ANNUAL REPORT 2015

SUNDANCE RESOURCES LTD

Corporate Directory

Directors:	**Wal King** (Independent Chairman and Non-Executive Director) **Giulio Casello** (Managing Director & Chief Executive Officer) **Barry Eldridge** (Independent Non-Executive Director) **Andrew (Robin) Marshall** (Independent Non-Executive Director) **David Southam** (Independent Non-Executive Director) **Oleg Sheyko** (Non-Executive Director)
Company Secretary:	Alan Rule
ABN:	19 055 719 394
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Auditors:	**Deloitte Touche Tohmatsu** Level 14, Woodside Plaza, 240 St George's Terrace, Perth WA 6000 PO Box A46 Perth WA 6837 T: +61 (8) 9365 7000 F: +61 (8) 9365 7001
Share Registry:	**Computershare Investor Services Pty Ltd** Level 11, 172 St Georges Terrace, Perth WA 6000 GPO Box D182 Perth, WA 6840 T: +61 1300 850 505 (within Australia) +61 (3) 9415 4000 (outside Australia) F: +61 (8) 9323 2033

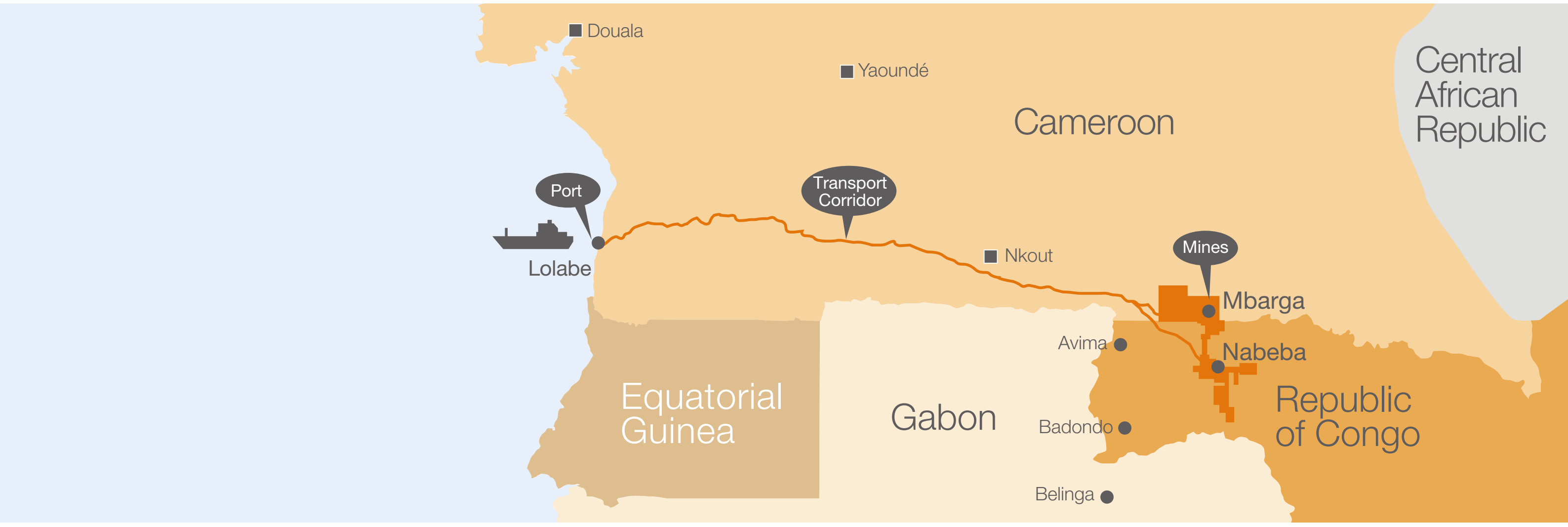
About Sundance and the Mbalam-Nabeba Project

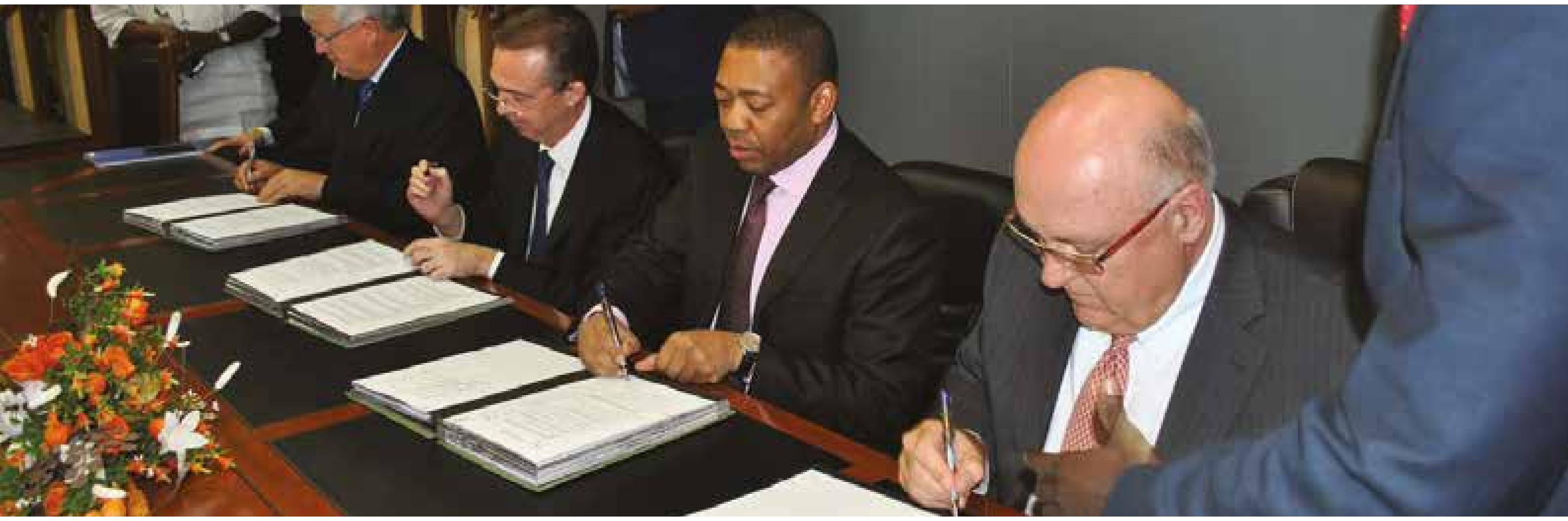
The development of the Mbalam-Nabeba Iron Ore project by Sundance Resources Limited ('**Sundance**' or '**Company**) is at the heart of an emerging world class iron ore project based on a cluster of high grade Hematite and Itabirite iron ore deposits that straddle the border between the Republic of Cameroon and the republic of Congo in Central Africa.

The Mbalam-Nabeba Iron Ore Project:

- Consists of the Mbarga and Nabeba iron ore mines, processing plants and associated infrastructure
- Will produce at least 40Mtpa from the two mines for 30+ years in two stages:
  - **Stage 1:** high-grade hematite direct shipping ore ('**DSO**') for at least 13 years; and
  - **Stage 2:** 66% - 68% concentrate product from Itabirite for further 20+ years
- Will utilise:
  - a new railway (to be constructed) from the Congo, through Cameroon, to the coast with:
    - 540km in Cameroon
    - 40km spur line in Congo; and
    - a deep water iron ore mineral terminal (to be constructed) in Cameroon.

The infrastructure in Cameroon will be funded by the Government of Cameroon and be jointly owned by Cam Iron (2%) and the Government of Cameroon (98%).





Overview of Operations

Transition Agreement: Following extensive consultation with the Cameroon Government prior to and after Cameroon's Prime Minister, Philemon Yang's visit with China's Prime Minister Li Keqiang in China, a Transition Agreement was developed between Cam Iron and the Cameroon Government setting out the key steps, terms, conditions, rights and obligations by which the parties will restructure the Project. The Cameroon Government will build, own and fund the mineral terminal and rail infrastructure for the Mbalam-Nabeba Project leaving Sundance to focus on funding, constructing and operating the mines. The Transition Agreement was signed on 30 June 2015 in Yaoundé, Cameroon and came into effect on 7 July 2015 when all conditions precedent were satisfied.

Assisting the Cameroon Government: Substantial work has also been undertaken throughout the second and third quarters of 2015 to assist the Cameroon Government in running a tender process to appoint a suitably qualified Chinese EPC contractor to build the mineral terminal and railway. Tenders were received July 2015 with a preferred tenderer being selected in September. Detailed contract negotiations are underway at the time of this annual report publication.

Increased Capacity: A new pit to port dynamic simulation model confirmed that the Project name plate capacity can be increased from 35Mtpa to 40Mtpa with the addition of one extra railway passing loop and a simple reconfiguration of the railway "tail end" adjacent to the car dumper at the mineral terminal.

Increased reserves and resources: Sundance reviewed and upgraded both the high grade hematite and itabirite mineral resources contained within the Mbalam deposits in Cameroon and the Nabeba deposits in the Republic of Congo. The Mbalam-Nabeba Project total high grade hematite mineral resources have increased to 805.7 Million tonnes ('Mt') at an Iron grade of 57.3% and the total itabirite hematite mineral resources have increased to 5.6 Billion tonnes ('Bt') at an Iron grade of 33.4%. The increases of the Mineral Resources are as a result of the refinement and finalisation of the geological interpretation and relaxation of chemistry 'cut-off' restraints for itabirite reporting.

Sundance also reviewed and upgraded the high grade ore reserves. The Mbalam-Nabeba Project total high grade hematite ore reserves have increased to 517Mt at an Iron grade of 62.2% with low impurities with Silica at 4.46%, Alumina at 2.80% and Phosphorus at 0.09%. The increases of ore reserves are a result of the increased high grade hematite mineral resources, introduction of 'wet plants' in year 1 of operations for processing of lower grade ores and maximising the blending of DSO with lower grade ores over the full Life of Mine for Stage 1.

Mineral resource and ore reserve estimates for the Project have been classified and reported in accordance with the JORC Code 2012 Edition.

Costs updated: The mining, processing and project implementation sections of the DFS and the DFS capital and operating cost estimates have been updated to reflect the new mining schedule and the increase in system throughput to 40Mtpa. These updates have demonstrated a reduction in the operating costs of the Project.

DUP Project: The main site activities during the year has been the implementation of the Railway Déclaration of Utility Publique (**DUP**). The DUP was declared in 2011 and in November 2014 Sundance, in collaboration with the Government of Cameroon, embarked on a program of field works to implement the DUP. The program of works includes public consultations, cadastral surveys to physically demarcate the railway corridor on the ground; and the preparation of an inventory of populations, properties and cultural and heritage sites that may be affected by the works. The process is being undertaken in accordance with international standards including the Equator Principles III and the International Finance Corporation Performance Standards.

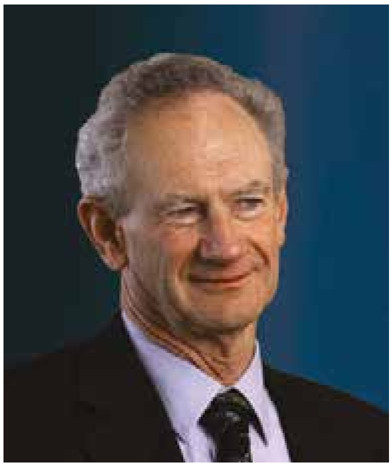
2015 Highlights

Sundance envisages that the Mbalam-Nabeba Project, with its integrated rail and port infrastructure, will become a regional mining production hub, which can assist in unlocking value at other regional assets. Over the financial period, a number of significant highlights and project milestones were realised.

