SUNDANCE RESOURCES

Developing a global iron ore business

QUARTERLY ACTIVITIES REPORT

For the period ended 31 December 2009

HIGHLIGHTS

- **Deutsche Bank mandated to secure strategic partner(s)** and advise and arrange project funding (including equity and debt).
- **Updated Information Memorandum circulated to prospective strategic partners** including international steel mills, resource groups, trading companies, contractors and financiers. Due diligence underway with site inspections planned for shortlisted parties.
- **Feasibility Study and proposed fiscal and development terms presented** to the Cameroon Government in November / December 2009.
- **Meetings held with the Minister of Mines for the Republic of Congo** in December 2009 to update progress on the Congo exploration program.
- **Construction of road access to the Nabeba Deposit completed** with drilling to commence by end January 2010.
- **Re-commencement of drilling on EP92 in November 2009** with initial drill results providing significant intersections of High Grade mineralisation at Mbarga, Mbarga South and Meridional Deposits.
- **Mobilisation and commissioning of second Diamond Drill Rig completed on site**. RC Drill Rig en route from the US and scheduled to commence drilling in March Quarter 2010.
- **Initial metallurgical testwork program completed on Transitional High Grade material** from the Mbarga Deposit with promising results for low cost upgrading to produce premium product quality.
- **Definitive Feasibility Studies commenced** with appointment of key contractors.
- **Review of the rail route completed by Calibre Engenium JV** with definitive engineering and site geotechnical investigations proceeding on Mid-Northern Corridor rail alignment.
- **Site investigations commenced for Kribi Multi-User Port development** with geotechnical work on the Iron Ore Export Terminal to be commissioned in March 2010 Quarter.
- **Capital raising completed by Renaissance Capital, raising A$85.0 million.**
- **Share Purchase Plan completed, raising A$4.7 million.**
- **Cash reserves of around A$96 million at end December 2009.**

STRATEGIC ACTIVITIES

Introduction of Strategic Partners

Deutsche Bank has been mandated as Sundance's financial advisor for development of the Mbalam Iron Ore Project. Deutsche Bank's mandate includes:

- Securing of strategic partner(s) for the Project; and
- Advising and arranging Project funding (including equity and debt).

An updated Information Memorandum was circulated to prospective strategic partners in the December 2009 Quarter. These parties include international steel mills, conglomerates, resource groups, trading companies, contractors and financiers. Due diligence investigations have commenced with site inspections for shortlisted parties scheduled for the March Quarter 2010.

The Company is pleased with progress in the reporting period and is confident of successfully concluding arrangements for the introduction of strategic partner(s) to the Project.

Mbalam Government

The Project Feasibility Study was submitted to the Cameroon Government in the reporting period with formal presentation of the study and the proposed fiscal and development terms in meetings held with the Government negotiating team from 30 November - 4 December 2009.

The outcome of the meetings was positive with the negotiating team requesting the Company to submit a draft of the Mbalam Convention, containing the fiscal terms sought by the Company, in early 2010. This draft is currently in preparation and subject to legal review.

The Company's Chairman and CEO are scheduled to meet with the President of the Republic of Cameroon in February 2010. This meeting is planned to present the development plan and timeline to reach a final investment decision.

The meeting is also intended to highlight the potential for the Mbalam Project to be a catalyst for regional development of iron ore resources across the Cameroon / Congo / Gabon region based on the foundation deposits and infrastructure to be developed by the Company at Mbalam and Nabeba. The Company will seek the President's support in facilitating this strategy.

Congo Government

A series of meetings were held with the Ministry of Mines of the Republic of Congo in the December 2009 Quarter to update progress on the Congo exploration program. A meeting was also held with the Minister for Mines where the Company presented its plans for development of the Nabeba Deposit in parallel with the Company's Cameroon assets.

The Minister was briefed on the status of access development to the Nabeba Deposit and the timeline for commencement of drilling in 2010. The Minister was advised that these exploration results would form the basis for renewal of the Company's mining research permits (MRP362 and MRP363) in August 2010 pursuant to the Mining Code (which provides that mining research permits may be renewed twice, each for a period of two years).

The Minister was also advised that, subject to the outcome of the exploration program at Nabeba, the Company intends to apply for a Mining Permit in 2010 and commence negotiations for a Mining Convention with the Government of the Republic of Congo.

PROJECT DEVELOPMENT ACTIVITIES

The Mbalam Iron Ore Project is based on Exploration Permit 92 (EP92) and Exploration Permit 143 (EP143), located approximately 400 km southeast of the capital city of Yaounde in the Republic of Cameroon and Mining Research Permits MRP362 and MRP363, located in the Republic of Congo (refer Figures 1 and 2).

EP92 and EP143 are owned by Cam Iron SA, a company incorporated in the Republic of Cameroon. Cam Iron SA is a subsidiary of Sundance Resources Ltd (Sundance). MRP362 and MRP363 are owned by Congo Iron SA, a company incorporated in the Republic of Congo. Congo Iron SA is also a majority owned subsidiary of Sundance.

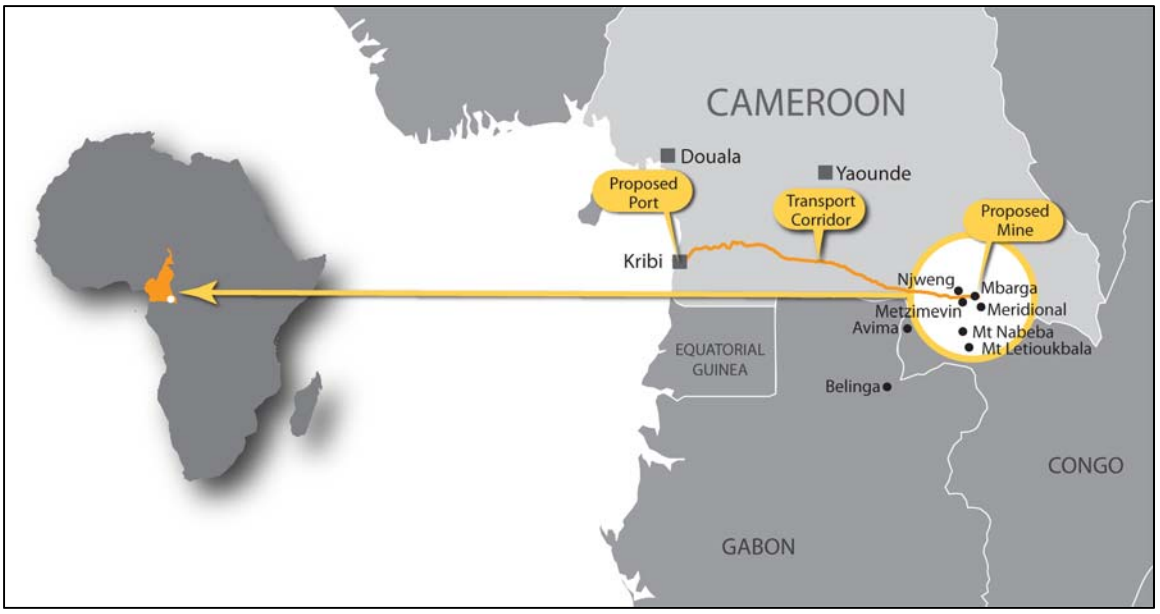

Figure 1: Location of the Mbalam Iron Ore Project

EXPLORATION AND RESOURCE DEFINITION

Exploration and resource definition work during the December 2009 Quarter concentrated on:

