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ASX Announcement
20 June 2012

MBALAM IRON ORE PROJECT STRENGTHENED BY 49% INCREASE IN HIGH-GRADE RESOURCES TO 775MT

Plus maiden Itabirite resource of 1.4Bt at Nabeba, taking Mbalam's total resources to 4.5Bt

HIGHLIGHTS

- Mbalam's high-grade Global Hematite resources now total **775.4 million tonnes (Mt) grading 57.2% Fe** with over 95% categorised as 'Indicated' in accordance with the JORC Code.
- Exploration targets with potential to host a further **90-150 Mt** of High Grade Hematite have been identified on Sundance tenements.[1]
- The Mbalam Project now has defined Resources of **3.7 billion tonnes (Bt)** of Itabirite Hematite, consisting of previously announced 2.32 Bt at a grade of 38% Fe at Mbarga and a new maiden resource of **1.4Bt at a grade of 35% Fe at Nabeba.**
- This extensive resource inventory highlights a strong potential to increase production rates and project life at Mbalam.

Sundance Resources Limited ('**Sundance'** or '**the Company**') (ASX: SDL) is pleased to announce that high-grade hematite resources at its Mbalam Project in Central Africa have increased by 49% to 775.4 million tonnes (Mt) grading 57.2% Fe.

A maiden resource of 1.4 billion tonnes (Bt) of Itabirite mineralisation at 35% Fe has also been defined at the Nabeba Deposit in the Republic of Congo. This is in addition to the 2.3Bt of Itabirite that has been previously announced at the Mbarga Deposit in the Republic of Cameroon.

This brings the Project's total high-grade Hematite and Itabirite resources to 4.49 Bt.

The updated high-grade Resource, over 95 per cent of which is in the Indicated category, further underpins the strength of the development of Stage One of the Project which is already established at 35 million dry tonnes per year (Mdtpa) for 10 years by the previously announced High Grade Ore Reserve of 352Mt at a grade of 62.4% Fe with low impurities of 5.0% Silica, 2.6% Alumina and 0.09% Phosphorus.

The resource upgrades, when combined with the recent conclusion of the Key Terms for the Mbalam Convention with the Cameroon Government and the Memoranda of Understanding signed with neighboring Iron Ore Projects, further reinforces the extent to which the Mbalam Project, and the rail and port infrastructure, is ideally positioned to be the key driver in developing a new iron ore province.

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

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Sundance CEO and Managing Director Giulio Casello said the latest resource estimates emphasised the strength of the Mbalam Iron Ore Project.

"The size of the high-grade hematite resource clearly demonstrates the potential of this project," Mr Casello said.

"Combined with our exploration target of a further 90 to 150 million tonnes of high grade Hematite[2] and also considering the other areas within our tenements that are yet to be explored, we are confident of approaching 1Bt of high-grade, which further demonstrates that Mbalam is a world-class iron ore asset.

"The maiden Itabirite Resource at Nabeba is consistent with our previously announced exploration targets and confirms the long life potential of these deposits with total Resources of 4.5Bt. It is a credit to the professional expertise of our highly skilled exploration team that we have been able to identify and define this large Itabirite Resource."

HIGH GRADE RESOURCES

The Global JORC-Code compliant High Grade Mineral Resources for the Mbalam iron Ore Project have been significantly increased by the following additions;

- Addition of the Nabeba Northwest Deposit (*50.3Mt @ 52.8% Fe Indicated resources*)
- Addition of the Nabeba South Deposit (*9.9Mt @ 57.3% Fe Indicated resources*)
- Re-interpretation of the Main Nabeba and Mbarga Deposits based on additional drilling information (*accounts for an increase of approximately 80Mt of High Grade Resources*);
- Relaxation of previous chemistry 'cut-off' and 'cut-over' restraints as a result of the Enhancement Study (*accounts for an increase of approximately 115Mt of High Grade Resources*).

The last point is significant; previous resource estimations have applied various Fe cut-offs inside defined mineralised domains and then had further restraints placed for silica and alumina to ensure a premium quality resource was provided to the Ore Reserve Estimation process. However, ongoing work of the Enhancement Study is demonstrating that the Ore Reserve process can handle lower quality specifications and still produce a high grade product by use of in-pit scheduling and blending. Therefore, the Resource has been optimised to present maximum tonnes for the Ore Reserve Estimation process and also to allow use of the upgrade plant already within the DFS to treat more resource tonnes.