2015 Project Highlights

- Short term iron ore market has created significant headwinds but also presented a significant opportunity in the development of the project
- Project fundamentals strengthened
  - Increase in capacity to 40Mtpa
  - Reduction in operating costs by improved strip ratio
  - High grade hematite ore reserves increased to 517Mt at 62.2% Fe
  - Itaberite resource increased to 5.6Bt at 34% Fe
- Completion of the Transition Agreement which moved the funding and ownership of the port and rail to the Cameroon Government which is seeking sovereign funds from China.
  - EP92 and Mbalam Convention long stop date extended to 24 July 2017
- In principle agreement for the maturity date extension for existing convertible notes
- Clear path to development now exists
- Long term iron ore fundamentals are still robust and support the creation of a new iron ore hub in Central Africa

Chairman's Report



Mr. Wallace (Wal) King – Chairman & Non-Executive Director

After completing 12 months as Chairman of Sundance Resources Limited, my first reflection is that a number of significant accomplishments have been made in spite of very trying economic conditions. This has been driven by our commitment to progressing the project for the benefit of all stakeholders.

The weakness in the iron ore price and general market headwinds that struck in late 2014 created a need for us to reassess our plans for developing the Mbalam-Nabeba Project. More specifically, we had to improve what was already a robust project to ensure it could handle wider price swings, protect our assets in-country and devise a new funding strategy that recognised the shift in the market and reduced the capital burden on the Company accordingly.

During the following nine months, we were successful in achieving all of those things and it is fair to say now that the Project is in the best position it has ever been with a clearly defined forward pathway.

These achievements didn't come overnight; they came as a result of the intimate knowledge of the Project and the relationships with the Cameroon and Congo Governments our people have fostered and developed over a long period of time.

Following the signing of the Transition Agreement in June, responsibility for funding the critical port and rail components of the Project has passed to the Cameroon Government. Recent meetings between Cameroon Prime Minister Philemon Yang and Chinese leaders, President Xi Jinping and Prime Minister Li Keqiang, have instilled confidence in all stakeholders that finance will be arranged and we look forward to further developments on that front in the 2016 financial year.

While the port and rail infrastructure will initially allow for ore to be transported from Sundance's Mbarga mine in Cameroon and its Nabeba mine in Congo to market, it is ultimately expected to open up many more iron ore opportunities in those countries and others nearby.

I would like to welcome Wafin representative, Mr Oleg Sheyko, to the Sundance Board as a non-executive director. Oleg brings 30 years of international management and leadership experience in investment banking and corporate finance to the team and is a valuable addition. Going forward, the Company intends to review the composition of the Board.

I also thank the previous directors that retired at the end of 2014, Mr George Jones, Mr Michael Blakiston and Ms Fiona Harris, for the enormous effort they put in over many years. Additionally, I acknowledge the efforts of our staff in Cameroon, Congo and Perth, many of whom have had to leave the Company as a consequence of cost reduction measures that needed to be taken due to the market downturn.

There is still much to do as Sundance strives to secure the equity and debt funding required to build the two mines. Your Board continues to ensure the activities we undertake and the strategies we set are in the best interest of our shareholders, our people and the countries of Cameroon and Congo. I would like to thank both management and my fellow directors for continuing to make personal sacrifices and working tirelessly to turn our vision of Sundance being a leading global iron ore producer into reality.

Wal King
Chairman & Non-Executive Director

Managing Director's Report

Giulio Casello – CEO & Managing Director

As anyone taking the slightest interest in the global iron ore industry will be aware, the past 12 months have been difficult for all participants. Against this backdrop, however, it has given me great pride that we have not wavered in our commitment to representing shareholders' interests to the best of our ability and seeing our Project through to development.

This has ensured Mbalam-Nabeba has progressed impressively during the year via a number of significant accomplishments. There is no doubt that based on the progress made, the Project is in a better position than ever before and its economic viability through a broad range of iron ore price scenarios has been assured.

Looking back to the start of the 2015 financial year, the benchmark iron ore price was near US$100 a tonne, we had a recently signed an Engineering, Procurement and Construction contract with Mota Engil and our financial advisor, Standard Bank, was optimistic that Mbalam-Nabeba would be funded in the coming 12 months. This support was then reinforced by the injection of $40 million in funding from Wafin Limited.

With the iron ore price dropping to around US$60 a tonne shortly thereafter, it quickly became apparent that achieving financial close was going to be more difficult than anticipated. While there was no concern about the long-term need for iron ore, the price plunge had an immediate impact on market sentiment and in turn Sundance's ability to attract funding.

Given the change in conditions, it became critical to preserve what cash we had in order to allow maximum time to identify alternative ways to fund the Project. In December 2014 we announced a major cost cutting initiative as we reduced salaries and the size of our workforce, leading to an almost 50% reduction in overhead and Project support costs.

At the same time, we needed to ensure the Project was even more robust to withstand the changes in the market. This was achieved by increasing production capacity to 40Mtpa, growing the Project's resource and reserve position and lowering operating costs. These improvements have ensured Mbalam-Nabeba will be cashflow positive even with the low iron prices we are currently seeing.

Arguably one of the most significant events in Sundance's short history came in June this year with the signing of a Transition Agreement transferring the funding and ownership of the port and rail components of the Project to the Cameroon Government. This has left us to focus on funding the twin Mbarga and Nabeba mines, while the Cameroon Government will pursue a sovereign loan from the Government of China to fund the port and rail infrastructure once it has appointed an EPC contractor for that part of the Project.

Importantly, the Transition Agreement has greatly reduced the overall project capex and created an attractive investment opportunity for others to partner in the development of the mines with Sundance. We will continue to work diligently on bedding down funding for the mines into 2016.

Just before publication of this annual report, we were pleased to announce that our most significant investors over the past two years have reconfirmed their support by extending the maturity date of convertible notes from November 2015 to September 2017 while investing further funds to support our working capital needs into 2016. We have also implemented further cost reductions throughout the Company.

There will always be a demand for high quality, low cost iron ore such as that found in abundance at Mbarga and Nabeba and Sundance's ability to withstand changes in the market and maintain our momentum over the past year is largely due to its people. Their commitment, focus on managing and reducing costs, meeting in-country commitments and prioritising the project development plans and goals have positioned the Company to move forward with a high level of confidence.

Giulio Casello
CEO & Managing Director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The directors present their report together with the financial report on the Sundance Consolidated Group, consisting of Sundance Resources Ltd ('**Company**') and the entities that it controlled during the financial year ended 30 June 2015 ('**Sundance**' or '**Group**' or "**Consolidated Entity**'), for the financial year ended 30 June 2015 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year were:

Name & Qualifications	Age	Experience and Special Responsibilities	Other Directorships held in listed companies during the previous 3 years
Mr Wallace (Wal) King Independent Chairman, Non-Executive Director AO, BE, MEngSc, Hon DSc, Hon FIE Aust, CPEng, FAICD, FAIM, FAIB, FTSE	71	Mr King has extensive experience having worked in the construction industry for over 40 years and was Chief Executive Officer of Leighton Holdings Limited from 1987 until his retirement on 31 December 2010. Under his leadership, Leighton grew from an organisation with annual revenue of $1 billion to one of the world's leading contracting, services and project development organisations with revenues of more than $20 billion and substantial operations in Australia, Asia and the Middle East. Director since 30 May 2014 Appointed Chairman on 27 November 2014	Current Directorships: Coca-Cola Amatil Ltd Directorship Ceased within the past three years: Ausdrill Ltd Asia Resources Minerals plc
Mr Giulio Casello Managing Director & Chief Executive Officer B.Eng, ME Mgt, MAICD	56	Mr Casello is a highly experienced executive with national and global exposure in manufacturing environments for blue chip organisations. Backed by 30 years of experience, he has a track record of success with operations, business development and corporate strategy. He has previously worked at Sinosteel Midwest as Chief Operating Officer, Century Aluminium Company in the United States of America where as Senior Vice President Business Development he was responsible for developing and implementing a growth plan in aluminium, alumina and critical raw material and managing new projects across the globe. He has also held a number of significant positions in Alcoa including Director of WA Operations, General Manager of Alcoa's World Chemicals and Location Manager of the Kwinana Alumina Refinery. Director since 8 November 2010	Current Directorships: Nil Directorship Ceased within the past three years: Nil
Mr Barry Eldridge Independent Non-Executive Director B.Sc, BE	69	Mr Eldridge has over 40 years' experience as a geologist and mining engineer in the resource industry both in Australia and overseas. Following a 20 year career in the coal industry in Queensland and New South Wales, Mr Eldridge moved to Western Australia in 1988 where he has been involved in a number of management roles in the mining industry. Most notable of these have been Project Manager for the Super Pit in Kalgoorlie, Project Manager for the development of the Kanowna Belle gold mine, Managing Director of Forrestania Gold NL, Project Director for Rio Tinto's West Angelas iron ore development, Director – Major Projects for North Ltd, Managing Director of Griffin Coal Pty Ltd, Managing Director, Chief Executive Officer of Portman Ltd and Chairman of SNC-Lavalin Australia Pty Ltd. Director since 2 July 2010	Current Directorships: Nil Directorship Ceased within the past three years: Cliffs Natural Resources Inc.
Mr Andrew (Robin) Marshall Independent Non-Executive Director MAICD, I Eng (UK)	68	Mr Marshall is an experienced mining executive with an impressive track record of international experience in positions with several global mining groups including Project Director for Vale Inco at its world-class Goro Nickel Project, Vice-President – Asset Development Projects for BHP Billiton Iron Ore, Project manager for North Limited, Project Director with Iron Ore Company of Canada, Manager Project for Forrestania and Project services for Western Mining Corporation and Nedpac (Signet Engineering). Mr Marshall has also spent a number of years in Africa in senior positions in both project and operational areas. Director since 14 October 2010	Current Directorships: Gindalbie Metals Limited Directorship Ceased within the past three years: Nil

Name & Qualifications	Age	Experience and Special Responsibilities	Other Directorships held in listed companies during the previous 3 years
Mr David Southam Independent Non-Executive Director B.Com, CPA	43	Mr Southam is a Certified Practicing Accountant with more than 20 years' experience in accounting, banking and finance across the resources and industrial sectors. He is currently an Executive Director of listed nickel miner, Western Areas Ltd and has previously been the Chief Financial Officer of Gindalbie Metals Ltd and a Director of Karara Mining Ltd. Mr Southam was responsible for completing one of Australia's largest project financing transactions for 2010 and in securing life of mine off take contracts with consortiums out of China. Mr Southam also spent almost six years with Brambles Industries Limited in a number of finance executive roles, including Chief Financial Officer of Cleanaway Industrial. Director since 11 September 2013	Current Directorships: Western Areas Limited Directorship Ceased within the past three years: Nil
Mr Oleg Sheyko Non-Executive Director BSc (Economics), PhD (Economics), MBA	58	Mr Sheyko has served as Managing Director of Metals Solutions Limited since March 2007. Mr Sheyko has more than 30 years' experience in investment banking with leadership roles in several global financial institutions. He has led cross-border M&A transactions with a total value of more than twenty billion dollars. Mr Sheyko's experience also includes capital management, private company growth management, equity and debt raisings and project finance. Mr Sheyko has significant sector experience including financial institutions, energy, resources and mining, infrastructure and telecoms. Director since 14 May 2015	Current Directorships: Nil Directorship Ceased within the past three years: Nil

Mr George Jones retired as Chairman and Non-Executive Director on 27 November 2014.

Ms Fiona Harris resigned as Non-Executive Director on 1 January 2015.

Mr Michael Blakiston ceased to be a Non-Executive Director on 27 November 2014.

2. COMPANY SECRETARY

Mr Alan Rule joined Sundance as Chief Financial Officer ('**CFO**') in July 2014. On 16 December 2014 Mr Rule was appointed to the combined role of CFO and Company Secretary, following the cost reduction program.