- securing and mobilising a drill rig fleet post Board approval of the 2009/2010 exploration program;
- re-commencement of drilling on EP92 in the Republic of Cameroon; and
- development of access to the Nabeba Deposit on MRP362 in preparation for first drilling on the Company's exploration portfolio in the Republic of Congo.

The first diamond drilling rig was commissioned on site in mid November 2009 with initial focus on collection of core for metallurgical testing of High Grade Hematite material from the Mbarga Deposit. Drilling was then extended to the Mbarga South and Meridional Deposits on EP92 with regional mapping and geophysical interpretation continuing to generate targets for future drilling. Access was also established to the Nabeba Deposit ready for commencement of drilling in January 2010.

Figure 2 shows the location of the key deposits on the Company's landholdings in the Republic of Cameroon and the Republic of Congo.

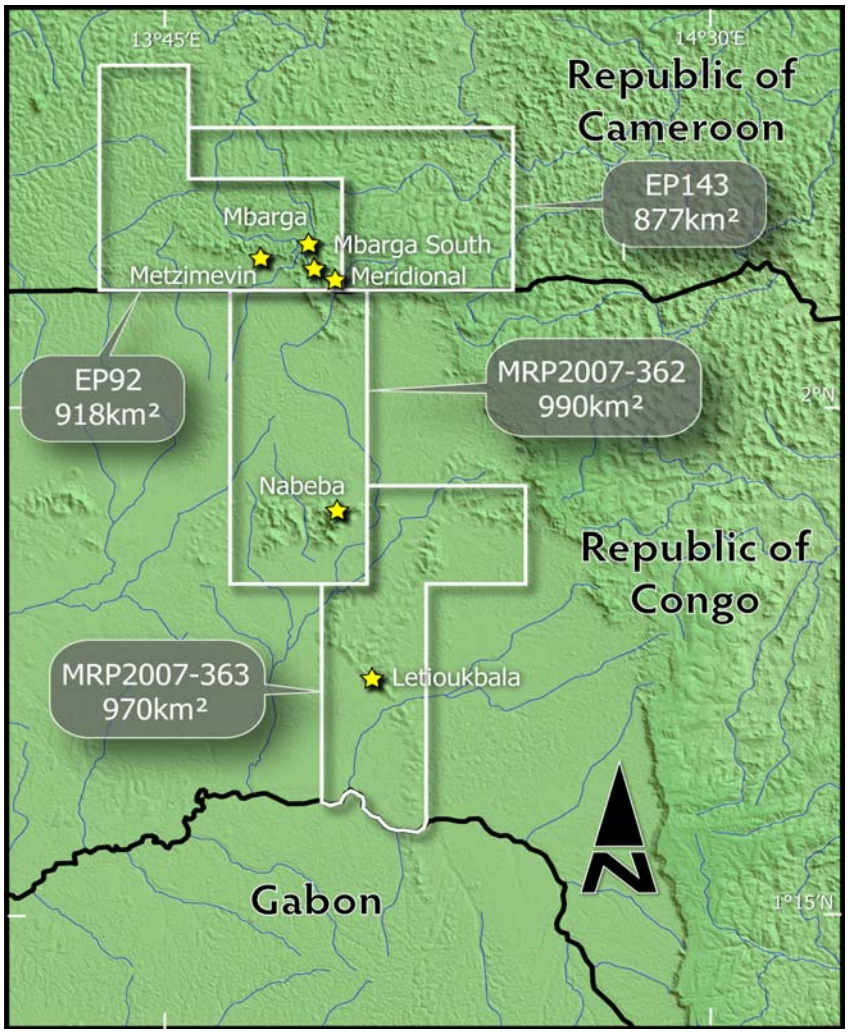

Figure 2: Exploration Permits controlled by Sundance and Location of Key Deposits

The principal objective of the 2009/2010 exploration program is to achieve the Project Exploration Target for High Grade Hematite which totals 315 to 465 million tonnes Hematite at 55% to 65% Fe (including the existing 215 million tonne JORC-Code compliant Mineral resource defined to date on EP92 - refer Table 1).

Deposit	Category	Tonnage (Million Tonnes)	Grade (Fe %)
Mbarga/Mbarga South/Metzimevin	Indicated and Inferred Resource	215 Mt	60%
Nabeba Deposit	Exploration Target*	100 – 250 Mt	55% – 65%
TOTAL PROJECT		315 – 465 Mt	55% - 65%

Table 1: Reported Resources and Exploration Target* for High Grade Hematite

* 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 in excess of Inferred or Indicated Mineral Resources is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource in excess of that estimated for the Mbarga, Mbarga South and Metzimevin Deposits and it is uncertain if further exploration will result in determination of a Mineral Resource for the Nabeba Deposit or other prospects on the Company's landholdings.

The drilling program in 2010 is focused on the Nabeba Deposit for which an Exploration Target* of 100 to 250 million tonnes Hematite at 55% to 65% Fe has been defined. The program allows for initial Diamond and RC drilling from surface to approximately 100m depth with the primary objective being to quantify Supergene high grade mineralisation.

Figure 3 shows the results of previous surface sampling over the Nabeba Deposit, together with access established to the deposit in the December 2009 Quarter. No additional mapping has been conducted at the deposit in the December 2009 Quarter.

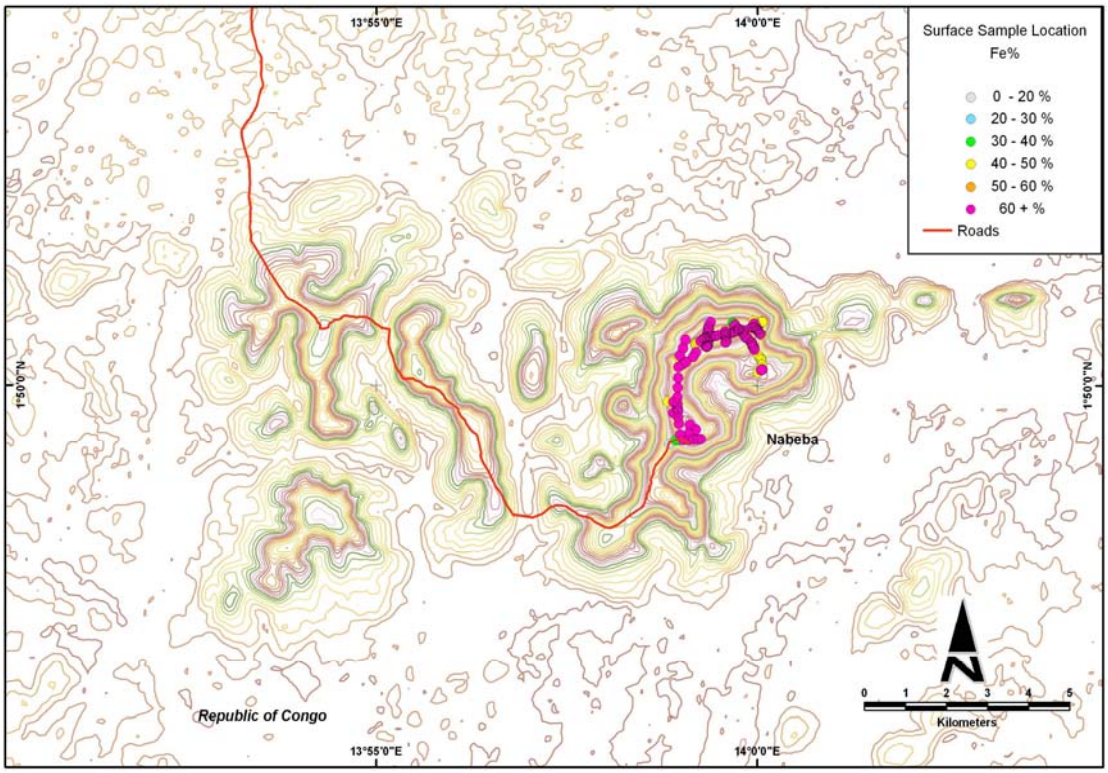

Figure 3: Results from Previous Surface Sampling at the Nabeba Deposit

Rig Purchases, Mobilisation and Commissioning

The first Sandvik diamond drill rig was received and commissioned on site in mid November 2009 (refer Figure 4). This rig commenced drilling at the Mbarga Deposit with completion of two holes for metallurgical sampling of High Grade Hematite. Drilling was then extended to the Mbarga South Deposit (2 holes) and the Meridional Deposit (4 holes).

A total of 595 meters of diamond drilling was completed to the end of December with excellent rig availability and core recovery. This first diamond rig has been relocated to the Nabeba Deposit in January 2010 to support Resource Definition drilling on MRP362 for the balance of 2010.

The second Sandvik diamond drill rig (identical to the first) was received and commissioned on site in mid January 2010. This rig has been allocated to infill drilling at the Mbarga Deposit and surrounding deposits on EP92, targeting the progressive conversion of current Resources to Reserves.

The third drilling rig recently purchased by Congo Iron SA, a new Schramm RC rig, is currently being mobilised from the USA and is scheduled to be in operation on site in the March 2010 Quarter. This rig is allocated for drilling at the Nabeba Deposit for the balance of 2010.

Figure 4: Drilling at the Meridional Deposit in December 2009

Preparation for Drilling on the Nabeba Deposit, Republic of Congo

Access has been established to the Nabeba Deposit from the Company's exploration base at Mbalam in Cameroon. The Nabeba Deposit is located 42 km south of Mbalam.

Development of this access has required refurbishment of existing tracks and bridges as well as construction of new access roads and development of a new border crossing just south of the Mbalam exploration base. Figure 5 shows the location of this access linking the Mbarga and Nabeba Deposits.

The Company has used its fleet of construction equipment to build this access with work accelerating after the conclusion of the recent wet season in December 2009. Access to the crest of the deposit was achieved in late January with drill infrastructure now established. Significant road and bridge work is still required to ensure year round access and work is proceeding ahead of the 2010 wet season.

Re-Commencement of Drilling on EP92

Drilling re-commenced on EP92 in the December 2009 Quarter.

A brief description of work undertaken during the reporting period follows together a tabulation of preliminary drill intersections – refer Table 2.