Table 1 is the Global Summary of all High Grade Hematite Mineral Resources for the Project, which is inclusive of all High Grade resources from the six currently drilled Deposits of the Mbalam Project: Mbarga, Mbarga South, Metzimevin, Nabeba, Nabeba Northwest and Nabeba South.

High Grade Hematite Mineral Resources

Table 1 GLOBAL HIGH GRADE RESOURCE	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Indicated	748.0	57.2	9.2	4.4	0.098	3.8
Inferred	27.4	57.4	15.1	3.0	0.090	1.5
Total High Grade Resource	**775.4**	**57.2**	**9.4**	**4.3**	**0.098**	**3.8**

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

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Specific details of modeling parameters and constraints applied are detailed further in the Competent Persons Statement at the end of this report. While chemical constraints have been largely removed, it should be noted that three-dimensional mineralised domains have been carefully interpreted such that the volumetric and geographical constraints applied by these boundaries are appropriate according to the different physical and chemical properties as identified throughout the extensive drilling and metallurgical assessments to date.

Recent drilling and work within the Enhancement Study has therefore increased the Global High Grade Resource by 253.7 million tonnes with the following increases at the 2 principal Deposits:

- **MBARGA DEPOSIT** : Increase of 40.7 Mt from 166.6Mt @ 59.6% Fe to **207.4Mt @ 59.3% Fe**
- **NABEBA MAIN DEPOSIT**: Increase of 152.8 Mt from 319.2Mt @ 61.6% Fe to **472.0Mt @ 57.9% Fe**

Further breakdown of High Grade Resources of each Deposit is detailed below in Table 2 demonstrating the high confidence in the interpretation and geological continuity with 96% within the Indicated category:

Table 2 – INDICATED AND INFERRED: A - INDICATED HIGH GRADE RESOURCE	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga Deposit	195.1	56.7	13.0	3.3	0.081	2.1
South Mbarga Deposit	20.7	57.5	10.4	3.6	0.068	3.2
Nabeba Main Deposit	472.0	57.9	7.6	4.7	0.107	4.1
Nabeba Northwest Deposit	50.3	52.8	9.2	5.6	0.090	7.9
Nabeba South Deposit	9.9	57.3	6.6	3.8	0.121	6.6
Total Indicated High Grade Resource	**748.0**	**57.2**	**9.2**	**4.4**	**0.098**	**3.8**
B - INFERRED HIGH GRADE RESOURCE	**Tonnes (Mt)**	**Fe (%)**	**SiO2 (%)**	**Al2O3 (%)**	**P (%)**	**LOI (%)**
Mbarga Deposit	12.2	54.7	18.2	1.8	0.104	0.9
Metzimevin Deposit	15.2	59.5	12.6	4.1	0.078	2.0
Total Inferred High Grade Resource	**27.4**	**57.4**	**15.1**	**3.0**	**0.090**	**1.5**

All six deposits are located close to the two main deposits at Nabeba and Mbarga, which are 40km apart and will be joined by the proposed railway which is part of the DFS design (Figure 1).

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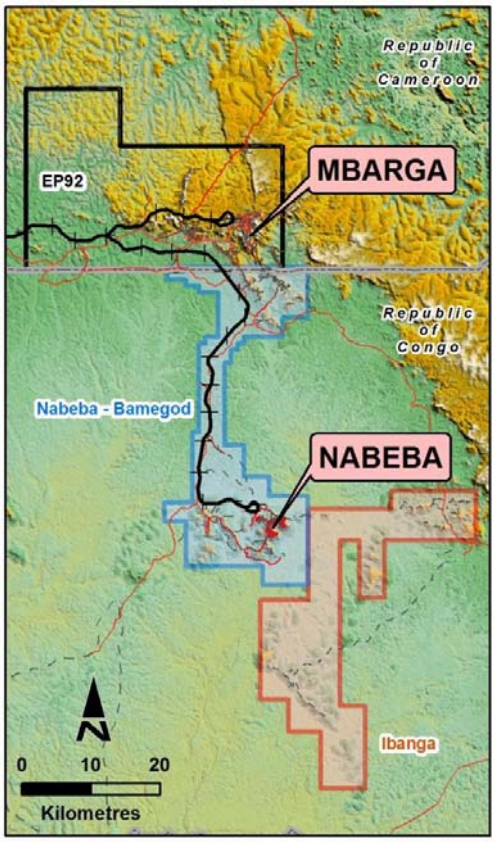

Figure 1 – Mbalam Iron Ore Project Permits

ITABIRITE RESOURCES

Sundance continues its Itabirite drilling programme at Nabeba and as described in the recent March Quarterly Report, long intersections of enriched and consistent quality mineralisation are being revealed.

Table 3 below summarises current JORC-Code compliant Itabirite Resources for the Project inclusive of the new Itabirite Resource at the Nabeba Deposit:

Table 3 GLOBAL ITABIRITE HEMATITE RESOURCE	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga Deposit	2,325	38.0	44.4	0.48	0.04	0.36
Nabeba Deposit	1,391	35.1	41.1	2.70	0.05	2.50
Total Itabirite Hematite Resource	**3,716**	**36.9**	**43.2**	**1.3**	**0.04**	**1.2**

The maiden Itabirite Resource of **1.39Bt @ 35.1%** Fe at Nabeba represents a significant milestone based on the drilling programme still underway. Sundance aims to increase this resource over the remainder of the 2012 programme to achieve the previously stated Exploration Target[3] of **1.5 -2.5 Bt @ 30-40% Fe.**

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

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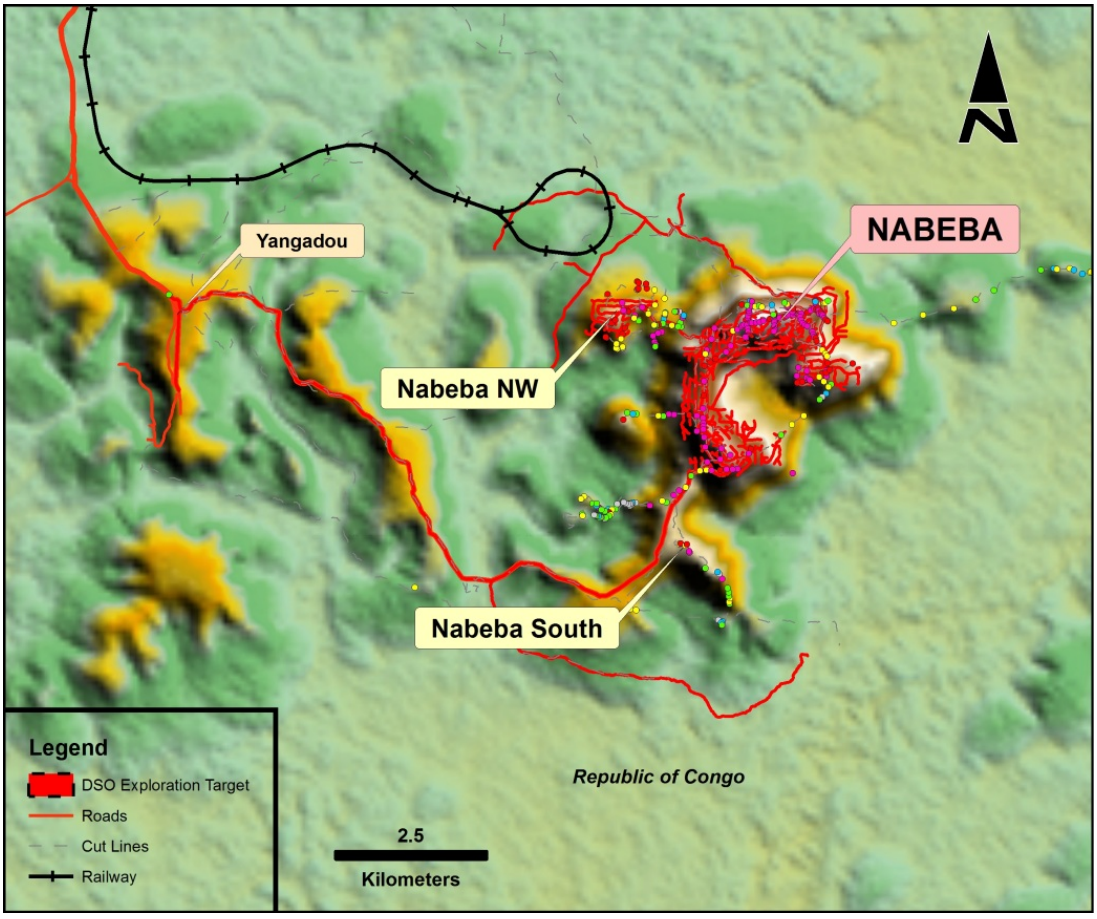

Figure 2 – Location of 'Nabeba Northwest' and 'Nabeba South' Deposits in relation to the 'Nabeba Deposit'

The Itabirite drilling programme is concentrated mostly on the northern ridge at Nabeba (Figure 3) and more than 1Bt of Itabirite has been defined underlying this part of the Deposit as a large continuous domain directly underlying the high grade supergene mineralisation.