Ms Carol Marinkovich resigned as Company Secretary on 16 December 2014.

3. PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the continued evaluation and de-risking of its Mbalam-Nabeba Iron Ore Project ('**Project**') in the Republic of Cameroon ('**Cameroon**') and the Republic of Congo ('**Congo**'), and the evaluation of various development scenarios for the Project.

There were no significant changes in the nature of the principal activities during the financial year.

4. RESULTS

The operating loss after tax of the Group for the financial year was $78,308,836 (2014: $32,941,511).

5. REVIEW OF OPERATIONS

THE PROJECT

Sundance holds a majority interest in subsidiaries Cam Iron SA ('**Cam Iron**') and Congo Iron SA ('**Congo Iron**') whose principal asset is the Mbalam-Nabeba Iron Ore Project ('**Project**'), which straddles the border of Cameroon and Congo in Central Africa.

Following the completion of the Definitive Feasibility Study ('**DFS**') which was released in 2011, Sundance's focus was on the development of two mines, a new port and the required rail system to transport the ore from the mine to the port at a rate of 35 million tonnes per annum ('**Mtpa**').

The Project now comprises:

- The iron ore mine, processing plant and associated infrastructure to be developed on Exploration Permit 92 ('EP92') held by Cam Iron located in the East Province of Cameroon ('**Mbarga**'); and
- The iron ore mine, processing plant and associated infrastructure to be developed on Mining Permit Nabeba-Bamegod held by Congo Iron in the Sangha Province of the Congo ('**Nabeba**').

The Project's focus is the development of the Mbarga and Nabeba mines and their associated infrastructure at an increased capacity of 40Mtpa of high grade hematite for a life over 13 years and then at least 35Mtpa of a high quality concentrate for at least a further 15 years.

The Mbarga and Nabeba mines plan to utilise a dedicated deep water port terminal at Lolabe in Cameroon and a 540 kilometre rail line dedicated to the transport of iron ore through Cameroon which is to be constructed and owned by the Government of Cameroon.

Following the Cameroon Prime Minister Philemon Yang's recent visit to Beijing, where he met with the Chinese President Xi Jinping and the Chinese Premier Li Keqiang, the Government of Cameroon has expressed its optimism that it will be successful in the financing of the port and rail infrastructure. This has given Sundance a high level of confidence that the Government of Cameroon will be able to achieve sovereign funding on the port and rail which supports the Project and will now focus on funding, constructing and operating the Mbarga and Nabeba mines, process plants and associated infrastructure ('**Mine Infrastructure**') in Cameroon and Congo. With the recently announced increase in High Grade Hematite Reserves and increase in capacity to 40Mtpa, the Project has increased its global competitiveness and will have economics that are robust under a broad range of iron ore price scenarios.

With the progress being made by the Government of Cameroon on the appointment of EPC's and sourcing debt funding for the rail and port infrastructure, Sundance can progress funding discussions with equity and debt providers having only to focus on the Mine Infrastructure whilst demonstrating the Government support that has been given on the port and rail infrastructure.

Additional information as to the progress made during the year is provided below:

Transition Agreement with Government of Cameroon

The Transition Agreement with the Government of Cameroon was signed on 30 June 2015 in Yaounde, Cameroon and came into effect on 7 July 2015 when all conditions precedent were satisfied. This Transition Agreement is between Cam Iron, its subsidiaries, Sundance and the Government of Cameroon setting out the key steps, terms, conditions, rights and obligations by which the parties will restructure the Project. The following key items are included in the Transition Agreement:

- Exploration Permit 92 ('**EP92**') has been extended to 24 July 2017;
- The Mbalam Convention Long Stop Date has been extended to 24 July 2017;
- The Government of Cameroon will own 98% of the port and rail infrastructure entities and in recognition of the capital invested to date by Sundance's subsidiary Cam Iron and the ongoing support that Sundance will provide towards the development of the port and rail infrastructure, Cam Iron will receive a 2% free carried interest in these entities until the date of first commercial production. Cam Iron will not be required to provide any equity or debt funding for the construction of the port and rail infrastructure. After the date of first commercial production, Sundance will retain its 2% interest so long as it contributes its pro-rata share of any equity requirements;
- The Government of Cameroon (or one or more Government Entities appointed by the State), will appoint suitably qualified contractors to:
  - design, construct and commission the port and railway; and
  - undertake the port and the railway Operations,
  - such that the port and railway are designed built and operated in a manner to provide 40Mtpa capacity to Sundance subsidiaries Cam Iron and Congo Iron;
- Cam Iron and Congo Iron will enter into take or pay agreements incorporating a commercial tariff for each tonne transported and loaded using the infrastructure;
- Sundance is required to achieve a financing commitment (credit approved term sheet) for the Mine Infrastructure no later than 9 months (or such later date as agreed) after the Government of Cameroon achieves its financing commitment for the rail and port infrastructure. If this is not achieved within the timeline or any agreed extension, Cam Iron may, at the request of the Government of Cameroon, be required to transfer EP92 to a nominee of the Government of Cameroon for no consideration;
- Sundance will provide technical support to the Government Ministries as requested; and
- Sundance will conclude the work currently being undertaken on the Declaration of Public Utility ('**DUP**').

High Grade Hematite Ore Reserve Increase

On 20 May 2015 Sundance advised that the high-grade Hematite Ore Reserve for Stage One of the Project has increased by 18.5% to 517 million tonnes ('**Mt**') at a grade of 62.2%. This reserve came from an underlying High Grade Mineral Resource of 805.7Mt at a grade of 57.5% Fe announced at the same time as the Ore Reserve.

The increased Ore Reserve over the entire Life of Mine maintains low impurities with Silica at 4.46%, Alumina at 2.80% and Phosphorus at 0.09%.

This increase in Ore Reserves ensures that Stage One maintains a life of over 13 years before moving to concentrate production in Stage Two. The first ten years of production include an average product grade of 63.1% with low impurities (Silica at 3.87%, Alumina at 2.58% and Phosphorous at 0.09%). The quality of this product is comparable to, or better than, most product expected to be produced from the Pilbara in Western Australia.

All Ore Reserve estimates for the Project are classified and reported in accordance with the JORC Code 2012 Edition. The estimate, pit designs and mine schedules for the Project have been produced by Sundance and comprehensively reviewed by AMC Consultants Pty Ltd ('**AMC**'). Ore Reserves are based on the estimated saleable product.

Itabirite Hematite Mineral Resource Increase

On 20 May 2015 Sundance advised that the Itabirite Hematite Mineral Resources for the Project had significantly increased to 5.638 Billion tonnes ('**Bt**') at a grade of 33.4% Fe from the previously announced (26 October 2012) 4.047Bt at a grade of 36.3% Fe.

The Itabirite Resource will ensure that Stage Two of the Project will have a multi-decade life producing an Itabirite product of either a Blast Furnace grade concentrate of 66.6% Fe with low impurities of 3.5% silica and 0.3% alumina or a Direct Reduction grade concentrate of 68% Fe with even lower impurities of 1.8% silica and 0.2% alumina.

Increasing Project capacity from 35Mtpa to 40Mtpa

An engineering review of the Project identified minimal capital cost solutions which would increase the name plate capacity of the mine, rail and port systems to 40Mtpa from the DFS level of 35Mtpa. This increased capacity improves the project economics via a substantial increase in annual revenue and a reduction in operating costs.

The increased ore reserve also allows the Project to maintain its Stage One life over 13 years even with the increased annual production.

Port and Rail Development Process

The Government of Cameroon has commenced a process to select a Chinese Engineering, Procurement and Construction ('**EPC**') contractor for the construction of the port and rail infrastructure. This will support its application for a loan from China and possible other friendly countries to construct the port and rail infrastructure.

Tenders from EPC Contractors for the railway line and port construction have now been received by the Cameroon Government and detailed evaluations of the tenders are now being carried out by an expert committee. It is expected that an MOU with the preferred EPC contractor will be signed with the Government of Cameroon in the September quarter.

Sundance expects it will take approximately 6-12 months for the Government of Cameroon to finalise their financing commitment (credit approved term sheet) for the port and rail infrastructure. It is anticipated that construction will commence before the end of 2016 and, based on previous understanding of the length of construction time for the port and rail, it is expected that first commercial shipment could occur sometime in 2020.

Sundance announced on 6 June 2014 that Mota-Engil Africa had been appointed as the EPC contractor to build the port and rail infrastructure for the Project. With the restructure of the Project and the change of ownership of the infrastructure from Sundance to the Government of Cameroon, it is highly unlikely that the conditions precedent to this contract will be satisfied prior to the end date of 31 December 2015. Sundance will then have no ongoing liabilities with respect to this contract.

Mine Infrastructure Equity and Debt Funding

Sundance has commenced the process to seek funding for the Mine Infrastructure. Given the comments from the Government of Cameroon and the support that the Project is expected to receive from the Chinese Government, Sundance will be concentrating its efforts into China for the Mine Infrastructure equity and debt funding.

Even though the actual draw-down of funds for the construction of the Mine Infrastructure will not be required until sometime after the construction of the port and rail starts due to the shorter construction period, Sundance is planning to achieve its financing commitment (credit approved term sheet) in mid-2016 and financial close to occur before the end of 2016. This is within the time requirement set out in the Transition Agreement to retain EP92 until it is converted into a Mining Permit.

Sundance announced on 6 June 2014 that it had appointed Standard Bank, Africa's largest bank by assets and earnings, to advise on funding and be the lead debt arranger for the Project rail, port and Mine Infrastructure. With the restructure of the Project, the roles of Standard Bank and other advisors are being reviewed.

Sundance will over the coming months re-engage with a number of potential equity investors and present the restructured project and economics. Likely mine equity partners include:

- Chinese steel mills/traders;
- Chinese financial investor with iron and steel connection/background;
- The Government of Cameroon preferred infrastructure EPC contractor; and
- Potential mine EPC contractors.

To facilitate the debt funding required, Sundance will update the Mine Infrastructure engineering to a level required to run a competitive process with Chinese EPC's to select a preferred contractor for construction of the Mine Infrastructure.

Sundance will work with the potential future equity partner and the EPC contractor to source the debt funding requirements from Chinese financial institutions and others as required.

The debt funding is expected to be 70% of the total funding requirement for the Mine Infrastructure with the majority of that coming from import/export financial institutions who will require the sourcing of the majority of the equipment and materials for construction of the Mine Infrastructure to be supplied from China.

Declaration of Public Utility ('DUP')

A DUP was issued by the Government of Cameroon for the entire project railway corridor in 2011. Work commenced during the financial year on implementation of the DUP including public consultation meetings, cadastral surveys and evaluations for compensation and resettlement purposes. The work also includes physical examination and marking of the route on the ground and potential minor adjustments of the alignment to minimise impacts to communities and the environment. It is anticipated that this work will be completed in the second half of 2015.

Government Relations – Republic of Congo

On 24 July 2014, the Government of Congo signed the Nabeba Mining Convention ('**Nabeba Convention**'). The Convention was agreed and signed at a ceremony in the country's capital city of Brazzaville with representatives of Sundance, Congo Iron and the Government of Congo.

Signing of the Nabeba Convention follows the issuing of the Nabeba Mining Permit which was approved by the Ministerial Council for the Congo on 28 December 2012. A Presidential Decree confirming the grant of the mining permit was issued to Congo Iron on 6 February 2013.

The Nabeba Convention outlines the fiscal and legal terms and the conditions to be satisfied by Congo Iron for the development and management of the Nabeba Iron Ore Project.

