain dilutive events including, among others, share subdivisions or consolidations or reclassification, stock dividends, rights offering and equity issuances at less than the prevailing market price, bonus issues and other analogous dilutive events. If these events occur, the conversion price will be adjusted to ensure the economic value of the convertible notes are not adversely affected by the event.

- j) **Conversion to Shares precluded:** the Company may refuse to convert the convertible notes if the conversion would result in a person acquiring a 20% or greater relevant interest in Shares in the Company in breach of section 606 of the Corporations Act or the FATA, provided the Company takes all steps within its power (including providing information and holding Shareholder meetings) to assist the noteholder to obtain such approvals as are required.
- k) **Transfers:** the convertible notes may be assigned or transferred (subject to certain limited conditions).
- l) **On-sale of Shares:** to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the noteholder, take such action (including, where required, giving to ASX (within 2 business days of issue of the Shares) a notice under section 708A(5)(e) of the Corporations Act in respect of the Shares that complies with section 708A(6) of the Corporations Act, or issuing a disclosure document in respect of the Shares).
- m) **Variations:** the terms and conditions of the convertible notes may only be varied by deed poll executed by the Company having first obtained the prior written consent of all noteholders.

Capitalised terms have the same meaning as set out in the glossary to the Explanatory Memorandum accompanying the Notice.

Annexure B

OPTIONS FOR MANAGING DIRECTOR - TERMS AND CONDITIONS - RESOLUTION 5

- a) each Option entitles the holder, when exercised to one Ordinary Fully Paid Share;
- b) the exercise price of:
 - 1) the first 100,000,000 Options is \$0.003 each; and
 - 2) the second 100,000,000 Options is \$0.006 each
- c) the Options are exercisable on or before the date that is five years from the date of issue (**Expiry Date**): provided that in the event the option holder resigns from the Company in accordance with an employment agreement with the Company, the Options which have not been exercised in accordance with these terms will automatically lapse 30 days after the termination of employment or date of removal from office (as the case may be). Should employment be terminated by the Company or the option holder is removed as a Director of the Company the options will vest immediately. However, if the employment is terminated on the basis of misconduct then, in this case the options which have not vested will lapse immediately;
- d) the first 100,000,000 Options shall vest on 1 December 2017 and the second 100,000,000 Options shall vest on 1 December 2018;
- e) in the event of corporate merger or acquisition which results in a material change of control of the Company (involving the acquisition of control of not less than 50% the shares in Sundance by a single shareholder or group of shareholders acting together), Options which have not already vested will vest at the time of such merger or acquisition being completed;
- f) in the event of a takeover bid for the Company, Options which have not already vested will vest at the commencement of the Bid Period (being the time determined under the Corporations Act or the date of announcement of a public bid);
- g) 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 ASX of all Shares issued upon exercise of the Options;
- h) the Options granted are not transferable for any purpose and will not be listed;
- i) 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
- j) 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.



SUNDANCE RESOURCES LTD

ABN 19 055 719 394

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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Proxy Form

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Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 139245

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 2:00pm (WST) Wednesday, 15 February 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sundance Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Sundance Resources Limited to be held at 45 Ventnor Street, West Perth, Western Australia on Friday, 17 February 2017 at 2:00pm (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Election of Mr David Porter as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue 2016 Investor Group Notes to Noble and Senrigan Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue 2016 Investor Group Notes to Mr David Porter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /