



SUNDANCE  
RESOURCES LTD

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ABN 19 055 719 394

# SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

27 November 2014

**Time of Meeting**

10:00am (WST)

**Place of Meeting**

Perth Convention and Exhibition Centre  
21 Mounts Bay Road, 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 is going green.  
You can now vote by proxy online at  
[www.investorvote.com.au](http://www.investorvote.com.au)

# SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Sundance Resources Limited ABN 19 055 719 394 (Company) will be held at 10:00am (WST) on Thursday, 27 November 2014 at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia for the purpose of transacting the following business referred to in this Notice of Annual General Meeting. The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the Annual General Meeting.

### AGENDA

#### ITEMS OF BUSINESS

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##### Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2014, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

##### Resolution 1 – Non Binding Resolution to adopt Remuneration Report

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

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2014 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter<sup>1</sup>. 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 a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

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<sup>1</sup> "Restricted Voter" means Key Management Personnel and their Closely Related Parties as defined in the glossary.

### **Resolution 2 – Re-election of Mr Michael Blakiston as a Director**

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

*"That, Mr Michael Blakiston, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **Resolution 3 – Re-election of Ms Fiona Harris as a Director**

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

*"That, Ms Fiona Harris, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **Resolution 4 – Election of Mr Wallace King as a Director**

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

*"That, Mr Wallace King, who was appointed to the Board since the last Annual General Meeting and who ceases to hold office in accordance with clause 13.5 of the Company's Constitution and, being eligible, offers himself for election, be elected a Director of the Company."*

### **Resolution 5 – Issue of Performance Rights to Giulio Casello**

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 Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the Directors to offer and, subject to acceptance, grant Performance Rights for no consideration, to Mr Giulio Casello or his nominee, under the Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum."*

The Company will disregard any votes cast on Resolution 5 by Mr Giulio Casello and any Associate of Mr Giulio Casello. 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.

### **Resolution 6 – Ratification of issue of Convertible Notes to Wafin Limited**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 400,000 convertible notes each with a face value of \$100 which were issued on 23 September 2014 to Wafin Limited on the terms and conditions set out in the Explanatory Memorandum."*

The Company will disregard any votes cast on Resolution 6 by Wafin Limited and any of its 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 7 – Ratification of issue of Wafin Tranche 1 Options to Wafin Limited**

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

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Wafin Tranche 1 Options which were issued on 23 September 2014 to Wafin Limited on the terms and conditions set out in the Explanatory Memorandum.”*

The Company will disregard any votes cast on Resolution 7 by Wafin Limited and any of its 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 8 – Approval to issue Wafin Tranche 2 Options to Wafin Limited**

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

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 210,000,000 Wafin Tranche 2 Options to Wafin Limited on the terms and conditions set out in the Explanatory Memorandum.”*

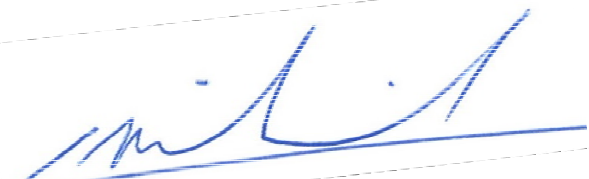
The Company will disregard any votes cast on Resolution 8 by Wafin Limited and any of its Associates. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or the vote is cast by 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.

**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 – 8, the definitions contained in the glossary to the Explanatory Memorandum apply to this Notice.

**By order of the Board**



**Carol Marinkovich**

Company Secretary

Dated: 24 October 2014

## 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 Annual 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.

## 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 and 6 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 lodged by 10:00am (WST) on 25 November 2014. Proxies lodged 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](http://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 10:00am (WST) on 25 November 2014. 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 Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 4:00pm (WST) on 25 November 2014.

# 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 Annual General Meeting of Sundance Resources Limited (**Sundance** or the **Company**).

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.

### FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2014 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2014 Annual Report.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's 2014 Annual Report and is also available on the Company's website ([www.sundanceresources.com.au](http://www.sundanceresources.com.au)).

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2014 Annual General Meeting, and then again at the 2015 Annual General Meeting, the Company will be required to put a resolution to the 2015 Annual General Meeting to approve calling a general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene a general meeting (**spill meeting**) within 90 days of the 2015 Annual General Meeting. All of the Directors who were in office when the 2015 Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the spill meeting if they wish to continue to serve as Directors.

The Remuneration Report for the financial year ended 30 June 2013 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 29 November 2013. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a spill resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Key Management Personnel (including Directors), and sets out remuneration details, service agreements and the details of any share based compensation.

### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Annual General Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

### **RESOLUTION 2 – RE-ELECTION OF MR MICHAEL BLAKISTON AS A DIRECTOR**

Pursuant to Clause 13.2 of the Company's Constitution, Mr Michael Blakiston, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Michael Blakiston (*B.Juris LLB*) is a solicitor with substantial legal experience in the resources sector in Australia and Africa. He is a partner of the corporate and resource law firm Gilbert + Tobin and has over 30 years' experience. Mr Blakiston holds Bachelor of Jurisprudence and Bachelor of Law degrees from the University of Western Australia. Mr Blakiston has extensive commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry in Australia and Africa. Gilbert + Tobin are currently engaged by Sundance to provide ongoing legal advice especially in relation to the Cameroon and Congo Conventions.

### **RESOLUTION 3 – RE-ELECTION OF MS FIONA HARRIS AS A DIRECTOR**

Pursuant to Clause 13.2 of the Company's Constitution, Ms Fiona Harris being a Director, retires by way of rotation and, being eligible, offers herself for re-election as a Director.

Ms Fiona E Harris (*BCom, FAICD, FCA (Aust)*) has over 19 years' experience as a non-executive director, including on the boards of numerous resource and other companies in the ASX50, ASX100 and ASX200; several with international operations, including in developing countries. She is currently a non-executive director of listed companies BWP Trust, Infigen Energy Limited and Oil Search Limited. Ms Harris was previously a member of the Australian Institute of Company Directors (AICD) National Board and a Western Australian State President. Prior to commencing her career as non-executive director, Ms Harris was a partner at KPMG, working in Perth, San Francisco and Sydney. Ms Harris has a Bachelor of Commerce degree and is a Fellow of the Institute of Chartered Accountants and the Australian Institute of Company Directors.

### **RESOLUTION 4 – ELECTION OF MR WALLACE KING AS A DIRECTOR**

Resolution 4 seeks approval for the election of Mr Wallace King as a Director with effect from the end of the Meeting. Mr King was appointed as a Director on 30 May 2014 pursuant to Clause 13.5 of the Constitution.

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. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Wallace (Wal) King AO (*BE, MEngSc, Hon DSc, Hon FIE Aust, CPEng, FAICD, FAIM, FAIB, FTSE*) has extensive experience having worked in the construction industry for over 40 years and was Chief Executive Officer of Leighton Holdings Limited, a company with substantial operations in Australia, Asia and the Middle East, from 1987 until his retirement on 31 December 2010. Mr King's skills and experience cover all the key areas required by Sundance such as planning and building major international infrastructure projects, commercial acumen and an extensive global network in the building and construction industry.

It is intended that Mr King will succeed Mr Jones as Chairman of Sundance at the conclusion of the Annual General Meeting.

#### **RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS UNDER THE PERFORMANCE RIGHTS PLAN TO MR GIULIO CASELLO**

Under the Plan, the Board has discretion to grant Performance Rights to Eligible Persons. Eligible Persons means a full time or part-time employee of the Company or a Related Body Corporate of the Company, or a Director who holds a salaried employment or office in the Company or a Related Body Corporate of the Company.

Subject to Shareholder approval being obtained, the Board has decided to offer Mr Casello Performance Rights under the terms and conditions of the Plan. The number of Performance Rights Mr Casello will be entitled to apply for will be determined by applying the formula set out below to Mr Casello's fixed annual remuneration of \$657,500 per annum and any pro-rata amount thereof.

The formula is (**Formula**):

$$\frac{75\% \text{ of current base salary at the grant date}}{\text{VWAP of Shares over the last 30 days prior to 1 January in the grant year}}$$

The grant of Performance Rights encourages Mr Casello to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances the Directors (in the absence of Mr Casello) considered that the incentives intended for Mr Casello represented by the grant of these Performance Rights 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.

#### **Overview of Grant of Performance Rights**

The Company's Nomination and Remuneration committee engaged independent consultants Godfrey and Associates in 2011 to review the Company's Long Term Incentive Plan (**LTIP**) and recommend the remuneration reward levels under the LTIP. The LTIP is the plan by which long term incentives are determined by the Board. The Performance Rights that are offered in accordance with the LTIP are governed by the terms and conditions of the Plan.

The remuneration opportunity provided by the Plan is based on the percentage of the annual base salary at the time of the grant, dependant on the job grade of the Eligible Person (as that term is defined in the Plan).

In determining the award of Performance Rights to Mr Casello, the Board (in the absence of Mr Casello) has considered the following in determining the Formula used to calculate the number of Performance Rights to be offered to Mr Casello:

- (a) the remuneration of Mr Casello;
- (b) the Directors' wish to ensure that the remuneration offered is competitive with market standards. The Directors have considered the proposed number of Performance Rights to be granted based on the Formula will ensure that Mr Casello's overall remuneration is in line with market standards; and
- (c) incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

#### **Performance Conditions**

The Performance Rights will vest only if the following performance conditions are met. The full grant is divided in tranches, vesting upon the occurrence of satisfaction of the performance conditions at the measurement date (if achieved).



The performance conditions are:

Tranche	Performance condition	Percentage of Performance Rights to vest in Year 2015	Percentage of Performance Rights to vest in Year 2016	Percentage of Performance Rights to vest in Year 2017
1	Final investment decision <sup>1</sup> approved by the Board or Board approved take over completed before 31 December 2014	40%	-	-
2	Company achieving a total Shareholder return <sup>2</sup> (TSR) of 15% per annum cumulative over a three year period from 1 January 2014 to 31 December 2016, using the 30 day VWAP at 31 December 2013 as a base. That is, the Share price must increase by 52% from 1 January 2014 to 31 December 2016. Or, alternatively upon achieving a TSR of 15% per annum cumulative over the four year period from 1 January 2014 to 31 December 2017	-	50%	-
3	Increasing net present value (NPV) of the Project by 10%, measurable at the end of each calendar year <sup>3</sup>	-	-	10%

**Notes:**

<sup>1</sup> Final investment decision means the time when the project financing documentation for the Project has been executed and conditions precedent have been satisfied or waived and, as a consequence, funds are available to be drawn down for the construction to commence in accordance with agreed construction schedules.

<sup>2</sup> Total Shareholder return means the measure of the performance of Sundance Shares over the specified period of time.

<sup>3</sup> Value increase will be determined from the start point of the Project value determined in the definitive feasibility study. Value will be measured at the end of each calendar year of the 2014 LTIP. The increase of 10% can be achieved in any one year. Performance Rights will only vest at the end of the 2014 LTIP period (being the end of 2017) and if the target is achieved.

The number of Performance Rights which will vest will be dependent on the achievement of the performance conditions. Upon vesting of the Performance Rights, the Shares will, without the payment of consideration by Mr Casello, automatically be issued to Mr Casello (or his nominee) unless the Company is in a blackout period (as defined in the Company's Securities Trading Policy) or the Company determines in good faith that to issue the Shares may breach the Corporations Act or the Company's Securities Trading Policy in respect of insider trading, in which case the Company will issue the Shares as soon as reasonably practicable thereafter.

**Related Party Transactions**

The issue of performance rights to a Director constitutes a grant of a financial benefit to a Related Party for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party unless either:

- (a) prior shareholder approval is obtained in the manner set out in sections 217 to 227 of the Corporations Act and the benefit is given within 15 months after obtaining such approval; or
- (b) the giving of the financial benefit falls within one of the nominated exceptions set out in sections 210 to 216 of the Corporations Act.

For the purposes of Chapter 2E of the Corporations Act, Mr Casello is a Related Party and the proposed issue of Performance Rights constitutes the giving of a financial benefit. Accordingly, Shareholder approval is required.

For the purposes of section 219 of the Corporations Act, the following information is provided in relation to the issue of these Performance Rights to Mr Casello (or his nominee).

***Related party to whom the proposed resolution would permit financial benefits to be given***

The Related Party to whom Resolution 5 would permit the financial benefit to be given is Mr Casello, a Director of the Company (or his nominee).

***Nature of the financial benefits***

The financial benefit to be provided to Mr Casello is Performance Rights under the Plan.

Mr Casello will not be required to make any payment for the grant of the Performance Rights or on the automatic exercise of a vested Performance Right. Mr Casello will be granted Performance Rights to a specified dollar value. As set out in the Formula, this value will be equal to 75% of his base annual salary at the grant date.

Mr Casello's current base salary (at the beginning of 2014) is \$657,500.

Therefore, the number of Performance Rights proposed to be issued is based on the following Formula:

$$\frac{(\$657,500 \times 75\%) = \$493,125}{\text{VWAP of Shares over the last 30 days prior to 1 January 2014}}$$

***Directors' recommendations to members and reasons***

All Directors were available to make a recommendation.

Based on the information available, including that contained in the Explanatory Memorandum, Messrs Jones, King, Blakiston, Marshall, Eldridge and Southam and Ms Harris (who have no interest in the outcome of Resolution 5) recommend that Shareholders vote in favour of Resolution 5 as they believe the granting of these Performance Rights to Mr Casello will align his rewards with the long-term creation of value for Shareholders.

Mr Casello declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the grant of Performance Rights to him.

***Directors' Interests in the Outcome of the Resolution***

If Resolution 5 is passed, Mr Casello (or his nominee) will become entitled to accept an offer of Performance Rights as set out above together with the rights and entitlements associated with being a holder of such Performance Rights.

None of the Directors (apart from Mr Casello) have a relevant interest in the outcome of Resolution 5.

***Valuation of the Performance Rights***

The Performance Rights to be granted under the Plan to Mr Casello will only vest if Mr Casello continues in the employment of the Company as Managing Director at each vesting date and the performance conditions as set out above are met.

The Performance Rights to be issued to Mr Casello pursuant to this Resolution 5 have been independently valued by BDO Corporate Finance (WA) Pty Ltd in accordance with Accounting Standard AASB 2: Share Based Payments using a hybrid employee share option pricing model that simulates the Share price of the Company as at the test date (expiry) using a Monte-Carlo model. This valuation was undertaken on 6 October 2014.

For the Performance Rights to pass the performance test (barrier), the Share price at the test date is used to calculate the Performance Right price for the remainder of the time to expiry. The Performance Right price is discounted back to the present value at the risk free rate. For the Performance Rights that do not pass the performance test a zero value is recorded.

In valuing the Performance Rights to be granted to Mr Casello the following assumptions have been made:

- (a) **The current price of the underlying Shares** – the closing Share price as at 6 October 2014 of \$0.0570 has been used;
- (b) **Exercise price** - the exercise price is the price at which the underlying Shares will be issued. There is no exercise price for the Performance Rights;
- (c) **Valuation date** - the Performance Rights have been valued at as 6 October 2014;
- (d) **Life of the Performance Rights** - An estimated life of the Performance Rights has been used for the purposes of the valuation. The minimum life of the Performance Rights is the length of any vesting period.

- The maximum life is based on the expiry date. The life of the Tranche 1 Performance Rights is 0.24 years, the life of the Tranche 2 Performance Rights is 4 years and the life of the Tranche 3 Rights is 3.25 years;
- (e) **Measurement period** - The Tranche 1 Performance Rights are measured at 31 December 2014 and have a measurement period of 0.24 years. The Tranche 2 Performance Rights have a measurement period of 2.25 years or 3.25 years. As noted below, a mid-point between the two valuations has been used. The Tranche 3 Performance Rights are measured at the end of the each calendar year until 31 December 2017 and the maximum measurement period for the Tranche 3 Performance Rights is 3.25 years;
- (f) **Expected volatility of Share price** - the recent volatility of the Share price of Sundance was calculated using Hoadley's volatility calculator for 1, 2, 3 and 4 year periods, using data extracted from Bloomberg. For the purposes of the valuation, a future estimated volatility level of 70% for Sundance in the pricing model was used;
- (g) **Risk-free rate of interest** - the Australia Government 3 year bond rate of 2.71% as at the date of valuation of the Performance Rights has been used;
- (h) **Expected dividends** – there are no dividends presently expected to be paid during the life of the Performance Rights;
- (i) **The probability of achieving market based vesting conditions** – the vesting conditions for the Tranche 2 Performance Rights (i.e. the TSR milestone) allow for vesting to occur at either 31 December 2016 or 31 December 2017 depending on the achievement of the TSR milestone. As the probability of the TSR milestone being achieved at 31 December 2016 versus 31 December 2017 cannot be determined, two valuations were performed; one with an expiry date of 31 December 2016 and one with an expiry date of 31 December 2017. A 50% chance of each scenario eventuating has been assumed. Therefore, the Tranche 2 Performance Rights have been valued at the mid-point between the two valuations; and
- (j) **30 day VWAP at 1 January 2014** – the 30 day VWAP prior to 1 January 2014 is \$0.104.

**Number of Performance Rights proposed to be granted**

The number of Performance Rights proposed to be granted to Mr Casello, their theoretical value and the number of Shares to be issued upon vesting of those Performance Rights is set out below.

(a) Number of Performance Rights

The number of Performance Rights proposed to be issued using the Formula is as follows:

$$(\$657,500 \times 75\%) \div \$0.104 = 4,741,587 \text{ Performance Rights}$$

(b) Value of the Performance Rights

Based on the valuation method of the Performance Rights and the assumptions noted above, the total financial benefit would be as set out below.

Tranche	Implied value for each Performance Right	% of total Performance Rights	Number of Performance Rights (assuming 100% achieved)	Implied value of Performance Rights
Tranche 1 (2015)	\$0.057	40%	1,896,635	\$108,108
Tranche 2 (2016)	\$0.022	50%	2,370,793	\$52,157
Tranche 3 (2017)	\$0.057	10%	474,159	\$27,027
<b>TOTAL</b>	<b>N/A</b>	<b>100%</b>	<b>4,741,587</b>	<b>\$187,292</b>

(c) Shares issued on conversion

Assuming all performance conditions are satisfied by the relevant measurement date, the maximum number of Shares to be issued to Mr Casello upon vesting of the Performance Rights is 4,741,587.

**Other remuneration currently provided to the Directors and current holdings in the Company's securities**

Salary per annum (including superannuation) and the total financial benefit to be received by Mr Casello is as follows:

	Salary p.a. (\$)	Theoretical Value of Performance Rights (\$) (as valued on 9 October 2014)	Total Financial Benefit (\$)
Mr Casello	657,500	492,460	1,149,960

As at the date of the Explanatory Memorandum, Mr Casello holds the following relevant interests in the securities of the Company:

Shares held as at the date of this Explanatory Memorandum	Options held as at the date of this Explanatory Memorandum	Performance Rights held as at the date of this Explanatory Memorandum
7,950,000	Nil	Nil

#### **Other information known to the Company**

If Resolution 5 is approved by Shareholders it will have the effect of giving power to the Directors to grant Performance Rights to Mr Casello according to the Formula.

The Company currently has 3,082,028,456 Shares, 5,600,001 convertible notes, 33,220,935 Performance Rights and 510,210,338 unquoted Options on issue.

Assuming all performance conditions are satisfied by the relevant measurement date, the maximum number of Shares to be issued to Mr Casello upon vesting of the Performance Rights is 4,741,587. If this number of Shares are issued, the effect would be to dilute the shareholding of existing Shareholders by up to a maximum of 0.15% (assuming all of the Company's existing Options and Performance Rights remain unexercised and all of the convertible notes are not converted into Shares).

The highest and lowest market price of the Shares during the 12 months to the date prior to the date of the Notice is set out below:

Highest Price (cents)/Date	Lowest Price (cents)/Date	Latest Price (cents)/Date
\$0.14 – 22 October 2013	\$0.048 – 10 October 2014	\$0.048 – 10 October 2014

There will be no cash cost component to the Company as a result of the grant of the Performance Rights if new Shares are issued upon exercise.

The value of the Performance Rights referred to above for the Performance Rights to be granted to Mr Casello will be expensed in the financial statements of the Company over the applicable vesting period of the Performance Rights.

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 granting the Performance Rights 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 Resolution 5.

#### **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 the prior approval of holders of ordinary securities. Accordingly, under Resolution 5, approval is sought for the issue of Performance Rights to Mr Casello.

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

- (a) The Performance Rights will be granted to Mr Casello. Mr Casello holds the position of Chief Executive Officer and Managing Director of the Company.
- (b) Subject to Shareholder approval being obtained, the number of Performance Rights the Company proposes to issue to Mr Casello is 4,741,587.

- (c) No consideration is payable by Mr Casello at the time of grant of the Performance Rights. In addition, once the Performance Rights have vested, Shares will automatically be issued for no consideration. Therefore, no funds will be raised from the grant and subsequent vesting of the Performance Rights.
- (d) Persons entitled to participate in the Plan for the purposes of Listing Rule 10.14 are Mr Casello. Messers Jones, King, Blakiston, Marshall, Eldridge and Southam and Ms Harris are not eligible to participate in the Plan.
- (e) 7,950,000 Performance Rights were granted to Mr Casello under the Plan in accordance with Shareholder approval at the Company's 2010 Annual General Meeting. No consideration was payable upon issue of those Performance Rights.
- (f) No loans will be made by the Company in connection with the acquisition of Performance Rights by Mr Casello.
- (g) The Performance Rights to be issued to Mr Casello will be issued not later than 12 months after the date of the Annual General Meeting.
- (h) A voting exclusion statement in respect of Resolution 5 is set out under Resolution 5 in the Notice.

#### **BACKGROUND TO RESOLUTIONS 6, 7 and 8**

On 3 September 2014, the Company announced to ASX that it had executed a convertible note deed with Wafin (**Wafin Deed**) to raise \$40 million (before costs) pursuant to which the Company proposed to issue to Wafin:

- (a) 400,000 convertible notes each with a face value of \$100 (**Wafin Notes**);
- (b) 50,000,000 Options (**Wafin Tranche 1 Options**); and
- (c) subject to the receipt of Shareholder approval, 210,000,000 Options (**Wafin Tranche 2 Options**).

As announced to ASX, the Wafin Notes and Wafin Tranche 1 Options were issued on 23 September 2014 following the receipt of funds under the Wafin Deed. The issue of the Wafin Tranche 2 Options is subject to Shareholder approval.

Under the Wafin Deed, the funds raised must be used for:

- (a) working capital;
- (b) expenses of the convertible note and Option offer; and
- (c) pre-development capital expenses relating to the Project, including costs associated with studies, approvals, legal documentation, finalising conventions, meeting expenses contemplated in the conventions, and exploration and mining permits, negotiating equity and engineering, procurement, construction tenders and negotiating with debt and equity providers for the funding of the Project, project finance costs and negotiating with offtake parties for the offtake of the product from the Project and project expenditure.

#### **Wafin Deed**

##### **Wafin Notes**

A summary of the key terms of the Wafin Notes is set out in Annexure A.

The Wafin Notes are unsecured and have a face value of \$100 each, maturing 36 months from the date of issue. No interest is payable on the Wafin Notes.

The Wafin Notes may be converted into Shares as set out in Annexure A. If the Wafin Notes are not converted prior to the maturity date, they must be redeemed by the Company at 130% of face value.

##### **Wafin Tranche 1 Options and Wafin Tranche 2 Options**

As additional consideration for subscribing for the Wafin Notes, the Company issued 50,000,000 Wafin Tranche 1 Options, and subject to obtaining the approval of Shareholders to Resolution 8, will issue 210,000,000 Tranche 2 Options to Wafin. The Wafin Tranche 1 Options and Wafin Tranche 2 Options both have an exercise price of \$0.12.

The Wafin Tranche 1 Options and Wafin Tranche 2 Options lapse on the earlier of 5pm (WST) on the date which is:

- (a) 60 months from the date of issue of the Options; and
- (b) 40 business days after the Company achieves Financial Close.

As further consideration for entry into the Wafin Deed, the Company has agreed that, at any time after 30 November 2014, on receipt of a notice from Wafin, the Company must pay to Wafin an amount equal to \$21,000,000 multiplied by the amount that is calculated as the average daily VWAP for the Shares during the 10

trading days following the Company receiving a notice from Wafin, less the conversion price of \$0.12 (as adjusted in accordance with the mechanisms referred to in Annexure A).

If Shareholders approve Resolution 8, on the issue of the Wafin Tranche 2 Options, Wafin's right to receive the above payment will automatically terminate.

The full terms and conditions of the Wafin Tranche 1 Options and Wafin Tranche 2 Options are set out in Annexures B and C.

#### **Board representation**

Under the Wafin Deed, at any time while Wafin holds a shareholding percentage of 12.5% or more, and provided that its shareholding percentage does not fall below 12.5% as a result of any circumstances other than a Wafin Exempted Event at any time, Wafin has the right to appoint one nominee to Sundance's board of directors and may remove or replace that nominee in its absolute discretion.

#### **Right of first refusal**

Under the Wafin Deed, from the issue date and whilst Wafin holds the convertible notes, Options or Shares issued upon conversion of the convertible notes or exercise of Options (**Rights Period**), Wafin has the right but not the obligation to participate in any further equity fundraisings undertaken by Sundance (**Proposed Equity Offer**) (including equity funding, funding convertible into equity or equity-related issues) (**New Issue**). Wafin may accept the whole or part of the securities offered under the New Issue. However, the number of Shares for which Wafin is entitled to subscribe for is its proportional entitlement of the total number of securities specified as part of the New Issue.

#### **Top-up right**

Under the Wafin Deed, subject to compliance with all applicable laws and the Listing Rules (including any waiver of the Listing Rules or the seeking of Shareholder approval if required), if Sundance issues or agrees to issue any securities (including under an employee incentive scheme (**Employee Issue**)), Sundance must also offer, to the maximum extent permitted by law, to Wafin that number of securities that will enable Wafin to maintain its equity proportion immediately after conversion of the convertible notes or the issue of Shares pursuant to the Options.

The Right of First Refusal and Top-up right (other than any securities under an employee incentive scheme) will not apply in the event of a Wafin Exempted Event.