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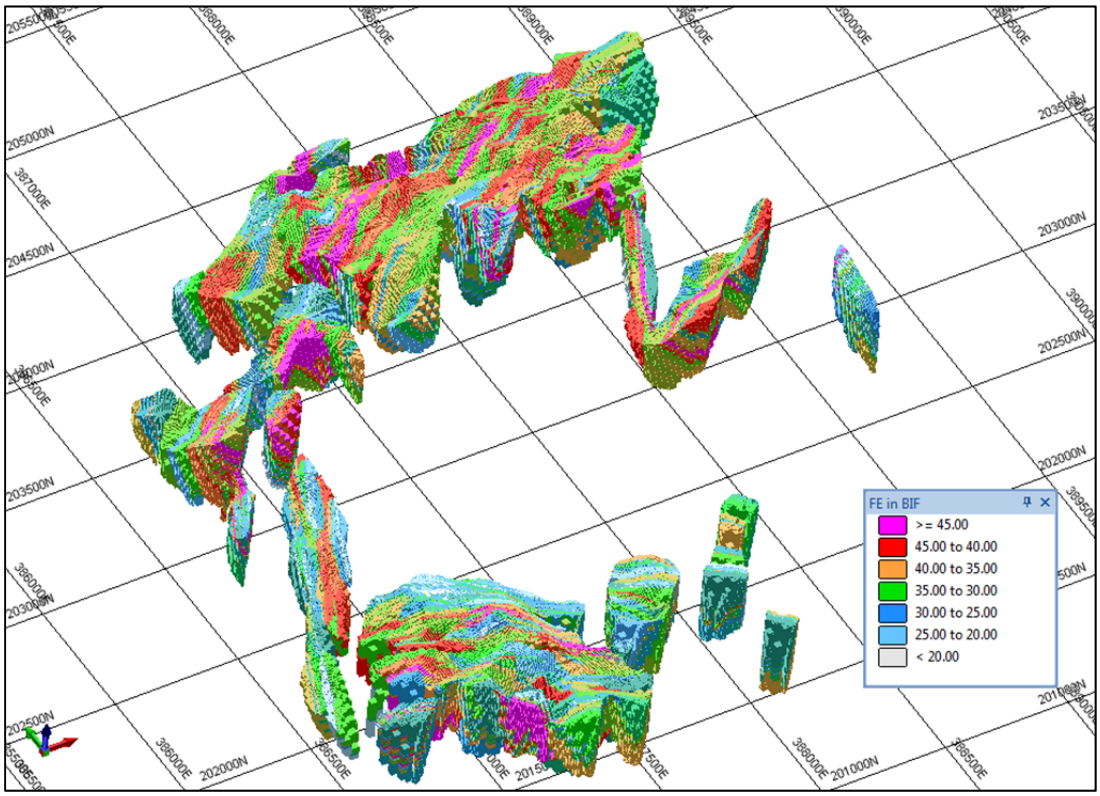

Figure 3 – 3-D view of the Nabeba Itabirite Block Model looking northeast

Table 3 below summarises significant results from the Nabeba Itabirite drilling. At the time of publishing this report, holes marked with an asterisk are yet to be fully analysed and results tabled are from a hand-held Niton XRF analyser.

Table 3 – SIGNIFICANT NABEBA ITABIRITE INTERSECTIONS

Hole ID	Results	Comments	
NB0017D	**46.4m @ 29% Fe** from 167.5m	Ended in schist	
NB0441D	**288.1m @ 34% Fe** from 91.3m	Ended in Itabirite	Hole angled at -65°
NB0239D*	**218m @ 36% Fe** from 156m	Ended in Itabirite	
NB0403D*	**88.7m @45% Fe** from 127.1m	Abandoned due to drilling problems	
NB0027CD*	**73.3m @ 43% Fe** from 110m	Abandoned due to drilling problems	
NB0426D*	**214m @ 35% Fe** from 151m	Ended in Schist	
NB0068D	**227m @ 39% Fe** from 142m	Ended in Itabirite	Historical deep hole, drilled August 2010
NB0025D*	**288.4m @ 36.8% Fe** from 105.6m	Ended in Schist	
NB0020D*	**279.6m @ 38.2% Fe** from 139.4m	Ended in Itabirite	
NB0438D*	**258m @ 37.2% Fe** from 141.9m	Ended in Itabirite	
NB0394D*	**233m @ 34.5% Fe** from 146.2m	Ended in Itabirite	Hole only assayed to 378m. Final 23m yet to be cut and assayed