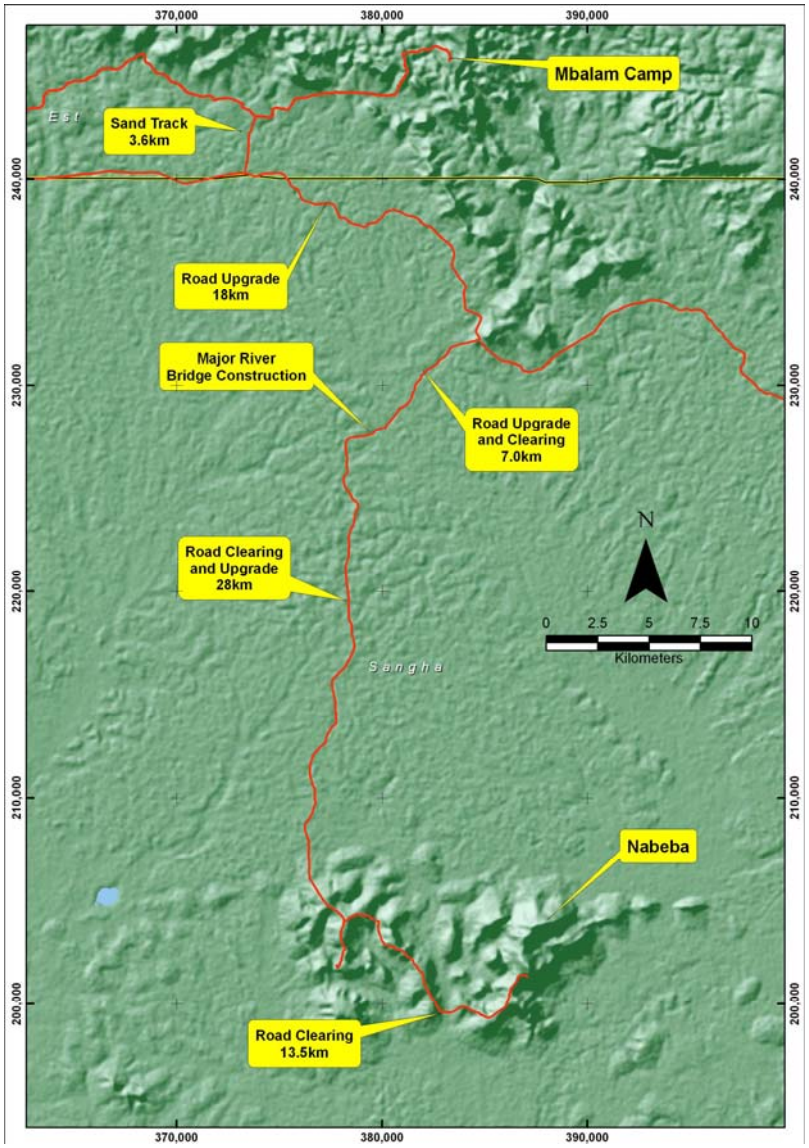

Figure 5: Access established between Mbalam Exploration Base and Nabeba

- *Mbarga Deposit*

Two diamond drill holes (predominantly PQ diameter) were drilled at the Mbarga Deposit immediately post commissioning of the first Sandvik diamond drill rig. These holes were drilled to collect High Grade Hematite samples for metallurgical testing with a total of 146.5 metres completed. Figure 6 shows the locations of these two holes relative to previous drill hole locations on the Mbarga Deposit.

The complete core samples from these two holes have been transported to Australia for metallurgical analysis. This will provide approximately 2 tonnes of High Grade material for further characterisation of the mineralisation and optimisation of processing options to produce a premium product.

One diamond drill rig will remain on EP92/EP143 with the principal aims being to:

1) Collect further core samples for metallurgical and geotechnical testwork;
2) Complete infill drilling to progressively convert Resources to JORC-Code compliant Reserves; and
3) Increase current resources by extending drilling to new targets.

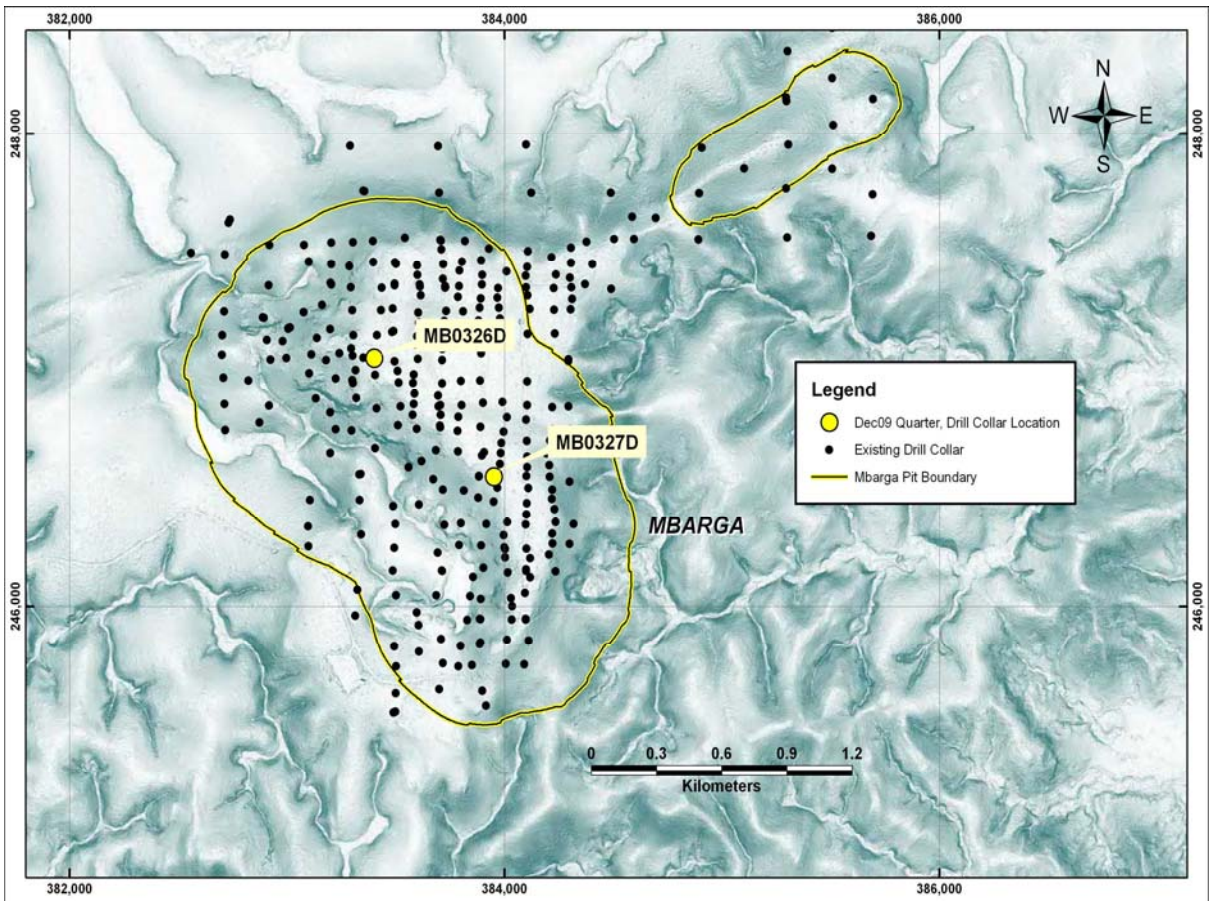

Figure 6: Location of Drill Holes Completed in December 2009 on the Mbarga Deposit

- *Mbarga South Deposit*

  Two resource definition holes were completed on the Mbarga South Deposit in the December 2009 Quarter for a total of 118.9 metres (refer Figure 7). Hole SM0023D intersected 49m of High Grade Hematite from surface.

- *Meridional Deposit*

  Four exploratory holes were completed on the Meridional Deposit in the December 2009 Quarter for a total of 294.1 metres (refer Figure 7). The first hole encountered a deep zone (45.6m) of very high grade hematite (+60% Fe) as shown in Figure 8. Subsequent adjacent drilling encountered sub 60% Fe material but with significant tonnage potential. Further drilling is required to determine the potential of this deposit.