#### **Undertakings**

Under the Wafin Deed, the Company agrees that for a period of 6 months after the date of the Wafin Deed, except to the extent Wafin consents:

- (a) the Company will not make or pay any dividends to Shareholders;
- (b) the Company must not (and must procure that its subsidiaries do not) issue or grant any securities other than:
  - I. a Wafin Exempted Event, including the securities issued pursuant to (and Shares issued on conversion under) the Wafin 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; and
- (c) the Company must not issue or grant any securities or restructure or reorganise its capital prior to the date of the Annual General Meeting, other than a Wafin Exempted Event.

#### **Covenants by the Company**

Under the Wafin Deed, the Company agrees not to do certain things prior to the maturity date of the Wafin Notes, which broadly include the following:

- (a) not to incur further finance debt, except for debt in connection with the Mbalam Convention or a convention or an agreement with the Republic of Congo in connection with the development of the Project in the Republic of Congo, or debt which is in connection with the development of the Project and incurred after a Relevant Event;
- (b) not to dispose of, or create an interest in, any assets of the Company group 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 substantially change the general nature or scope of business of the Company group; and

- (d) not materially vary, waiver, novate, supplement or replace any term of the Noble Note Deed or the Investor Group Deed without the prior consent of Wafin.

#### **Event of Default**

The Wafin 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 is suspended from trading for more than 5 consecutive trading days.

Noteholders may accelerate and redeem the Wafin Notes at any time after the occurrence of an event of default and while it is continuing, following which the redemption amount will be immediately payable in respect of all the Wafin Notes.

#### **Amendments**

The Wafin 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 Wafin Deed and the Wafin Note terms (as set out in Annexure A) provided that the modification, alteration, cancellation, amendment or addition is authorised in writing by the noteholder.

#### **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 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.

#### **RESOLUTION 6 – RATIFICATION OF ISSUE OF CONVERTIBLE NOTES TO WAFIN**

As noted above, the Wafin Notes were issued to Wafin on 23 September 2014.

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 the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 6 seeks Shareholder approval to ratify the issue of the Wafin Notes pursuant to Listing Rule 7.4 to refresh the Company's ability to issue further Equity Securities within its 15% capacity in the next 12 months without Shareholder approval.

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

- (a) a total of 400,000 Wafin Notes were issued to Wafin on 23 September 2014;
- (b) the Wafin Notes were issued with a face value of \$100 each. The Wafin Notes may be converted into Shares in the circumstances set out in Annexure A, at a conversion price of \$0.10 (as adjusted in accordance with the mechanisms referred to in Annexure A). 400,000,000 Shares will be issued if all 400,000 Wafin Notes are converted (assuming no adjustments to the conversion price);
- (c) a summary of the terms and conditions of the Wafin Notes is set out in Annexure A;
- (d) the Wafin Notes were issued to Wafin, an unrelated party of the Company;
- (e) funds raised from the issue of the Wafin Notes were and will be used for the purposes noted above; and
- (f) a voting exclusion statement in respect of Resolution 6 is set out under Resolution 6 in the Notice.

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

#### **RESOLUTION 7 – RATIFICATION OF ISSUE OF WAFIN TRANCHE 1 OPTIONS TO WAFIN**

As noted above, the 50,000,000 Wafin Tranche 1 Options were issued to Wafin on 23 September 2014.

The Wafin Tranche 1 Options have an exercise price of \$0.12 and lapse on the earlier of 5pm (WST) on the date which is:

- (a) 60 months from the date of issue of the Options; and
- (b) 40 business days after the Company achieves Financial Close.

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 the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 7 seeks Shareholder approval to ratify the issue of the Wafin Tranche 1 Options pursuant to Listing Rule 7.4 to refresh the Company's ability to issue further Equity Securities within its 15% capacity in the next 12 months without Shareholder approval.

The following information in relation to the Wafin Tranche 1 Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) a total of 50,000,000 Wafin Tranche 1 Options were issued to Wafin on 23 September 2014;
- (b) the Wafin Tranche 1 Options were issued as additional consideration for Wafin to enter into the Wafin Deed, and no additional cash consideration was paid;
- (c) the terms and conditions of the Wafin Tranche 1 Options are set out in Annexure B;
- (d) the Wafin Tranche 1 Options were issued to Wafin, an unrelated party of the Company;
- (e) no funds were raised from the issue of the Wafin Tranche 1 Options; and
- (f) a voting exclusion statement in respect of Resolution 7 is set out under Resolution 7 in the Notice.

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

#### **RESOLUTION 8 – APPROVAL TO ISSUE WAFIN TRANCHE 2 OPTIONS TO WAFIN**

As noted above, subject to the receipt of Shareholder approval, the Company will issue a total of 210,000,000 Wafin Tranche 2 Options to Wafin.

The Wafin Tranche 2 Options have an exercise price of \$0.12 and lapse on the earlier of 5pm (WST) on the date which is:

- (a) 60 months from the date of issue of the Options ; and
- (b) 40 business days after the Company achieves Financial Close.

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.

The following information in relation to the Wafin Tranche 2 Options is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) if Resolution 8 is approved, 210,000,000 Wafin Tranche 2 Options will be issued to Wafin;
- (b) the Company will issue the Wafin Tranche 2 Options 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 Wafin Tranche 2 Options will be issued as additional consideration for Wafin to enter into the Wafin Deed and no additional cash consideration will be paid for the Wafin Tranche 2 Options, although Wafin will forego the right to receive, in certain circumstances, a cash payment calculated in the manner described under the Wafin Note heading in the Background to Resolutions 6, 7 and 8;
- (d) the Wafin Tranche 2 Options will be issued to Wafin, an unrelated party of the Company;
- (e) the terms of the Wafin Tranche 2 Options are set out in Annexure C;
- (f) no funds will be raised from the issue of the Wafin Tranche 2 Options. If the Wafin Tranche 2 Options are exercised, the Company will use funds received from the optionholder on exercise of the Wafin Tranche 2 Options for working capital and development of the Project;
- (g) the Wafin Tranche 2 Options will be issued on one date; and
- (h) a voting exclusion statement in respect of Resolution 8 is set out under Resolution 8 in the Notice.