The key terms of the Nabeba Convention are:

- 25-year operating license effective from the publication of the Mining Permit Decree and renewable for successive terms of up to 15 years, depending on remaining reserves;
- A mining royalty equal to 3% of the mine gate value of the ore extracted from the Mining Permit;
- 5-year corporate tax holiday following start of production. Corporate tax will then be levied at a rate of 7.5% for 5 years and 15% thereafter;
- The Government of Congo will take a 10% stake in Congo Iron, which will be non-dilutory;
- There will be no fees, levies or taxes charged in respect to the export of iron ore. There will be exemptions from import duties and taxes on plant and equipment imported temporarily for project construction and limited import duties and taxes on other mining equipment and consumables throughout the production phase; and
- Congo Iron will make annual contributions to a fund established as an association or non-profit foundation whose purpose is to promote the economic, social and cultural development of local communities that are impacted by the mining operations.

Government Relations - Cameroon

The Mbalam Convention between Cam Iron and the Government of Cameroon was signed on 29 November 2012 which outlined the fiscal and legal terms and the conditions to be satisfied by Cam Iron for the development and management of the Project. Since that time, Sundance's subsidiary Cam Iron has continued to work cooperatively with the Government of Cameroon particularly with the Inter Ministerial Committee and COPIL which are the Government formed committees to work on the Project.

Regular meetings occurred during the year in which both parties monitored the state of the iron ore market and Sundance's/Standard Banks progress on funding. These meetings led to the parties negotiating and signing the Transition Agreement on 30 June 2015.

Sundance will continue to support the Government with its technical expertise as the infrastructure is funded and the Government of Cameroon will continue to support Sundance in the development of the mines which will be required to support the infrastructure loan.

FINANCIAL POSITION

Cash and cash equivalents decreased during the year to $13.7 million at 30 June 2015 from $14.4 million at 30 June 2014.

On 3 September 2014, Sundance announced it had reached an agreement with a new strategic investor regarding a A$40 million investment in the Company via convertible notes and options. Global resources investor Gennadiy Bogolyubov made the investment through his vehicle Wafin Limited ('**Wafin**'), to take up the convertible notes with a conversion price of 10 cents per share.

The key terms are:

- Wafin invested A$40 million via three year zero coupon unsecured convertible notes ('**Wafin Notes**') with a conversion price of 10 cents;
- Wafin also received options over 260 million ordinary shares with an exercise price of 12 cents ('**Wafin Options**'), which expire on the earlier of 60 months from issue or 20 business days after the project's Financial Close or a Change of Control Event. 50 million of these Options were not subject to Shareholder approval and were issued on 23 September 2014 ('**Tranche 1 Options**') but 210 million of these Options were subject to shareholder approval which was received at the Annual General Meeting held on 27 November 2014 ('**Tranche 2 Options**');
- If not converted into Sundance shares, the Wafin Notes are redeemable at maturity for 130% of face value; and
- Wafin will have the right to appoint a representative to the Company's Board if its total shareholding in Sundance exceeds 12.5% of Sundance's total issued share capital. Wafin will also have certain anti-dilution rights, including a right of first refusal and (subject to an ASX waiver) a top-up right where the right of first refusal does not apply.

In December 2014, Sundance reached agreement with Hanlong to extend the maturity date of the $5 million convertible notes to December 2015 and pay of 10% interest semi-annually in arrears.

The consolidated statement of cash flows indicates that expenditure continues to be directed towards development activities on the Project of $24.4 million (2014: $23.0 million) and payments to suppliers and employees $12.5 million (2014: $20.0 million).

The financial position of the Consolidated Entity as at 30 June 2015 remains positive. Net assets of the Consolidated Entity amounted to $160.7 million (30 June 2014: $234.3 million). Mine development assets decreased to $232.0 million (30 June 2014: $254.0 million) due mainly to $47.6 million for port and rail costs written off.

At 30 June 2015, the Consolidated Entity had a net working capital deficiency of $34.2 million due mainly to the convertibles notes with a redemption value totalling $44 million which are due for repayment in November 2015 and $5 million which is repayable on 31 December 2015. Refer to Note 1 – "*Going Concern*" and Note 15 – "*Events Occurring After the Reporting Period*".

The total loss for the period amounted to $78.3 million compared to $32.9 million for the year ended 30 June 2014. Of this total loss, $18.5 million related to non-cash convertible note financing charges (2014: $8.9 million) and $47.6 million for port and rail costs written off.

Total comprehensive income amounted to a loss of $78.2 million (2014: loss $22.8 million) for the year ended 30 June 2015, which includes an exchange gain on translation of foreign operations. This gain amounted to $0.1 million (2014: $10.2 million) and is due to a movement in the Central African CFA francs against the Australian Dollar from 454 at 30 June 2014 to 449 at 30 June 2015.

CORPORATE

Cost Reduction

The Company reviewed the timing of all discretionary expenditures, including exploration and development costs, and wherever necessary these costs have been minimised or deferred to match the Company's cash flow forecast.

On 16 December 2014, Sundance advised that, due to the poor state of the iron ore market, the Company was undertaking a number of cost reduction measures to ensure it appropriately manages its cash position into 2016 whilst retaining the ability to move the Project into production rapidly when market conditions improve.

The actions taken resulted in:

- Reduction in Board size to 5 (from 8 in November 2014);
- 10% salary reduction for senior managers and the Board;
- Salary freeze for all other positions;
- 40% reduction in staff numbers in the Perth office;
- 25% reduction in expatriate numbers in Cameroon and Congo; and
- 80% reduction in contractors.

These initiatives have resulted in an over 50% reduction in overhead and project support costs whilst allowing the continued advancement of the Project.

New Chairman

Mr George Jones retired as the Company's Chairman at the conclusion of the Annual General Meeting on 27 November 2014. Mr Jones was succeeded by Sundance Independent Non-Executive Director Mr Wal King.

Convertible Notes

At 30 June 2015 the Company had the following convertible notes on issue (see Note 5(c) - "*Borrowings*" for full details):

- $20 million note with Noble Resources International Pte Ltd ('**Noble** ') with a redemption value of $20 million due on 4 November 2015;
- $20 million note with a consortium consisting of Senrigan Master Fund ('**Senrigan**') , D. E. Shaw Galvanic International, Inc. ('**DE Shaw**') and BSOF Master Fund L.P. ('**Blackstone**') (together, "**Investor Consortium**") with a redemption value of $24 million due on 4 November 2015;
- $40 million note with Wafin Limited ('**Wafin**') with a redemption value of $52 million due on 23 September 2017; and
- $5 million note with Hanlong (Africa) Mining Ltd ('**Hanlong**') with a redemption value of $5 million due on 31 December 2015.

Subsequent to 30 June 2015, the Company reached agreement with Noble and the Investor Consortium and with approval from Wafin which, subject to, among other things, formal documentation and shareholder approval, will extend the maturity date of the Noble and Investor Consortium convertibles notes to 23 September 2017. Refer to Note 15 – "*Events Occurring After the Reporting Period*" for full details.

MATERIAL BUSINESS RISKS

The material business risks faced by Sundance that are likely to have an effect on the prospects of the Company are considered below:

- Working Capital Funding

  At 30 June 2015, Sundance held cash of $13.7 million. Sundance is not currently in a position to generate income from operations and as such is reliant upon the equity and/or debt markets for additional working capital funding. At 30 June 2015, the Consolidated Entity had a net working capital deficiency of $34.2 million due mainly to the existing convertibles notes with a redemption value totalling $49 million which are due for repayment in November and December 2015. For further details on the convertible notes see Note 5(c) to the financial statements. As set out above, Sundance has reached agreement with Noble and the Investor Consortium regarding the Notes that are due on 4 November 2015 to extend the maturity date to 23 September 2017. Further, Sundance has reached agreement with a consortium consisting of Noble, Senrigan, DE Shaw and Wafin to provide an additional $7 million in working capital funding via a new convertible note. Refer to Note 15 – "*Events Occurring After the Reporting Period*" for full details. This working capital funding is expected to be received in October 2015 after completion of documentation. The Directors believe that at the date of signing these financial statements there are reasonable grounds to believe that the Group will have sufficient funds to meet its obligations as and when they fall due.

- Project Funding

  Sundance will need to raise further capital and/or debt financing in order to advance the development of the Project. Sundance has commenced the process to achieve funding of the Mine Infrastructure by concentrating its efforts into China for the Mine Infrastructure equity and debt funding Sundance is seeking a Chinese equity partner to acquire a significant equity interest in the Mines. The success and the pricing of any such sale of equity in the Mines and/or debt financing will be dependent upon the prevailing market conditions at that time. Failure to secure appropriate funding for the development of the Project will result in a delay or inability to develop the Project, the potential loss of the Project and the impairment of the carrying value of the capitalised Mine Development expenditure related to the Project.

- Commodity Price

  The price of iron ore can be volatile and is affected by numerous factors beyond Sundance's control such as supply and demand dynamics; and changes in global economic conditions. The decision to develop the Project, and the returns to be achieved from it, are dependent upon the future price of iron ore. The current spot iron ore price is at its lowest level since early 2009. The price has reduced by approximately 50% in the last 12 months due mainly to reduced steel demand in China and a significant surge in supply by the iron ore major producers. Sundance expects that iron ore pricing will continue to exhibit volatility on a short term basis however notes that the Project is a mid to longer term project where long term iron ore price forecasts are more favourable than the current spot price and short term outlook.

- Foreign Jurisdiction

  Sundance's operations in Cameroon and Congo, in Central Africa, are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest; tropical diseases; acts of terrorism; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

- Political

  Changes, if any, in mining or investment policies or shifts in political attitude in Cameroon and Congo or elsewhere may adversely affect Sundance operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to: restrictions on production; pricing controls; export controls; currency remittance; income taxes; foreign investment; maintenance of claims; environmental legislation; land use; land claims of local people; water use; mine safety and government and local participation. Failure to comply strictly with applicable laws, regulation and local practices relating to mineral tenure and development could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted.

- Resource/Reserve estimates

  The resources and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. These estimates are currently considered appropriate and have been made in accordance with Joint Ore Reserves Committee ('**JORC**') requirements, however, they may change significantly when additional data becomes available or economic assumptions change.

- Production and other operational risks

  Future operations will be subject to a number of factors that can cause material delays or changes in operating costs for varying lengths of time. These factors include weather conditions and natural disasters, disruption to supply, unexpected technical problems, unanticipated geological conditions, equipment failures, personnel issues, or disruptions of rail and ship loading facilities.

- Litigation

  Sundance may be exposed to risks of litigation which may have a material adverse effect on the financial position of the Group. See Note12.

- Mbalam Convention

  The Government of Cameroon has extended the date to complete the conditions precedent to the Mbalam Convention to 24 July 2017. Failure to achieve the conditions precedent prior to that date will, if no further extension is granted, result in the cessation of the Mbalam Convention which will be considered an event of default as defined in the various convertible note deeds in place which will most likely result in the convertible notes becoming immediately due and payable at their full redemption value. The Mbalam Convention will, pursuant to the Transition Agreement signed on 30 June 2015, be renegotiated as part of the restructure of the Project.

- Exploration Permit 92 ('EP92')

  This is the permit held by Cam Iron located in Cameroon that contains the Mbalam deposit. EP92 expires on 24 July 2017. Sundance is required to achieve a financing commitment (credit approved term sheet) for the Mine Infrastructure no later than 9 months (or such later date as agreed) after the Government of Cameroon achieves its financing commitment for the rail and port infrastructure. If this is not achieved within the timeline or any agreed extension, Cam Iron may, at the request of the Government of Cameroon, be required to transfer EP92 to a nominee of the Government of Cameroon for no consideration.

BUSINESS STRATEGY

Sundance's business strategy is founded on enhancing shareholder value by developing the Project.