** Results are preliminary from a hand-held Niton XRF analyser*

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DIRECT SHIPPING ORE (DSO) EXPLORATION TARGETS

Surface geological mapping and sampling excursions continue in both Cameroon and the Republic of Congo despite difficult conditions. Evaluation of results from these programmes has enabled a complete re-assessment of potential DSO Targets within current tenure and in particular, in between the principal proposed mining centres of Mbarga and Nabeba. In summary an additional **90 - 150 Mt** of DSO[3] potential has been outlined at six Deposits/Prospects as illustrated in Figure 4 and Table 5 below.

Potential Exploration Target tonnage ranges have been estimated based on geographical aerial extents as mapped on the ground, combined with an assumed vertical thickness of 25m and density of 2.8t/m^3.

Table 4 –DSO EXPLORATION TARGET SIZE

Location	Range Mt	Comments
Metzimevin Deposit	5-10	Extensions
Mbarga South Deposit	10-20	Extensions
Meridional Prospect	5-10	Extensions
Mbarga Southwest Prospect	5-10	New discovery
Cabosse South Prospect	15-25	In Congo
Bidoumou Hills Prospect	50-75	In Congo
Total	**90-150 Mt**	

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

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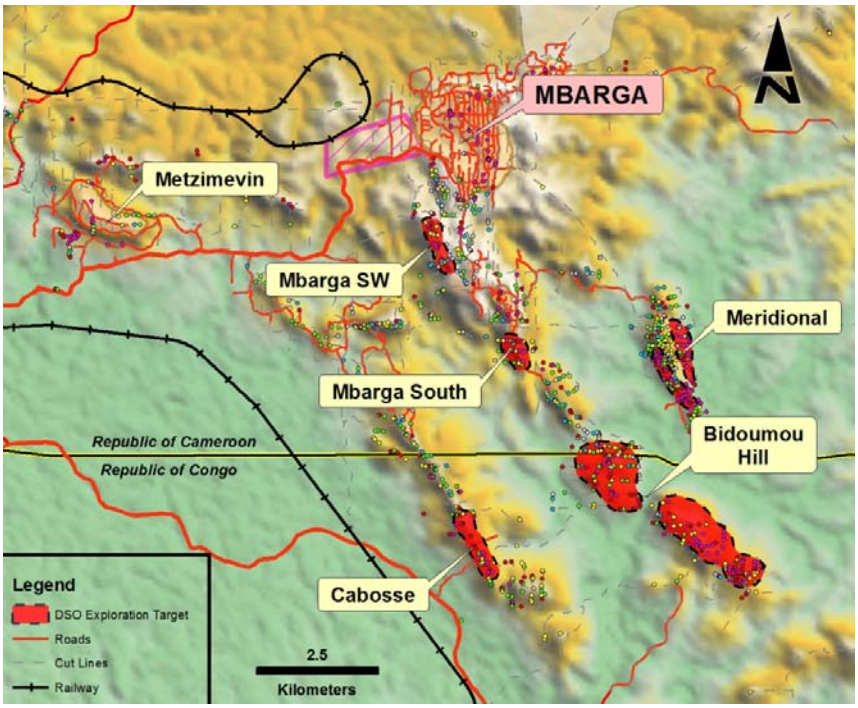

Figure 4 – Location of DSO Exploration Targets

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Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy. Mr Longley and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The information in this report that relates to Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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Messrs Longley, Widenbar and Gregory consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: www.sundanceresources.com.au.

Itabirite Resources reported at the Mbarga Deposit (Republic of Cameroon) and at the Nabeba Deposit (Republic of Congo)

At Mbarga, the estimated quantity and grade of Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource and a 200m x 100m spaced drill pattern applies for the Inferred Resource. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit.

At Nabeba, drilling of the Itabirite has been conducted on an approximate 400m x 200m spaced pattern and as such is only categorised at Inferred. Recent drilling of the Itabirite at Nabeba has been by way or re-entering and extending historical holes. However, all deep holes across the Deposit area that intersected Itabirite have been used in the estimation and this covers an area approximately 3km (east-west) x 3km (north-south).