Significant intersections derived from the drilling completed in November/December 2009 on EP92 are summarised in Table 2. These are only preliminary results as they are based on a Site handheld Niton XRF device. This instrument provides reasonable accuracy, and has been previously trialled and calibrated from previous drill results collected on site, but all samples are being sent to Ultratrace Laboratories in Australia for full quantitative analysis ahead of interpretation and resource modelling.

Deposit	Hole	From	To	Length	%Fe (Niton)
Mbarga	MB0326D	0	52m	52m	56.9
	MB0327D	8	52m	44m	56.9
South Mbarga	SM0023D	0	51m	51m	60.2
	SM0024D	0	26.7m	26.7m	52.6
Meridional	MD0001D	0	45.6m	45.6m	63.2
	MD0003D	0	52.8m	52m	41.5
	MD0004D	0	7.9m	7.9m	50.1
	MD0005D	0	20.6m	20.6m	63.0
	MD0006D	0	8.6m	8.6m	55.8

Table 2: Summary of Significant Drill Intersections from Diamond Drilling In November / December 2009 (Based On Field Niton Results)

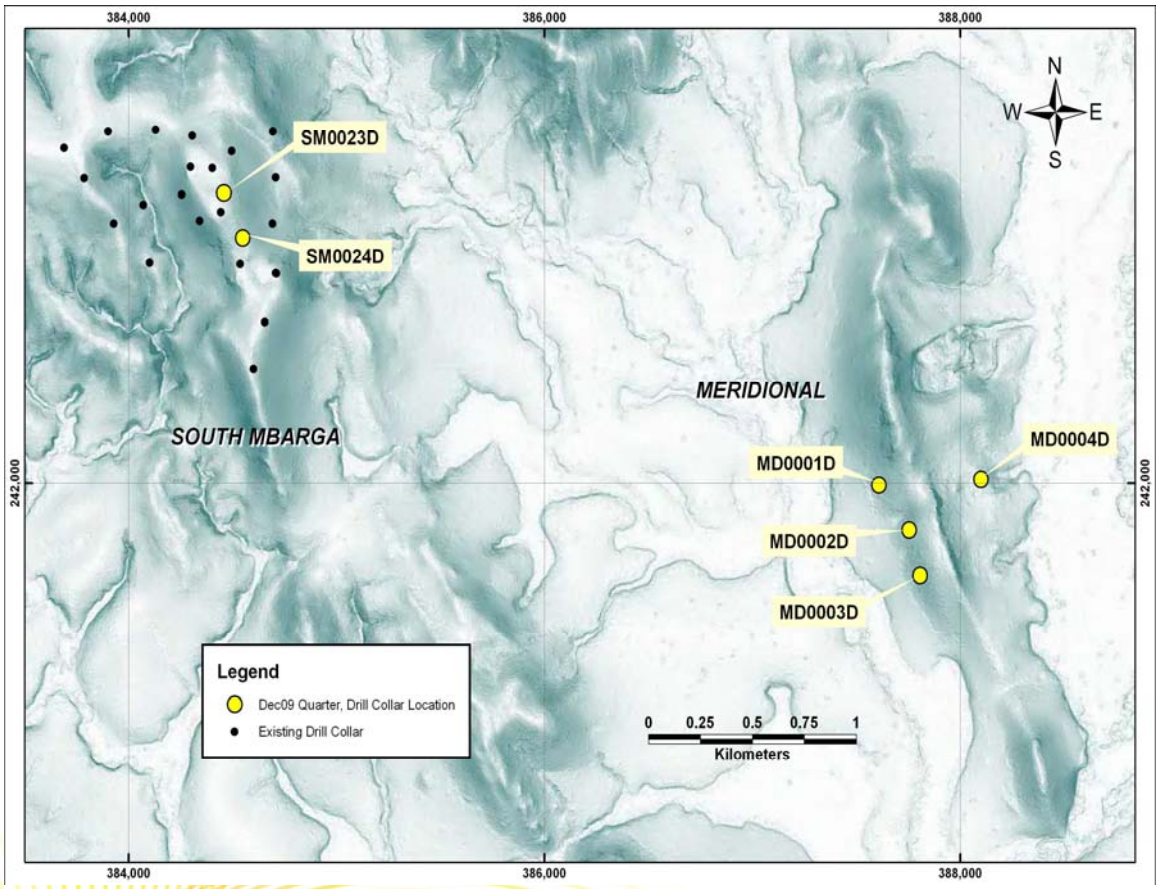

Figure 7: Location of Drill Holes completed on the Mbarga South and Meridional Deposits in December 2009

Figure 8: PQ Drill Core recovered from drilling on the Meridional Deposit in December 2009

Current Resource Inventory

The JORC-Code compliant Indicated and Inferred Mineral Resources for the Project have not changed during the reporting period. These Resources are summarised below in Tables 3 and 4.

- *High Grade Hematite Resource*

The JORC-Code compliant near-surface High Grade Hematite resource is estimated to contain a total of 215 million tonnes hematite at 60.2% Fe (refer Table 3).

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga	Indicated	168.7	60.5	9.5	2.1	0.08	1.4
	Inferred	10.4	57.5	13.0	2.7	0.06	1.6
Mbarga South	Inferred	21.8	58.8	9.4	3.0	0.06	2.9
Metzimevin	Inferred	14.3	61.8	10.3	3.6	0.09	1.8
Total – Indicated and Inferred Resource		215.2	60.2	9.8	2.3	0.08	1.6

Table 3 – Summary of Indicated and Inferred Resources of High-Grade Hematite

All resources at the Mbarga South and Metzimevin Deposits are classified as Inferred because of the density of drilling completed to date. Current drilling will progressively increase confidence in this mineralisation with the aim to progressively convert to Indicated and Measured resources.

- *Itabirite Hematite Resource*

The JORC-Code compliant Itabirite Hematite resource at the Mbarga Deposit is estimated to contain a total of 2,325 million tonnes Itabirite at an average grade of 38.0% Fe (refer Table 4).

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga	Indicated	1,431	38.0	44.5	0.44	0.04	0.32
	Inferred	894	38.0	44.1	0.54	0.05	0.43
Total – Indicated and Inferred Resource		2,325	38.0	44.4	0.48	0.04	0.36

Table 4 – Summary of Indicated and Inferred Resources of Itabirite Hematite

The Indicated Resource is situated primarily in the upper portion of the Mbarga Deposit, where the current drill spacing is sufficient for upgrading of the resource category. The Company is confident that a high proportion of the deeper Inferred Resource will be upgraded to Indicated Category once sufficient drilling is completed within the deeper parts of the deposit.