The achievements of the past mean that many of the pre-requisites required to obtain project funding either by Sundance or the Government of Cameroon and proceed to project construction are largely in place.

The key objectives achieved to date are:

- Published Definitive Feasibility Study ('**DFS**');
- JORC compliant reserves for Phase 1 and resources for Phase 2;
- Cameroon Convention signed;
- Transition Agreement signed with Government of Cameroon;
- Congo Convention signed;
- Environmental approvals received in-country;
- Off take agreement signed with Noble Resources; and
- Granting of the DUP completed.

The current state of the iron ore market has had a substantial impact on the industry generally, and has impacted the industry's ability to finance both advanced high quality iron ore development projects and all green field iron ore projects. Even though the completion date of Project funding is uncertain in the short term, Sundance continues to have confidence in the development of the Project and the longer term outlook of iron ore despite the current low spot price for iron ore because the Project is a low cost, high quality iron ore project which will be required to support the growth of global steel demand into the future.

Key business strategies to fund the Project through the current iron ore market issues that have completed or are in progress include:

- Further improve Project Economics:

  The following improvements have improved the economics and financeability of the Project.

  - 40Mtpa Capacity

    The infrastructure system capability has now been confirmed to be able to handle 40Mtpa with no material capital changes which has enhanced the Project cash flows.

  - Reserve Increase

    In May 2015, Sundance announced an increased JORC reserve of 516Mt for the Project.

  - Operating Cost Decrease

    With the increased production rate of 40Mtpa, fixed costs for the project operation can be spread over greater tonnes with an expected decrease in cash operating costs for the Project.

- Separate funding of the Rail and Port Infrastructure

  The infrastructure of the Project provides a major advantage in a new iron ore region in Central Africa.

  Government of Cameroon is working with Chinese debt providers to fund the rail and port infrastructure which will be owned by the Government of Cameroon. This involves the appointment of a Chinese EPC contractor to build the rail and port infrastructure.

- Mine Infrastructure funding

  Now that progress has been made by the Government of Cameroon on funding the rail and port infrastructure, Sundance will commence the process for the equity and debt funding for the construction of the two mines (Mbalam and Nabeba).

- **Hanlong (Africa) Mining Investment Limited ('Hanlong') shares in Sundance**

  Sundance will work with China Development Bank ('CBD'), who currently hold security over the shares that Hanlong owns in Sundance, to transfer the shares to an appropriate owner that may be a strategic Chinese State Owned Entity.

- **Conservation of Cash**

  Sundance announced a number of cost reduction measures in December 2014. As the completion date of the project funding is uncertain, Sundance has strategies in place to ensure the Company remains cash positive into 2016.

DETAILS OF MINING AND EXPLORATION TENEMENTS

The Company, through its subsidiary companies, held the following exploration/mineral research permits and mining tenements at 30 June 2015:

Country	Area	Permit	Holder
Republic of Cameroon	Mbalam	Exploration Permit No. 92	Cam Iron SA (i,iii,v)
Republic of Congo	Nabeba-Bamegod	Decree No.2013-45	Congo Iron SA (ii,iv,v)
Republic of Congo	Ibanga	Decree No. 2013-405	Congo Iron SA (ii,iv,v,vi)

(i) Cam Iron holds 100% interest; Cam Iron is a 90%-owned subsidiary of Sundance.
(ii) Congo Iron holds 100% interest; Congo Iron is an 85%-owned subsidiary of Sundance.
(iii) Under the key terms of the Mbalam Convention the Government of Cameroon has a right to a 10% free carry interest in the project companies pursuant to the Cameroon Mining Code and an additional 5% interest where the equity requirements can be loaned to the State and then repaid with interest out of dividends.
(iv) The Government of Congo has a right to a 10% interest in Congo Iron pursuant to the Congo Mining Code
(v) Should both Governments exercise their rights for an interest in Cam Iron and Congo Iron then Sundance's interest would reduce to 76.5%
(vi) This permit expired in August 2015. Congo Iron made application for a replacement permit covering only part of the Ibanga permit area containing the most prospective area in August 2015.

6. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the Directors at the directors' meetings and of members at the meetings of the committees of the Company during the financial year were:

Columns A = Number of meetings attended

Columns B = Number of meetings held while the Director held office

Bolding of the number of meetings attended denotes the Chairman of the Board or Board Committee.

Director	Directors' Meetings		Audit & Risk Management Committee Meetings		Nomination & Remuneration Committee Meetings*		Project Development Oversight Committee Meetings		Finance Committee Meetings	
	A	B	A	B	A	B			A	B
Mr W King(i)	14	15			3	3	4	4		
Mr G Casello	15	15					4	4	5	5
Mr B Eldridge(ii)	15	15	1	1			4	4		
Mr A Marshall	15	15	3	3	3	3	4	4	5	5
Mr D Southam	14	15	3	3	2	2				
Mr O Sheyko(iii)	1	2							5	5
Mr G Jones(iv)	6	6								
Mr M Blakiston(v)	5	6	2	2						
Ms F Harris(vi)	7	7	2	2	3	3				

(i) Mr King was appointed Chairman on 27 November 2014.
(ii) Mr Eldridge was appointed to the Audit and Risk Management Committee on 27 November 2014.
(iii) Mr O Sheyko was appointed director on 8 May 2015, he attended three Finance Committee meetings as an invitee prior to being appointed director.
(iv) Mr G Jones resigned on 27 November 2014.
(v) Mr M Blakiston ceased as a director on 27 November 2014.
(vi) Ms F Harris resigned on 1 January 2015.

In addition to the above meetings, a number of matters were dealt with by way of circular resolution during the year.

*The nomination and Remuneration Committee ceased in December 2014.

7. STATE OF AFFAIRS

The following significant changes in the state of affairs of the Group occurred during the financial year:

- On 3 September 2014, Sundance announced it had reached an agreement with a new strategic investor regarding a A$40 million investment in the Company via convertible notes and options. Global resources investor Gennadiy Bogolyubov made the investment through his vehicle Wafin, to take up the convertible notes with a conversion price of 10 cents per share.
- The Transition Agreement with the Government of Cameroon was signed on 30 June 2015 in Yaounde, Cameroon and came into effect on 7 July 2015 when all conditions precedent were satisfied. This Transition Agreement is between Cam Iron, its subsidiaries, Sundance and the Government of Cameroon setting out the key steps, terms, conditions, rights and obligations by which the parties will restructure the Project. Further details are set out in the Directors Report.

Other than the above, there was no significant change in the state of affairs of the Group during the financial year.

8. LIKELY DEVELOPMENTS

The Group will explore and evaluate development alternatives for the Project in Cameroon and Congo as discussed in section 5 Review of Operations.

9. ENVIRONMENTAL REGULATION

The Group's operations are subject to environmental regulations under Cameroon and Congo legislation.

Cam Iron received environmental approval to progress the Project on 25 June 2010 with the receipt of a Certificate of Conformity from the Ministry of Environment and Nature Protection ('**MINEP**'). This approval was unconditional but upgrades to the Environmental and Social Assessment ('**ESA**') documentation were required to be completed prior to the commencement of operations. The ESA has been assessed by the Government of Cameroon and Certificate of Environmental Conformity has been re-issued to Cam Iron on 5 August 2014.

The baseline study programme for Congo Iron's Nabeba Permit ESA was conducted in early 2011. The ESA documentation was first submitted on 24 January 2012 to the Ministry for Sustainable Development, Forest Economy and the Environment ('**MDDEFE**') and presented to the public. The ESA was reviewed by the MDDEFE and additional amendments to the ESA were requested. The revised ESA was re-submitted on 15 May 2012 and was then followed up with a project site visit from members of the MDDEFE on 10 June 2012. On 13 August 2012 a letter from the Chairman of the Inter-Ministerial Commission was received stating that the working group is satisfied with the amended terms of reference and the ESA has been accepted in its final form. The Certificate of Environmental Conformity was received from the Minister of the Environment in September 2012 and reissued in June 2013.

10. DIVIDENDS

In respect of the year ended 30 June 2015, no dividends have been paid or proposed (2014: nil).

11. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Since the end of the financial year:

- On 7 July 2015, Sundance satisfied all the conditions precedent to the Transition Agreement;
- On 30 September 2015, Sundance announced that the Company had signed a term sheet with existing convertible noteholders consisting of Noble, Senrigan, DE Shaw and Wafin ('**2015 Investor Group**') to invest a further $7 million into the Company through a subscription for new convertible notes. The key terms of the 2015 Investor Group Notes agreed at this stage are as follows:
    - 70,000 convertible notes with a face value of $100 per note;
    - They will be secured, rank pari passu with all other existing and future secured and unsubordinated convertible notes and mature on 23 September 2017;
    - No interest is payable;
    - At a noteholders election they may be converted into Sundance shares at a conversion price of $0.016 which, if all of the 2015 Investor Group Notes were converted, would result in 437,500,000 Sundance shares being issued; and
    - If they are not converted prior to the maturity date, they must be redeemed by the Company at 120% of face value.

The 2015 Investor Group Notes will be issued under the Company's 15% placement capacity. The Company and the 2015 Investor Group are currently finalising detailed agreements which are expected to be signed by 16 October 2015 with the funds to be received and the notes issued within 3 business days of signing the detailed agreements. Completion of the issue of the 2015 Investor Group convertible notes will be subject to what the Company considers to be standard completion conditions.

- On 30 September 2015, Sundance announced that in principle agreement has been reached with Noble, the Investor Consortium and Wafin to extend the maturity date of the Noble and Investor Consortium convertible notes that are due for repayment on 4 November 2015 to 23 September 2017.

  The other key terms that will apply for each of the Noble, Investor Consortium and Wafin agreements are:

  - The notes will be secured;
  - No interest is payable on the notes;
  - The notes may be converted into Sundance shares at a conversion price of $0.06. If the notes are not converted prior to the maturity date, they must be redeemed by the Company at 120% of face value;
  - The options are exercisable at $0.07 per option and expire on the earlier of 5pm (WST) on 23 September 2019 or the date which is 40 business days after the Company achieves Financial Close or when a Change of Control event occurs.

  The Company together with Noble, Investor Consortium and Wafin are currently finalising detailed agreements which are expected to be signed by no later than 16 October 2015.

  These agreements to extend the maturity dates of the Noble and Investor Consortium convertible notes will be subject to, among other things, shareholder approval. Sundance will seek approval from shareholders at the AGM to be held on 30 November 2015 and will apply to ASX for a waiver from Listing Rule 6.23.3 to the extent necessary.

  In order to facilitate the timing of all approvals required, including the Sundance AGM, both Noble and the Investor Consortium have agreed to extend the maturity date of their existing notes from 4 November 2015 to 1 December 2015.

- On 30 September 2015, Sundance announced that the Board and Management of Sundance have undertaken further steps to minimise cash spend. A number of significant cost reductions in head office and in country will be implemented from early October including reduction of salary for Board members and employees and some additional redundancies. It is expected that the quarterly cash spend will be approximately $4.6 million for each of the December 2015 and March 2016 quarters.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

REMUNERATION REPORT

12. REMUNERATION REPORT OVERVIEW

The remuneration report, which forms part of the Directors' report, sets out information about the remuneration of Key Management Personnel ('**KMP**') of the Company for the financial year ended 30 June 2015.