Grade has been estimated by Ordinary Kriging on composited sample results. A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The Itabirite resource modelling has used 20m (X) x 10m (Y) x 10m (Z) blocks at the Mbarga Deposit with sub-blocks to honour the constraining surfaces. Nabeba Itabirite modelling has applied 25m (X) x 25m (Y) x 5m (Z) blocks at this Inferred stage of estimation.

Drillhole collar survey has utilised DGPS surveying at all Deposits.

Down-hole surveys (at Mbarga only) were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation at Mbarga only. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied to apply a density value. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying, with a range of densities adopted from 3 to 4t/m^3 depending on the iron grade.

Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.

High Grade Hematite Resources reported on Exploration Permit 92, Republic of Cameroon (Mbarga, Mbarga South and Metzimevin Deposits)

The estimated quantity and grade of High Grade Hematite quality Supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at Mbarga Deposit and a spacing varying from 200m x 100m to 50m x 50m for the Indicated Resource at the Mbarga South Deposit. A 200m x 100m drill pattern applies for the Inferred Resource at the Mbarga and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results.

Note that Cut-off grades for High Grade Hematite at the Mbarga Deposits have been changed since the previous estimation (September, 2011) and while most restrictions have been removed, the following still apply: 'Phosphorus' Domain: >50% Fe and <0.3% P; 'Hypogene' Domains: >51% Fe. Metzimevin Inferred Resources remain unchanged and have a >50% Fe cut-off and density of 2.80 applied.

A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used a block size of 10m (X) by 10m (Y) by 2m (Z).

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Drillhole collar survey has utilised DGPS surveying at all Deposits.

Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation.

Densities have been assigned from a combination of down hole geophysical and physical measurements of diamond core carried out as part of metallurgical analysis. Densities of 2.40 t/m^3 have been assigned for the Surficial Zone, 2.80 t/m^3 for the Supergene, 2.80 t/m^3 for the Phosphorus, 2.90 t/m^3 for the Transition and 3.20 t/m^3 for the Hypogene. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying, with a range of densities adopted from 3 to 4 t/m^3 depending on the iron grade.

Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and internal standards with comprehensive reporting on laboratory precision and accuracy. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.

Resources reported on Nabeba-Bamegod Permit, Republic of Congo (Nabeba, Nabeba Northwest and Nabeba South Deposits)

The estimated quantity and grade of near-surface, high grade mineralisation for the Nabeba Resources has been restricted to an area currently covered by drilling on predominately a 100m x 100m pattern (with some closer-spaced drilling on selected north-south lines on the northern ridge). Sundance has completed significant drilling at the main Nabeba Deposit of which approximately 20% has been diamond core and 80% RC (Reverse Circulation) drilling with face-sampling hammers.

Drilling at the smaller Nabeba Northwest and Nabeba South Deposits has been by predominately RC method although two diamond holes were drilled at Nabeba Northwest to ensure similar physical properties and densities applied.

The geological model at the Nabeba Main Deposit is represented by an area approximately 2.5km (east-west) x 3km (north-south). Nabeba Northwest covers a smaller area of approximately 1km x 1km and Nabeba South smaller again at 500m x 500m.

Grade has been estimated by Ordinary Kriging on composited sample results. The mineralisation and grade interpolation of drill results has been constrained by a 3-D wireframe which encompasses all of the near-surface contiguous high grade material and as such, no cut-off grades for high grade have been required or applied. At the time of modelling, 92% of drill sample results were full XRF analyses from Ultra Trace Laboratories (Perth, Western Australia) and the remaining 8% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.

Cut-off grades for the Nabeba deposits have changed since the previous estimation (September, 2011) and now no cutoff grades have been applied. Resultant grades are simply a result of the grades which lie within carefully defined mineralised domain boundaries.

A digital terrain surface (based on recent Lidar and ground surveys) has been used to limit extrapolation of the mineralisation to the topography of the Nabeba hill. The resource modelling has used 25m x 25m x 5m blocks with sub-blocks to honour the constraining surfaces.

Drillhole collar survey has utilised DGPS surveying at all Deposits.

A density of 2.65 t/m^3 has been used for the 'Supergene' and 'Transition' domains of High Grade Hematite, with a density of 2.50 t/m^3 for the 'Sub-Grade' and 'Surficial' zones. All density values are based on results from an assessment of physical density measurements of current drill core and on down-hole density determination by Surtron.

Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy.

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of exploration targets is only conceptual in nature. There has been insufficient exploration to

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define a Mineral Resource for these exploration targets and it is uncertain if further exploration will result in determination of a Mineral Resource.

Forward-Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report and half year report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.