The Indicated Resource of Itabirite Hematite at Mbarga is already sufficient to provide the beneficiation feed required for proposed production of high quality Direct Reduction grade and Blast Furnace grade iron concentrate during the first 25 years of Project operations (including initial production of High Grade DSO-quality product). There is no further exploration planned at this time to increase the Itabirite resource tonnage.

FEASIBILITY STUDY PROGRAM

Technical and commercial assessment of the Project continued in the December 2009 Quarter in preparation for commencement of the Definitive Feasibility Study. This work included:

- Completion of initial metallurgical testwork on Transitional High Grade Hematite from the Mbarga Deposit with promising results for gravity-based upgrading of this material to a premium quality product
- Re-design of the High Grade Mbarga Pit commenced with the aim of achieving improved definition of material types for mine planning and scheduling.
- Definitive Feasibility Studies commenced with appointment of key consultants and contractors and commencement of long lead field studies including site geotechnical investigations.
- Modelling review of the rail route completed by Calibre Engenium JV with the definitive engineering and site geotechnical investigations to proceed based on the Mid-Northern Corridor alignment. Additional high resolution LIDAR topographic data was flown over the corridor in December 2009;
- Site investigations commenced for the Iron Ore Export Terminal in collaboration with the Cameroon Government as part of design of the Kribi Multi-User Port development;
- Environmental and Social Assessment ("ESA") completed with the public review process to commence in March Quarter 2010.

The Project development strategy assumes that the Project Exploration Target* for High Grade Hematite, as referenced in Table 1, is achieved. This is planned to support production of DSO-quality product for up to the first 10 years of Project operations based on blending of material sourced from the Mbarga, Mbarga South, Metzimevin and Nabeba deposits.

This strategy is aimed at export of highest margin product for the duration of the term of financing of Project infrastructure. Longer term production will then be based on beneficiation of the Itabirite Hematite from the Mbarga Deposit to produce both Blast Furnace and Direct Reduction grade pellet feed concentrates.

Mine and Process Strategy for High Grade Hematite

The current Mineral resource inventory of High Grade Hematite from the Mbarga, Mbarga South and Metzimevin Deposits totals 215 million tonnes. This inventory includes Supergene, Transitional and Hypogene Hematite materials of varying iron and silica grade, averaging 60.2% Fe and 9.8% SiO2.

Recent results from metallurgical testwork on core samples of the Transitional Hematite from the Mbarga Deposit indicates this material is amenable to low cost upgrading. This testwork indicates that the silica content of the product produced from Transitional feed ore can be significantly reduced with high metal recovery. Blending this product with the very high grade direct shipping Supergene material from Mbarga is expected to deliver a premium quality product.

Initial assessment, based on previously reported assays from drilling at the Nabeba deposit by BRGM, indicates that the Nabeba Supergene material is likely to be very low in silica. Blending of direct shipping ore from the Nabeba Deposit with the direct shipping Supergene material and the upgraded Transitional material from the deposits on EP92 is targeting a premium DSO-quality product.

The current results indicate that this premium product can be delivered with no reduction in overall Resource tonnage due to:

a) very high recoveries indicated from testwork completed to date; and

b) the expectation that additional Transitional material can be introduced to the Resource inventory as the current silica cut-off limit can be reduced.

- *Metallurgical Testwork*

The results from the metallurgical test work program on the Transitional High Grade material from the Mbarga Deposit have demonstrated strong liberation and separation characteristics.

The initial samples, which are representative of the central areas of the Mbarga Resource, appear amenable to low cost gravity-based separation methods without the need for tertiary crushing or grinding. The results indicate that Transitional material can be used as high grade ore feed to a conventional crushing and screening plant with a wet upgrade module for part of the fines product stream. A process design of this nature is expected to provide a clean separation of gangue material from the ore stream resulting in high metal recovery.

Preliminary analysis of the proposed upgrading of the Transitional material indicates that the increased revenue and marketability achieved from producing a premium High Grade product exceeds the cost of the upgrading with payback of additional capital in approximately 1 year. More detailed analysis is required together with additional testwork and process design to confirm these initial results.

Further high grade core samples are currently in transit and the metallurgical testwork programme is being expanded to fully define the performance of the Transitional material and also examine the potential for upgrading of high grade Surficial material currently excluded from the Resource inventory.

- *Mine Planning*

Re-design of the Mbarga High Grade Pit commenced during the December 2009 Quarter with the aim of achieving improved definition of the material types for mine planning and scheduling. This involved:

- Modification of block sizes;
- Review of the material type boundaries and domains; and
- Inclusion of multiple Transitional and Surficial material types to define upgradable materials.

This work will improve the identification of material types as ore feed sources and better define proposed mining boundaries with the aim to increase the tonnage of potential DSO-quality product (and hence extend the duration of production of High Grade hematite from the Project).

The re-designed High Grade pit will be used to develop a geometallurgical resource model in support of the above development strategy for High Grade Hematite. This requires:

- Definition of multiple material types as ore feed;
- Simultaneous mining of the various material types;
- Parallel processing of the ore streams (lump, direct shipping fines and upgraded fines), and
- Blending of the fines products into a premium sinter feed product.

The strategy assumes the construction of a conventional lump and fines crushing and screening plant for Supergene and Transitional material and gravity based upgrade module for part of the fines product stream.

Product Suite

As referenced above and previously reported, Resource definition and metallurgical testing completed to date indicates that the Mbalam Project can deliver the following products:

- DSO-quality Lump and Fines grading +60% Fe; and
- BF grade itabirite concentrate grading 66% Fe; or
- A combination of DR grade itabirite concentrate grading 68% Fe and BF grade itabirite concentrate grading 65% Fe.

The product suite has not yet been finalized as the Company is developing process options to optimize the utilisation of the resource and the quality of products. In particular, the proposed upgrade of the Transitional Hematite is expected to both increase the resource tonnage and the product grade. This is targeted at delivering an overall Project Lump and Fines product at >60% Fe and <6% SiO_2.

The strategy for longer term production of the Itabirite hematite to produce both Blast Furnace and Direct Reduction grade pellet feed concentrates has not changed. This will be implemented upon the exhaustion of the near-surface High Grade Hematite.

Scoping assessment is also proceeding for potential development of a 4 - 8 million tonne per year pellet plant near the proposed port site south of Kribi. This would be based on DR grade concentrate feed derived from beneficiation of the Itabirite ore from the Mbarga Deposit.

Product Transport and Export Infrastructure

- *Transport Infrastructure*

Infrastructure planning continued in the December 2009 Quarter with review of the rail corridor route and infrastructure costs by Calibre Engenium JV (CEJV). Route optimisation modelling has been completed and has confirmed the Mid-Northern Corridor as the preferred, least cost alignment (refer Figure 9).