CONTENTS

Section	What it covers	Audit & Risk Management Committee Meetings
12.1	Nomination & Remuneration Committee	The Nomination and Remuneration Committee, composition and activities
12.2	KMP details	Shows the individuals comprising the KMP
12.3	Remuneration Policy	Describes the key principles that underpin the Company's remuneration strategy and how the outcomes for KMP are determined, including the use of external remuneration consultants
12.4	Relationship between Remuneration Policy and Company Performance	Describes the structure of at risk remuneration (Short and Long Term Incentive plans) and explains how it relates to Company performance
12.5	Remuneration of KMP	Details total remuneration for KMP in 2015 and 2014, pursuant to legislative and accounting requirements
12.6	Short Term Incentive ('STI') Payments	Outlines the Key Performance Indicators ('**KPI**'), assessment process and outcomes of the 2014 calendar year STI payments
12.7	Long Term Incentives ('LTI') and Share Based Payments	Outlines the terms, performance conditions, assessment, valuations of grants and KMP interests in LTI Plans and other share based payments
12.8	Key terms of KMP agreements	Summarises key contract terms for KMP
12.9	KMP Share Holdings	Lists the fully paid ordinary share holdings and net changes in those holdings through the period

12.1 NOMINATION AND REMUNERATION COMMITTEE, COMPOSITION AND ACTIVITIES

The Nomination and Remuneration Committee ('**NRC**') was in place to assist the Board in nomination and remuneration related matters. The NRC operated until 16 December 2014 when it was put on hold and since then all matters previously handled by the NRC are now dealt with by the full Board.

The members of the NRC from 1 July 2014 to 16 December 2014 were:

- Mr Wal King (Chairman);
- Ms Fiona Harris;
- Mr Andrew (Robin) Marshall; and
- Mr David Southam.

Mr King and Mr Southam were appointed to the NRC on 2 July 2014.

The NRC operated under a Board-approved charter. A copy of the charter is available under the Corporate Governance section of the Sundance website.

The NRC is mindful of the position of the Company and regularly reviews policies and practices to ensure the Company continues to have the most appropriate remuneration systems in place to support our vision to become a leading global iron ore producer.

Significant matters to note for the 2015 Financial Year remuneration are:

- All KMP and other senior managers agreed to a 10% pay cut effective from 1 January 2015;
- 2014 calendar year STI payments were made to eligible staff in ordinary shares except that the CEO's grant of STI shares remains outstanding as it is subject to shareholder approval;
- No STI performance objectives set as no STI's will be issued for the 2015 calendar year;
- No LTI performance objectives set as no LTI's will be issued for the 2015 calendar year;
- All Non-Executive Directors agreed to a 10% fee cut effective from 1 January 2015, and there have been no fee increases for any Non-Executive Directors during their respective tenures; and
- There were no share based remuneration grants to Directors in the reporting period.

12.2 KMP DETAILS

The following persons acted as KMP of the Company during and since the end of the reporting period.

Non-Executive Directors

Wal King	Independent Non-Executive Chairman *(appointed Chairman 27 November 2014)*
Barry Eldridge	Independent Non-Executive Director
Andrew (Robin) Marshall	Independent Non-Executive Director
David Southam	Independent Non-Executive Director
Oleg Sheyko	Non-Executive Director *(appointed 14 May 2015)*
George Jones	Independent Non-Executive Chairman *(resigned 27 November 2014)*
Michael Blakiston	Independent Non-Executive Director *(ceased 27 November 2014)*
Fiona Harris	Independent Non-Executive Director *(resigned 1 January 2015)*

Executive Director

Giulio Casello	Managing Director & Chief Executive Officer ('MD/CEO')

Other KMP

David Meehan	Chief Operating Officer & Project Director
Alan Rule	Chief Financial Officer *(commenced 1 July 2014)* and appointed Company Secretary 16 December 2014
Robin Longley	General Manager – Geology *(resigned 24 April 2015)*

With the exception of Mr Longley, who was engaged under consultancy arrangements, all executive KMP are employed under contracts of employment on a full time basis.

12.3 REMUNERATION POLICY

The Board has adopted a Remuneration Policy to ensure that its remuneration practices enable the Company to:

- Provide reasonable remuneration to employees for the services they provide to the Company;
- Attract and retain employees with the skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Company and its stakeholders;
- Provide an appropriate level of transparency and meet all ASX and ASIC requirements; and
- Ensure a level of equity, consistency and transparency across the Company.

The Board is responsible for reviewing remuneration arrangements within the Company. The Board assesses the appropriateness of the nature and amount of emoluments of KMP on an annual basis.

The Remuneration Policy can be found on the Company Website and is reviewed annually by the Board.

Non-Executive Directors

The overall level of annual Non-Executive Director fees is approved by shareholders in accordance with the requirements of the Company's Constitution and the Corporations Act. The Board decides on actual fees to be received by individual Directors within the quantum approved by shareholders. In accordance with the resolution passed at the Company's annual general meeting on 24 November 2010, the maximum aggregate Directors' fees payable to all of the Company's Non-Executive Directors remains fixed at $1,000,000 per annum (this fee pool includes superannuation entitlements).

In setting the fees, the Board has regard to the rates payable by ASX listed entities of similar size, Director skills and expertise, the circumstances of the Company and the actual and expected workloads of the Directors.

Non-Executive Directors are remunerated by way of fees paid; including fees paid in recognition of acting as Chair on Board committees, superannuation and, in certain circumstances, by way of shareholder approved equity issues. Issues of equity to Non-Executive Directors will only occur where the Board believes it is in the best interests of the Company to do so, in particular where such issues may reduce the amount of cash remuneration otherwise required to be paid to attract the appropriate calibre of Directors, or in recognition of exceptional workload or circumstances.

All Non-Executive Directors agreed to a 10% fee cut effective from 1 January 2015. The number of Non-Executive Directors reduced from 8 to 5 during the year.

Employees (including executive KMP)

The Company aims to align remuneration, including executive KMP, with that of other comparable ASX listed entities for roles at all levels of the Company. Remuneration comprises both fixed remuneration and performance based (at risk) remuneration.

The proportion of an employee's total remuneration that is at risk increases with the seniority of the role and with the individual's ability to impact the performance of the Company. At risk elements of total remuneration for KMP may comprise both short term incentives as a reward for achievement of specific objectives during the calendar year and long term incentives that align medium and long term shareholder interests.

Fixed Remuneration (base salary and superannuation)

Fixed remuneration is set having regard to the levels paid in comparable ASX listed entities at the time of recruitment, Company position and performance and the individual's experience or specialist skills and market demand for particular roles. Consideration is given to the overall total remuneration package of the employee when setting the remuneration package.

A review of fixed salary is conducted on an annual basis. Any increases in fixed salary are based on market movements, growth in role, Company position and performance (including capacity to pay), remuneration history and individual performance.

All KMP's agreed to a 10% TFR effective from 1 January 2015.

Performance Based (at Risk) Remuneration

In addition to fixed remuneration employees may be entitled to performance based remuneration which is paid to reward achievement of corporate and individual objectives. The level at which performance based remuneration is set is based on independent market surveys and analysis supported by information gathered from a number of consulting organisations about other ASX listed entities of similar size, nature and industry.

Performance based remuneration is initially determined by assessing performance against the achievement of predetermined KPI's and challenging objectives. The outcomes of the formula calculation are capped as a percentage of the relevant employee's base remuneration, dependant on level of seniority and direct influence on the Company's performance, and are reviewed by the Board to guard against anomalous or inequitable outcomes.

Use of Remuneration Consultants

Where necessary and appropriate, the NRC and Board seeks and considers advice from independent remuneration consultants. Remuneration consultants are engaged by and report directly to the NRC and Board.

During the reporting period no remuneration consultants were used.

12.4 RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

Performance based remuneration aims to align remuneration with the Company's performance and attainment of strategic objectives. Performance based remuneration may comprise both short term (annual) and long term (3-4 year) incentives.

Short Term Incentive ('STI') Plan

The purpose of this plan is to:

- Drive achievement of the stated objectives of Sundance and its subsidiaries;
- Drive a culture of 'delivering outputs' as a team and also as an individual;
- Motivate employees to contribute to the best of their capabilities by recognising and rewarding high individual and group contributions towards the organisation's objectives via a mix of individual and corporate objectives, and
- To attract and retain the right people.

The maximum remuneration opportunity provided by the STI plan is based on a percentage of annual salary and is pre-determined.

The level of STI ultimately paid is determined based on meeting both corporate and individual objectives against the pre-determined KPI's, comprising both financial and non-financial indicators.

The Company assesses the achievement of both Company and individual KPI's on a calendar year basis (January to December). Corporate achievements are assessed by the NRC and submitted for Board approval. Individual performance is determined during the annual performance appraisal process. All these measures are taken into account when determining the amount, if any, to be paid to KMP as a short term incentive. Short term incentives are only used when they support and are consistent with the Company's long term goals. For the 2015 calendar year no STI has been agreed by the Board.

Long Term Incentive ('LTI') Plan

The purpose of the LTI plan is to provide an appropriate incentive to eligible persons to deliver the medium and longer term development and success of the Company, and to align the interests of KMP with the interests of shareholders. It also aims at attracting and retaining key employees, including executive KMP.

LTI's are available by invitation to senior, or specifically targeted, staff and consultants/contractors where there is a clear intention of long term engagement with the Company.

Eligible persons, including KMP, are granted performance rights to a specified dollar value at the beginning of each LTI plan grant period. The remuneration opportunity provided by the LTI plan is based on a percentage of the annual fixed remuneration at the time of the grant. Rights are issued at the Volume Weighted Average Price ('VWAP') over the last thirty days leading up to January 1 of any issue year. Under the plan, participants are granted performance rights which only vest if certain performance conditions are met and they are employed by the Company at the measurement date.

Each performance condition is chosen to correlate directly to the Company's medium and longer term interests and success of the Project, the Company, and shareholders' best interests. Performance conditions typically spread over a 4-year period. These performance conditions are then submitted to the Board for consideration and approval.

Performance conditions are set with quantifiable and measurable outcomes, which can then be objectively assessed against supporting information and evidence of achievement. Progress toward, and achievement of, performance conditions is assessed by the MD/CEO and reviewed by the NRC and Board. The Board will then determine the level of achievement for each performance condition, seeking information where needed from the NRC, the Executive Committee, other Managers or sources.

Further detail of awards made under the LTI Plan is set out in Section 12.7 of this report.

For the 2015 calendar year no LTI performance conditions have been set by the Board and no performance rights have been granted.

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2015.

	30 June 2015 $	30 June 2014 $	30 June 2013 $	30 June 2012 $	30 June 2011 $
Revenue[(i)]	4,936,478	726,951	1,771,966	2,539,818	2,888,359
Net loss before tax	(78,308,836)	(32,941,511)	(31,641,559)	(25,308,131)	(21,738,100)
Net loss after tax	(78,308,836)	(32,941,511)	(31,641,559)	(25,308,131)	(21,738,100)
	$/share	$/share	$/share	$/share	$/share
Share price at start of year	0.08	0.07	0.35	0.34	0.13
Share price at end of year	0.02	0.08	0.07	0.35	0.34
	cents/share	cents/share	cents/share	cents/share	cents/share
Basic earnings per share	(2.53)	(1.01)	(0.95)	(0.79)	(0.74)

(i) Revenue includes material fair value gains on convertible notes.

Company performance

The Company considers it appropriate to review Company performance in its progress to financial close for the Project. Over the reporting period significant events occurred to that end, including:

- Increase in Resources and Reserves;
- Increase in Project capacity to 40Mtpa;
- Transition Agreement signed which included extension of EP92 and the Convention long stop date to 2017;
- Raising $40 million via the Wafin Convertible Note; and
- Congo Convention signed July 2014.