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.



## GLOSSARY

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

**Amendment Deed** means the deed between the Company and Wafin dated 18 September 2014.

**Annual Report** means the annual report of the Company for the year ended 30 June 2014.

**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 14.11.

**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.

**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).

**D. E. Shaw Group Related Fund** means an investment vehicle managed by D. E. Shaw Group.

**Director** means a director of the Company.

**Dollar and \$** means the lawful currency of Australia.

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice.

**Financial Close** means the time when the project financing documentation for the full debt funding of the Project has been executed and conditions precedent have been satisfied or waived and, as a consequence, drawdowns under the project financing documentation are now permissible and a minimum of \$40 million has been received by the Company.

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

**Investor Group** means Senrigan Capital, the D. E. Shaw Group Related Fund and Blackstone.

**Investor Group Deed** means the convertible note deed between the Company and the Investor Group dated 22 October 2013 (as varied by the Amendment Deed dated 26 September 2014).

**Listing Rules** means the Listing Rules of the ASX.

**Meeting or Annual General Meeting** means the annual general meeting the subject of the Notice.

**Noble Note Deed** means the convertible note deed between the Company and Noble Resources International Pte Ltd dated 22 October 2013.

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

**Option** means an option to acquire a Share.

**Performance Right** means a right to subscribe for a Share.

**Plan** means the Sundance Resources Limited Performance Rights Plan.

**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 in to it in the Corporations Act.

**Relevant Event** means any Change of Control Event which occurs prior to the maturity date of the Wafin Notes.

**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.

**VWAP** means volume weighted average price.

**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 varied by the Amendment Deed dated 18 September 2014).

**Wafin Exempted Event** means:

- (a) Convertible notes or Options issued under the Wafin Deed, or Shares issued on conversion of convertible notes or Options issued under the Wafin Deed;
- (b) Shares, convertible notes or Options (or Shares on conversion of convertible notes or exercise of Options) issued by Sundance pursuant to the documentation in connection with:
  - I. a proposed raising of up to \$20 million that Sundance may undertake, in its absolute discretion; and
  - II. a proposed cancellation of 200,000 convertible notes and 260,000,000 Options in Sundance held by the Investor Group under the Investor Group Deed in consideration for the issue of 220,000 new convertible notes and 260,000,000 new Options to the Investor Group;
- (c) Shares issued pursuant to the Investor Group Deed, the Noble Note Deed or the convertible notes in Sundance held by Hanlong (Africa) Mining Investment Limited;
- (d) Shares issued pursuant to other Options or performance rights on issue in the company as at the date of the Wafin Deed; and
- (e) any securities issued under an employee incentive scheme of Sundance.

**Wafin Notes** means the convertible notes the subject of Resolution 6, the terms and conditions of which are summarised in Annexure A.

**Wafin Tranche 1 Options** means Options the subject of Resolution 7 and with the terms and conditions set out in Annexure B.

**Wafin Tranche 2 Options** means Options the subject of Resolution 8 and with the terms and conditions set out in Annexure C.

**Wafin Transaction** means the transaction contemplated by the Wafin Deed.

**WST** means Australian Western Standard Time.

**ANNEXURE A**  
**TO NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**WAFIN CONVERTIBLE NOTES TERMS AND CONDITIONS – RESOLUTION 6**

The convertible notes were issued by the Company to Wafin Limited on 23 September 2014.

The following is a summary of the key terms of the convertible notes:

- a) **Number of convertible notes:** 400,000
- b) **Face Value:** the convertible notes have a face value of \$100 (**Face Value**).
- c) **Form and status:** the convertible notes are direct, unsubordinated, unconditional and unsecured obligations of the Company in certificated form, and will at all times rank pari passu in right of payment with all other existing and future unsecured obligations of the Company (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 prior to the Company achieving Financial Close.
- d) **Maturity Date:** the convertible notes mature on the date 36 months from issue.
- 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 noteholder is 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 130% of the Face Value upon the earlier of the Maturity Date and the occurrence of an acceleration event.
- i) **Conversion into Shares and cash settlement:** at any time commencing on the earlier of:
  - i. 45 days after the convertible notes are issued;
  - 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 \$0.10. 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 a person acquiring a 20% or great relevant interest in Shares in the Company in breach of section 606 of the Corporations Act, provided the Company must take 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 only be transferred with the prior written consent of the Company (such consent not to be unreasonably withheld), while an event of default subsists or to an affiliate or related fund of the noteholder.
- l) **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 Wafin.

Unless otherwise defined in this Annexure, capitalised terms have the same meaning as set out in the glossary to the Explanatory Memorandum accompanying the Notice.

**ANNEXURE B**  
**TO NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**WAFIN TRANCHE 1 OPTIONS TERMS AND CONDITIONS – RESOLUTION 7**

The Wafin Tranche 1 Options were issued by the Company to Wafin Limited on 23 September 2014.