Figure 9: Mid-Northern Transport Corridor from Mine to Port

CEJV has been appointed by Sundance to complete definitive feasibility study of the rail package in 2010. CEJV is one of Australia's leading heavy haul rail engineering groups having completed rail project studies and execution for Rio, BHP, FMG and a number of other iron ore project developers in Western Australia. They also have West African experience, having previously worked on Rio's Simandou iron ore project in Guinea.

Fugro Survey was commissioned in December 2009 to complete further aerial LIDAR surveys over the Mid-Northern Rail Corridor ahead of the commencement of definitive engineering work by CEJV. This survey has mapped route optimisation alternatives identified along the Mid-Northern Corridor in modelling work completed by CEJV in late 2009. The survey will also extend into the Congo with detailed topographic mapping to be completed over the Nabeba Deposit and the haul route between Nabeba and Mbalam (refer Figure 10 which shows the extent of LIDAR survey work to be completed near the proposed mine site).

Planning commenced for detailed 'on ground' geotechnical investigations with mobilisation of a geotechnical auger rig scheduled for February 2010. This rig will be used to test foundation conditions along the rail route where access is available.

International geotechnical specialist Knight Piesold has been appointed to manage these geotechnical investigations. Knight Piesold has considerable prior experience in Cameroon having completed initial investigations along the rail route for Sundance in 2007/2008.

The alternative slurry pipeline option for transporting ore product to port remains a viable option but assessment of this option is on hold pending definitive engineering and commercial assessment of the preferred rail option.

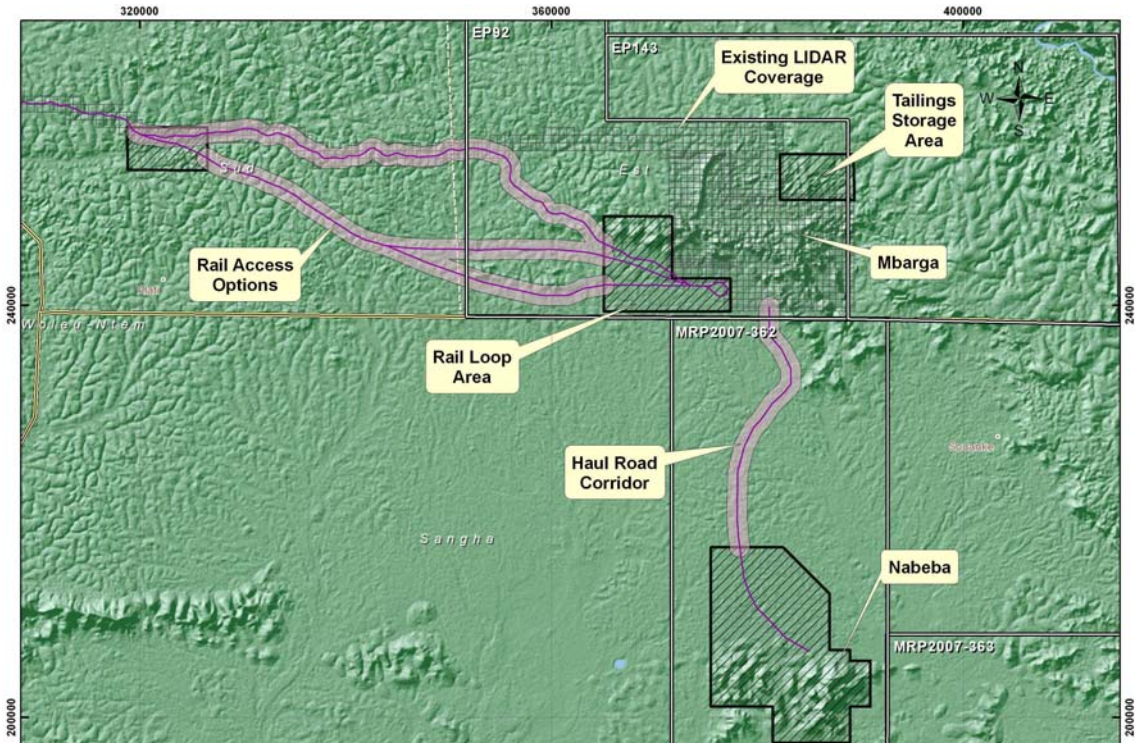

Figure 10: Location of additional Aerial LIDAR Survey to be completed in Cameroon and Congo

- *Port Infrastructure*

Planning for the iron ore export facility is continuing on the basis of accommodating "Chinamax" sized ships (refer Figure 11).

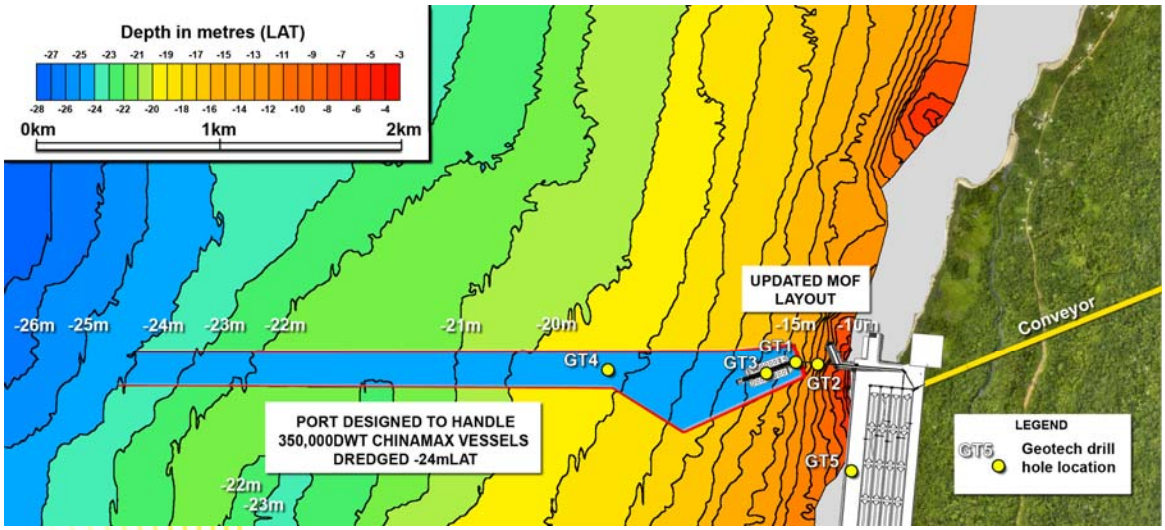

Figure 11: Port Layout for Chinamax Shipping

Government appointed contractors have commenced engineering studies and site investigations over the proposed Kribi Multi-User Port development, which encompasses the Cam Iron export facilities at Lolabe. These studies extend over the entire site with onshore and offshore geotechnical investigations commencing in December 2009.