12.5 REMUNERATION OF KMP

2015 FY	Short-term benefits: Salary & Fees (i)	Short-term benefits: STI Payment (ii)	Short-term benefits: Other (iii)	Post-employment benefits: Superannuation	Total cash based remuneration	Share Based Payments: STI (ii)	Share Based Payments: Performance Rights (iv)	Share Based Payments: Total Share Based Payments	Total Remuneration (vi)	% of Compensation for the year consisting of share based payments
	$	$	$	$	$	$	$	$	$	
Non-Executive Directors										
Mr W King	165,080	-	-	15,145	180,225	-	-	-	180,225	0%
Mr B Eldridge	78,082	-	-	7,418	85,500	-	-	-	85,500	0%
Mr A Marshall	85,959	-	-	8,166	94,125	-	-	-	94,125	0%
Ms D Southam	84,247	-	-	8,003	92,250	-	-	-	92,250	0%
Mr O Sheyko*	10,669	-	-	-	10,669	-	-	-	10,669	0%
Mr G Jones*	92,174	-	-	7,826	100,000	-	-	-	100,000	0%
Mr M Blakiston*	34,247	-	-	3,253	37,500	-	-	-	37,500	0%
Ms F Harris*	47,945	-	-	4,555	52,500	-	-	-	52,500	0%
Executive Director										
Mr G Casello	626,483	-	-	21,892	648,375	-	7,348 (v)	7,348	655,723	1%
Other KMP										
Mr A Rule	458,592	-	-	18,783	477,375	28,590	25,071 (vii)	53,661	531,036	10%
Mr D Meehan	610,453	-	36,500	18,783	665,736	76,710	126,555	203,265	869,001	23%
Mr R Longley*	348,300	-	-	-	348,300	52,710	(136,987)	(84,277)	264,023	(32%)
	2,642,231	**-**	**36,500**	**113,824**	**2,792,555**	**158,010**	**21,987**	**179,997**	**2,972,552**	

* Part year only

(i) Includes statutory leave for Executive Director and other KMP. Non-Executive Directors do not receive leave entitlements.

(ii) 100% have vested during the period. Further detail on STI awards are covered in section 12.6.

(iii) Other includes accommodation costs for Mr Meehan.

(iv) Performance Rights- Further details of performance right grants are provided in Section 12.7.

(v) Mr Casello's performance rights were those approved by Shareholders on 27 November 2014, 40% have lapsed during the period and 60% have not yet vested at the date of this report .

(vi) No Director or Executive appointed during the current or previous period received a cash payment as part of their consideration for agreeing to hold the position.

(vii) Mr Rule's performance rights were issued under LTI and Retention plans. 14% have lapsed during the period and 86% have not yet vested at the date of this report.

2014 FY	Short-term benefits Salary & Fees (i) $	STI Payment (ii) $	Other (iii) $	Post-employment benefits Superannuation $	Total cash based remuneration $	Share Based Payments STI (ii) $	Performance Rights (iv) $	Total Share Based Payments $	Total Remuneration (vi) $	% of Compensation for the year consisting of share based payments
Non-Executive Directors										
Mr G Jones	222,225	-	6,766	17,775	246,766	-	-	-	246,766	0%
Mr M Blakiston	82,380	-	-	7,620	90,000	-	-	-	90,000	0%
Mr B Eldridge	96,110	-	-	8,890	105,000	-	-	-	105,000	0%
Ms F Harris	96,110	-	-	8,890	105,000	-	-	-	105,000	0%
Mr W King*	9,575	-	-	886	10,461	-	-	-	10,461	0%
Mr A Marshall	96,110	-	-	8,890	105,000	-	-	-	105,000	0%
Mr D Southam*	66,316	-	-	6,134	72,450	-	-	-	72,450	0%
Executive Director										
Mr G Casello	657,500	-	6,766	25,000	689,266	-	117,997	117,997 (v)	807,263	15%
Other KMP										
Mr R Longley	450,000	-	6,766	-	456,766	49,188	177,689	226,877 (vii)	683,643	33%
Mr D Meehan	638,775	-	106,834	25,000	770,609	66,100	254,550	320,650 (viii)	1,091,259	29%
	2,415,101	**-**	**127,132**	**109,085**	**2,651,318**	**115,288**	**550,236**	**665,524**	**3,316,842**	

* Part year only

(i) Includes statutory leave for Executive Director and other KMP. Non-Executive Directors do not receive leave entitlements.

(ii) Further detail on STI awards are covered in section 12.6.

(iii) Other includes car parking facilities, accommodation costs for Mr Meehan.

(iv) Performance Rights- Further details of performance right grants are provided in Section 12.7.

(v) Mr Casello's performance rights were those approved by Shareholders on 24 November 2010, all of which are vested at the date of this report.

(vi) No Director or Executive appointed during the current or previous period received a cash payment as part of their consideration for agreeing to hold the position

(vii) 25% of Mr Longley's performance rights lapsed during the period and 75% have not vested at the date of this report.

(viii) 25% of Mr Meehan's performance rights lapsed during the period and 75% have not vested at the date of this report.

12.6 SHORT TERM INCENTIVE ('STI') PAYMENTS

2014 Calendar Year STI Payments

Board approved STI payments were made in January 2015 based on the achievement of individual and Corporate KPI's as stated for the 2014 calendar year.

The 2014 Corporate KPI's were derived from the following areas:

- In country Project Approvals;
- Corporate Agreements;
- Project activities and progress; and
- Health, Safety, Environment, Community and Security.

The NRC assessed the extent to which the Corporate KPI's were met for the year in December 2014 and recommended to the Board that an average of 60% of the STI awards be granted; resulting in the forfeiture of 40% of the potential incentive awards attributed to Corporate KPI's. All 2014 STI payments were made in ordinary fully paid shares, unless indicated otherwise.

The MD/CEO was eligible for an STI award in the 2014 calendar year. The STI grant requires shareholder approval before they can be issued.

The MD/CEO along with the NRC reviewed the individual performance of all other KMP's.

Details of the payment values and resulting share issues to KMP for the 2014 calendar year STIs are provided below:

2014 Calendar Year (paid in Jan 2015)	Potential Variable Remuneration STI (% of base salary)	Maximum Potential STI $	% of maximum STI paid	Fair Value $	Shares issued #	% of maximum STI forfeited
Mr G Casello (i)	25%	164,375	Pending	Pending	Pending	Pending
Mr A Rule (ii)	20%	48,371	66%	28,590	1,191,242	34%
Mr D Meehan	20%	129,200	66%	76,710	3,196,254	34%
M R Longley	20%	90,000	65%	52,710	2,196,269	35%

(i) STI award for Mr Casello is pending shareholder approval and therefore the shares have not yet been issued

(ii) Pro Rata payment for 2014 tenure

2013 Calendar Year STI Payments

Board approved STI payments were made in January 2014 based on the achievement of individual and Corporate KPI's as stated for the 2013 calendar year.

The 2013 Corporate KPI's were derived from the following areas:

- In country Project Approvals;
- Partnerships;
- Asset and tenement maintenance;
- Project activities and progress;
- Health, Safety, Environment, Community and Security; and
- Company cash position

The NRC assessed the extent to which the Corporate KPI's were met for the year in December 2013 and recommended to the Board that an average of 41.9% of the STI awards be granted; resulting in the forfeiture of 58.1% of the potential incentive awards attributed to Corporate KPI's. All 2013 STI payments were made in ordinary fully paid shares, unless indicated otherwise.

The MD/CEO voluntarily decided to forgo his 2013 STI payment.

The MD/CEO along with the NRC reviewed the individual performance of all other KMP.

Details of the payment values and resulting share issues to KMP for the 2013 calendar year STIs are provided below:

2013 Calendar Year (paid in Jan 2014)	Potential Variable Remuneration STI (% of base salary)	Maximum Potential STI $	% of maximum STI paid	Fair Value $	Shares issued #	% of maximum STI forfeited
Mr G Casello (i)	25%	164,375	0%	No payment	No payment	100%
Mr R Longley	20%	90,000	57%	49,188	512,370	43%
Mr D Meehan	20%	129,200	53%	66,100	689,024	47%

(i) Mr Casello voluntarily decided to forgo his 2013 STI payment

12.7 LONG TERM INCENTIVES AND SHARE BASED PAYMENTS

The following share based payments have been made to KMP during the 2015 financial year:

- Performance rights granted as part of the previous 2014 LTI plan, pursuant to the Performance Rights Plan and;
- Performance rights under a retention agreement to one KMP

Performance Rights Plan ('PRP')

The Company's Performance Rights Plan ('PRP') was approved by Shareholders at the AGM on 29 November 2013. The PRP can be found in full on the Company website www.sundanceresources.com.au.

Under the PRP, Performance Rights may be offered to Eligible Persons as determined by the Board. The Performance Rights are an entitlement to receive ordinary shares in the Company, subject to satisfaction by Eligible Persons of specified criteria set by the Board. The Performance Rights are granted at no cost. Upon vesting of the Performance Rights, shares will automatically be issued or transferred to the participant, 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 the issue or transfer of shares may breach the insider trading provisions of the Corporations Act or the Securities Trading Policy, in which case the Company will issue or transfer the shares as soon as reasonably practical thereafter.

Long Term Incentives issued to KMP

Mr Rule received performance rights granted as part of the 2014 LTI Plan, prorated for 2014 tenure.

Mr Casello received performance rights granted as part of the 2014 LTI Plan, after shareholder approval at the AGM on 27 November 2014.

The fair value of performance rights granted to KMP under the 2014 calendar LTI Plan are as follows:

	2014 LTI Plan – Tranche 1 Assessment due 31 Dec 2014		2014 LTI Plan – Tranche 2 Assessment due 31 Dec 2016		2014 LTI Plan -Tranche 3 Assessment Due 31 Dec 2017		Total 2014 LTI Plan	
Name	No. of Rights	Fair Value	No. of Rights	Fair Value	No. of Rights	Fair Value	No. of Rights	Fair Value
Mr G Casello	1,972,500(i)	67,065	2,465,625	14,797	493,125	16,766	**4,931,250**	**98,625**
Mr A Rule	586,45(i)	19,939	1,454,175	8,725	290,835	9,888	**2,331,461**	**38,553**

(i) The Tranche 1 Performance Rights issued to Mr Casello and Rule lapsed at 31 December 2014 as the Performance Conditions were not met.

Long Term Incentive Plan Performance Conditions

The objectives and application of the Long Term Incentive plan is detailed in Section 12.4. The specified Performance Conditions are detailed in the table below:

LTI Plan Grant Year	Tranche No.	% of total grant	Performance Condition	Measure Date	Achieved	Forfeited
2011	1	50%	Securing funding commitment for Stage 1 of the Mbalam Iron Ore Project with a high degree of certainty before 31 December 2011	31 Dec 2011	-	100%
	2	15%	Increasing JORC high grade hematite resources by 15% by 31 December 2011	31 Dec 2011	100%	-
	3	25%	Achievement of Total Shareholder Returns (TSR) of 15% per annum (cumulative) over a three year period - to 31 December 2013 or alternatively over a four year period to 31 December 2014	31 Dec 2014	-	100%
	4	5%	Achievement of production targets prior to 31 December 2014	31 Dec 2014	-	100%
	5	5%	Achievement of budgeted operating costs prior to 31 December 2014	31 Dec 2014	-	100%
2012	1	40%	Achievement of funding (equity and debt) commitment for Stage 1 of the Mbalam Iron Ore Project before 31 December 2012	31 Dec 2012	50%	50%
	2	35%	Achieving Total Shareholder Return ('TSR') of 15% per annum cumulative over the three year period from 1 January 2012 to 31 December 2014 or alternatively over the four year period to 31 December 2015	31 Dec 2014	-	100%
	3	25%	Achieving an increase in Net Present Value ('NPV') of the Mbalam Iron Ore Project of 10%.	31 Dec 2015	-	-
2013	1	25%	Achieving funding (equity & debt) commitment for Stage 1 of the Mbalam Iron Ore Project	31 Dec 2013	-	100%
	2	50%	Achieving TSR of 15% per annum cumulative over three year period from 1 January 2013 to 31 December 2015 or alternatively over the four year period to 31 December 2016	31 Dec 2015	-	-
	3	25%	Increasing NPV of the project by 10%	31 Dec 2016	-	
2014	1	40%	Final Investment Decision (FID) approved by Board or Board approved take over completed before 31 December 2014	31 Dec 2014	-	100%
	2	50%	Achieving TSR of 15% per annum cumulative over three year period from 1 January 2014 to 31 December 2016 or alternatively over the four year period to 31 December 2017.	31 Dec 2016	-	-
	3	10%	Increasing NPV of the Project by 15% (prorate award from 10 – 14.9%)	31 Dec 2017	-	-

For the 2015 calendar year no Long Term Incentive has been agreed by the Board and no performance rights have been granted.