The following is a summary of the key terms of the Wafin Tranche 1 Options:

- a) **Number of Options:** 50,000,000.
- b) **Exercise price:** \$0.12.
- c) **Vesting condition:** the Options may be exercised at any time after their issuance and prior to their expiry.
- d) **Expiry Date:** the Options expire on the earlier of 5pm (WST) on the date which is 60 months from the date of issue of the Options and the date which is 40 business days after the Company achieves Financial Close.
- e) **Exercise:** the Options are exercisable into Shares.
- f) **Transfers:** the Options may not be transferred or assigned other than with the prior written consent of the Company (such consent not to be unreasonably withheld), while an event of default subsists, to an affiliate or related fund of the optionholder or to another optionholder.
- g) **Participating rights:** There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option (except upon exercise of the Options). The Company must notify the optionholders of an issue to Shareholders at least 7 business days before the record date to determine entitlements to the issue to Shareholders.
- h) **Re-organisation:** In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules.
- i) **Bonus issue:** If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- j) **Pro rata issue:** In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price will be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- k) **Quotation:** The Options will not be quoted on ASX.
- l) **Allotment:** Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- m) **Application:** The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- n) **Exercise Notice:** The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by the Option certificate and payment to the Company of the relevant exercise price. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them.
- o) **Completion:** Immediately after receipt by the Company of a valid notice under paragraph (n) and payment of the exercise price in immediately available funds (and in any event no later than two business days thereafter), the Company must:
  - I. allot and issue to the optionholder the number of fully paid Shares equal to the number of Options which have been exercised;
  - II. enter the optionholder into the Company's register of members as the holder of the relevant number of Shares;
  - III. deliver to the optionholder a holding statement showing the optionholder as the holder of the relevant number of Shares;
  - IV. apply for and use its reasonable endeavours to obtain Official Quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX; and
  - V. to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the optionholder, take such action (including, where required, giving to ASX (within 5 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 further disclosure document in respect of the Shares).
- p) **Ranking:** Shares issued on exercise of Options will rank pari passu with the Shares on issue at the time and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.

Unless otherwise defined in this Annexure, capitalised terms have the same meaning as set out in the glossary to the Explanatory Memorandum accompanying the Notice.

**ANNEXURE C**  
**TO NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**WAFIN TRANCHE 2 OPTIONS TERMS AND CONDITIONS – RESOLUTION 8**

The Wafin Tranche 2 Options will, subject to Shareholder approval at the Annual General Meeting, be issued by the Company to Wafin Limited on or about 28 November 2014.

The following is a summary of the key terms of the Wafin Tranche 2 Options:

- a) **Number of Options:** 210,000,000.
- b) **Exercise price:** \$0.12.
- c) **Vesting condition:** the Options may be exercised at any time after their issuance and prior to their expiry.
- d) **Expiry Date:** the Options expire on the earlier of 5pm (WST) on the date which is 60 months from the date of issue of the Options and the date which is 40 business days after the Company achieves Financial Close.
- e) **Exercise:** the Options are exercisable into Shares.
- f) **Transfers:** the Options may not be transferred or assigned other than with the prior written consent of the Company (such consent not to be unreasonably withheld), while an event of default subsists, to an affiliate or related fund of the optionholder or to another optionholder.
- g) **Participating rights:** There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option (except upon exercise of the Options). The Company must notify the optionholders of an issue to Shareholders at least 7 business days before the record date to determine entitlements to the issue to Shareholders.
- h) **Re-organisation:** In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules.
- i) **Bonus issue:** If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- j) **Pro rata issue:** In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price will be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- k) **Quotation:** The Options will not be quoted on ASX.
- l) **Allotment:** Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- m) **Application:** The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- n) **Exercise Notice:** The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by the Option certificate and payment to the Company of the relevant exercise price. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by them.
- o) **Completion:** Immediately after receipt by the Company of a valid notice under paragraph (n) and payment of the exercise price in immediately available funds (and in any event no later than two business days thereafter), the Company must:
  - I. allot and issue to the optionholder the number of fully paid Shares equal to the number of Options which have been exercised;
  - II. enter the optionholder into the Company's register of members as the holder of the relevant number of Shares;
  - III. deliver to the optionholder a holding statement showing the optionholder as the holder of the relevant number of Shares;
  - IV. apply for and use its reasonable endeavours to obtain Official Quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX; and
  - V. to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the optionholder, take such action (including, where required, giving to ASX (within 5 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 further disclosure document in respect of the Shares).
- p) **Ranking:** Shares issued on exercise of Options will rank pari passu with the Shares on issue at the time and will be free from all encumbrances other than those arising by operation of law or under the Company's constitution.

Unless otherwise defined in this Annexure, capitalised terms have the same meaning as set out in the glossary to the Explanatory Memorandum accompanying the Notice.



# 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

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 368 919  
(outside Australia) +61 3 9946 4430

┌ 000001 000 SDL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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 10:00am (WST) Tuesday, 25 November 2014**

### 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](http://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** →

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**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.



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IND

# 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 Annual General Meeting of Sundance Resources Limited to be held at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia on Thursday, 27 November 2014 at 10:00am (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 1 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 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 1 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	Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Michael Blakiston as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Ms Fiona Harris as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Wallace King as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Performance Rights to Giulio Casello	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of issue of Convertible Notes to Wafin Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of issue of Wafin Tranche 1 Options to Wafin Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue Wafin Tranche 2 Options to Wafin Limited	<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 / /