Figure 11 shows the location of drill holes proposed to be executed by Government contractors over the Lolabe port facility in January / February 2010. Cam Iron is negotiating to extend the scope of work

contracted by Government for the purposes of definitive engineering of the works required by Cam Iron at Lolabe.

Cam Iron will continue to progress development of it's iron ore export facilities, including land acquisition and approvals process, on a standalone basis, however, the Government's commitment to the adjacent multi-user facility will assist Cam Iron secure necessary approvals.

Environmental and Social Assessment (ESA)

- *Cameroon*

The Environmental and Social Assessment (ESA) report, and associated management plans, were completed in the December 2009 Quarter and presented to the Cameroon Government for review. The ESA assumes 35 Mtpa production over a minimum mine life of 25 years with start-up production of DSO-quality product from High Grade Hematite feed followed by high quality pellet feed concentrate production from Itabirite Hematite feed. The ESA takes into consideration all mining, transport and port activities proposed by Cam Iron including both rail and slurry pipeline product transport options from mine to port.

The Mbalam Iron Ore Project is strongly supported by key stakeholders, including local communities, the Cameroon Government and NGOs and there is a preparedness to collaborate with CamIron to make the Project a success. This support is based on the fact that the Project will add significantly to the economic, social and environmental value of Cameroon. It will generate direct substantive economic wealth for the country, improve the lives of many people in communities around the project and support sustainable forest management that will help conserve heavily hunted wildlife in a remote and very poor part of Cameroon.

The ESA will be subject to a public review process administered by the Ministry of Environment and Nature Protection (MINEP) in the first half of 2010. Environmental approval is targeted for June 2010.

In parallel with this process, the Cameroon Government will progress acquisition and expropriation processes over lands required for development of Project infrastructure. This land will then be leased to CamIron . The expropriation process will determine compensation arrangements for any impacted landowners or communities. Completion of this process is targeted for June 2010.

- *Congo*

A Summary ESA for the 2010 exploration program at the Nabeba Deposit has been submitted to the Congolese Ministry of Tourism and Environment. The Summary ESA was prepared with the assistance of Environment Plus, a Congolese environmental consulting company accredited to complete such studies by the Ministry. A comprehensive ESA for Project development will be completed in 2010 with all approvals expected by end of 2010.

Congo Iron has met with all relevant Congolese Ministries to secure all other approvals required for construction / upgrading of road access from Mbalam to the Nabeba Deposit and the undertaking of the 2010 drilling program.

Congo Iron has also consulted widely with Government officials and communities in the vicinity of its construction activities between Mbalam and Nabeba. This has included the establishment of border procedures to monitor movements of personnel, equipment and goods over the border near Mbalam.

CORPORATE

Appointment of General Manager, Finance and Commercial

The Company has appointed Mr Paul De Nardi as General Manager, Finance and Commercial. Mr De Nardi's previous role was as General Manager, Global Development at Rio Tinto Iron Ore with significant prior investment banking experience with JP Morgan and other international investment banks.

Mr De Nardi is responsible for completion of agreements with prospective strategic partner(s) and associated Project funding and will direct the activities of the Company's financial advisors.

Capital raising of A$85 million completed by Renaissance Capital

In November, 2009, the Company announced that, subject to shareholder approval being obtained and other general conditions of a Placing Agreement signed with Renaissance Capital, it proposed to issue 566,666,667 shares to international institutional investors at A$0.15 per share to raise A$85.0 million before expenses.

The Company deliberately targeted new international institutional investors for this raising to broaden the reach and exposure of the Company to the international market ahead of proposed project financing activities in 2010.

The placement was approved, on a show of hands, at a General Meeting of Shareholders held on 9 December 2009. The proceeds of the raising are to be used to:

- complete Definitive Feasibility Study of the Mbalam Project, inclusive of mine, process, transport and port infrastructure;
- undertake drilling to define further High Grade mineralisation with a view to achieving up to 10 years of DSO-quality production; and
- provide general working capital.

Completion of Share Purchase Plan completed

The Company's second Share Purchase Plan ("SPP") offer was successfully completed in December 2009 with A$4.7 million raised before expenses.

The shares were issued at a price of A$0.15 cents per share, the same issue price as the A$85 million placement to institutional shareholders.

A total of 1,063 shareholders accepted the offer.

Annual General Meeting

The Annual General Meeting was held in Perth at 2.00pm on 2 November 2009.

Shareholder Information

As at 31 December 2009, the Company had 19,362 shareholders and 2,709,995,932 ordinary fully paid shares on issue with the top 20 shareholders 2009 holding 55.48% of the total issued capital.

During the reporting period 566,666,667 shares were issued at 15 cents per share following a private placement to institutional investors and 31,286,457 shares were issued at 15 cents per share to eligible shareholders under the Company's second Share Purchase Plan.

Cash Assets

The Company's cash balance at 31 December 2009 was $96 million. These funds will be used to complete the Definitive Feasibility Study of the Mbalam Iron Ore Project and associated resource and reserve definition drilling.

Expenditure

The Pro forma Statement of Consolidated Cash Flows is provided in a separate report.

Don Lewis
Managing Director

About Sundance Resources Limited

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo in central west Africa. Sundance has commenced Definitive Feasibility Study on its Mbalam Iron Ore Project as the basis for developing a global iron ore business.

Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Project and nearby projects in Congo and Gabon.

WA-based Sundance has been listed on the Australian Stock Exchange since 1993 and is also traded on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.

Competent Persons Statement

The information in this release that relates to Exploration Results 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 is a consultant to the Company and 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". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Widenbar is a consultant to the Company and 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". Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The estimated quantity and grade of DSO 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 the Mbarga Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarga, Mbarga South 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. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <10% Al203; Supergene:No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarga South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value for the Mbarga Itabirite hematite is used.

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 20m x 10m x 10m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.

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

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 3-4t/m3 depending on the iron grade. A density of 3.6t/m3 has been used for the majority of the near-surface High Grade Hematite and a value of2.6 t/m3 applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.

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. Three metallurgical test work programs have supported the assay grades and density values of the major mineral types.

The map boundaries shown in the attached figures are indicative and should not be used for legal purposes. All areas are approximate and maps do not reflect all topographical features.

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 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.