Retention Plan

A Retention Plan involving the use of performance rights was introduced in August 2013. Performance Rights are issued pursuant to the terms and conditions of the PRP, were reviewed by the NRC and approved by the Board. Any such grant of Performance Rights under the PRP is subject to ongoing employment for specified periods subsequent to achievement of specified conditions

The plan was a one off Performance Rights issue which aims to affordably meet the needs of business continuity and the retention of critical skill and knowledge throughout 2013-2016. All current executive KMP are participants in the Plan, excluding the MD/CEO.

There was one issue of rights under the Retention Plan in the period.

Retention Plan Performance Conditions

The specified Performance Conditions are detailed in the table below:

Retention Plan Grant Year	Tranche No.	% of total grant	Performance Condition	Measure Date	Achieved	Forfeited
2014	1	50%	Final Investment Decision (FID) approved by Board or Board approved take over completed before 1 November 2016	6 months after Performance Condition satisfied	-	-
	2	50%	Final Investment Decision (FID) approved by Board or Board approved take over completed before 1 November 2016	12 months after Performance Condition satisfied	-	-

Retention Plan performance rights issued to KMP

The fair value of performance rights granted to KMP under the 2014 Retention Plan are as follows:

	Total 2014 Retention Plan	
Name	No. of Rights	Fair Value
Mr A Rule	2,000,000	$68,000

The total performance rights held by KMP at the end of the financial year is as follows:

				Granted During Financial Year			Vested During Financial Year (vi)			Lapsed During Financial Year			
Name	Performance Rights Series	Grant Date (ii)	No. Held at Start of Financial Year	No.	Value of rights granted $	Vesting Period (iii,iv,v)	No.	% of Grant Vested	Fair Value of Rights Issued $	No.	% of Grant Lapsed	Fair Value of Rights Lapsed	No. Held at End of Financial Year
Executive Director													
Mr G Casello (i)	2014 LTI Plan (i)	27/11/2014	-	4,931,250	98,625	31/12/2017	-	-	-	1,972,500	40%	67,065	2,958,750
Other KMP													
Mr A Rule	2014 LTI Plan (i)	27/11/2014	-	2,331,461	38,553	31/12/2017	-	-	-	586,451	25%	19,939	1,745,010
	2014 Retention Plan	27/11/2014	-	2,000,000	68,000	1/11/2016	-	-	-	-		-	2,000,000
Mr D Meehan	2014 LTI Plan (vi)	24/02/2014	2,584,000	-	-	-	-	-	-	1,033,600	40%	100,259-	1,550,400
	2013 Retention Plan	8/11/2013	2,097,402	-	-	-	-	-	-	-	-	-	2,097,402
	2013 LTI Plan	11/02/2013	550,881	-	-	-	-	-	-	-	-	-	550,881
	2012 LTI Plan	20/03/2012	405,521	-	-	-	-	-	-	-	-	-	405,521
	2011 LTI Plan	8/11/2011	205,529	-	-		-	-	-		100%	205,529	-
Mr R Longley	2014 LTI Plan (vi)	24/02/2014	1,800,000	-	-	-	-	-	-	1,800,000	100%	104,576	-
	2013 Retention Plan	8/11/2013	1,461,040	-	-	-	-	-	-	1,461,040	100%	97,387	-
	2013 LTI Plan	11/02/2013	383,740	-	-	-	-	-	-	383,740	100%	50,478	-
	2012 LTI Plan	20/03/2012	298,177	-	-	-	-	-	-	298,177	100%	44,152	-
	2011 LTI Plan	8/11/2011	137,019	-	-	-	-	-	-	137,019	100%	17,629	-

(i) The issue of performance rights to Mr Casello and Mr Rule was approved by shareholders at the Company's Annual General Meeting held on 27 November 2014.

(ii) The Grant Date is the date at which the Performance Rights were issued following approval by the Board of Sundance. The 2011, 2012, 2013 and 2014 LTI Plan are effective from 1 January 2011, 2012, 2013 and 2014 respectively.

(iii) Upon vesting of the performance rights, shares will automatically be issued to the participant, unless the Company is in a 'Blackout Period' (as defined in the Company's Share Trading Policy) or the Company determines in good faith that the issue of shares at that time may breach the insider trading provisions of the Corporations Act, in which case the Company will issue the shares as soon as reasonably practical thereafter.

(iv) Remaining performance rights issued under the 2011 to 2014 LTI Plans vest on the achievement of performance conditions at specified measurement points from 31 December 2014 to 2017. Details of the LTI Plans and performance conditions are provided in this report.

(v) In the event a takeover bid is declared to be unconditional, a change in control event has occurred or if a merger by way of a scheme of arrangement under the Corporations Act has been approved by the Court the Board will at its discretion determine the extent to which unvested performance rights vest.

(vi) There was no award of the assessed LTI tranches over the reporting period to any participants. Forfeited amounts are shown in the lapsed column of the table.

Employee Share Option Plan

An Employee Share Option Plan ('**ESOP**') has been approved by the shareholders of the Company. A copy of the ESOP is available on the Company website.

Share-based grants were made to Executive KMP in prior financial years pursuant to the ESOP arrangements. All options have expired or were exercised. The Company does not intend to make any future awards under the current ESOP. With recent changes to ESOP taxing arrangements, the Company will reconsider the use of options in the future.

Share Options

Share-based grants, not made pursuant to the ESOP arrangements, were made to Non-Executive Directors in 2010. These options were approved by shareholders at the Company's AGM held on 24 November 2010. All options have expired and were unexercised.

12.8 KEY TERMS OF KMP AGREEMENTS

Remuneration and other terms of employment for the Executives disclosed in this Remuneration Report are contained in contracts of employment or consultancy agreements. The remuneration and other terms are reviewed at least annually and generally relate to a calendar year. As such the current terms are effective January 2015.

Executive	Date of Agreement Commencement	Term of Agreement	Total Fixed Remuneration(vi)	Others(i)	Variable Remuneration - STI (% of Base Salary)(ii)	Variable Remuneration - LTI (% of Base Salary)(iii)	Notice of Termination required by the Company (other than dismissal for cause)(iv)&(v)	Notice required on resignation of Executive
Mr G Casello Managing Director & Chief Executive Officer	8/11/2010	Ongoing	$682,500	-	25%	75%(vii)	12 months	3 months
Mr D Meehan Chief Operating Officer / Project Director	1/01/2012	Ongoing	$664,783	Accommodation Home leave flights	20%	60%	12 weeks	12 weeks
Mr A Rule Chief Financial Officer	1/07/2014	Ongoing	$502,500	-	20%	60%	24 weeks	12 Weeks

(i) The value of benefits to the employee or consultant is determined by the market value of such benefit and is detailed further in Section 12.5.
(ii) Entitlement to Short Term Incentive payment on termination is subject to the terms and conditions of the STI plan.
(iii) Entitlement to Performance Rights is subject to the terms and conditions of the Performance Rights Plan.
(iv) Payment of any termination benefit to Mr Casello is to be made pursuant to section 200 of the Corporations Act 2001.
(v) All agreements include provision to make payment in lieu of notice period if deemed appropriate.
(vi) Total Fixed Remuneration set out above is before the agreed 10% pay reduction as from 1 January 2015.
(vii) Subject to shareholder approval.

12.9 KMP SHARE HOLDINGS

Fully paid ordinary share holdings and net changes through the reporting period, and the previous period are set out below:

FY 2015	Opening Balance	Granted as Compensation	Received on the Exercise of Options	Purchases	Closing Balance
Non-Executive Directors					
Mr B Eldridge	-	-	-	-	-
Mr W King	1,200,000	-	-	-	1,200,000
Mr A Marshall	500,000	-	-	-	500,000
Mr D Southam	100,000	-	-	-	100,000
Mr O Sheyko	-	-	-	-	-
Executive Director					
Mr G Casello	7,950,000	-	-	-	7,950,000
Other KMP					
Mr A Rule	-	1,191,242	-	-	1,191,242
Mr D Meehan	850,096	3,196,254	-	-	4,046,350
FY 2014	**Opening Balance**	**Granted as Compensation**	**Received on the Exercise of Options**	**Net Other Change**	**Closing Balance**
Non-Executive Directors					
Mr G Jones	16,062,500	-	-	1,000,000	17,062,500
Mr M Blakiston	-	-	-	-	-
Mr B Eldridge	-	-	-	-	-
Ms F Harris	-	-	-	500,000	500,000
Mr W King	-	-	-	1,200,000	1,200,000
Mr A Marshall	-	-	-	500,000	500,000
Mr D Southam	-	-	-	100,000	100,000
Executive Director					
Mr G Casello	5,300,000	2,650,000	-	-	7,950,000
Other KMP					
Mr R Longley	1,230,116	512,370	-	-	1,742,486
Mr D Meehan	170,170	679,926	-	-	850,096

END OF REMUNERATION REPORT

13. SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Unissued shares under option

At the date of this report unissued ordinary shares of the Company under options are:

Issuing Entity	Expiry Date	Exercise Price	Number of Options	Class of Shares
Sundance Resources Ltd	4 November 2015	$0.100	60,000,000	Ordinary
Sundance Resources Ltd	4 November 2015	$0.100	140,000,000	Ordinary
Sundance Resources Ltd	4 November 2015	$0.120	60,000,000	Ordinary
Sundance Resources Ltd	18 November 2015	$0.120	200,000,000	Ordinary
Sundance Resources Ltd	23 September 2017	$0.120	50,000,000	Ordinary
Sundance Resources Ltd	28 November 2017	$0.120	210,000,000	Ordinary

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or any other body corporate or registered scheme.

Shares issued on exercise of options

During or since the end of the financial year, the Company has not issued ordinary shares as a result of the exercise of options.

14. DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital of the Company, as notified by the Directors to the Australian Securities Exchange ('**ASX**') in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as disclosed in the Remuneration Report at 12.9 KMP Share Holdings (page 30). The Directors do not hold any options or performance rights over ordinary shares.

15. INDEMNIFYING OFFICER OR AUDITOR

The Company, during the financial year, in respect of any person who is or has been an officer or auditor of the Company or any related body corporate:

- has not indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor.
- has paid a premium of $53,542 for a policy of insurance to cover legal liability and expenses for the directors and executive officers in the event of any legal action against them arising from their actions as officers of the Company.

The insurance policy does not contain details of the premiums paid in respect of individual officers of the Company.

16. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been included on page 35.

In accordance with the Corporations Act 2001 section 307C the Auditors of the Company, Deloitte Touche Tohmatsu have provided a signed auditor's independence declaration to the Directors in relation to the year ended 30 June 2015. This declaration has been attached to the independent audit report to the members of the Company.

Non-audit services were provided to the Company by the Auditors, Deloitte Touche Tohmatsu, details of which are outlined in Note 19 to the financial statements. On the basis of written advice from the Audit & Risk Management Committee, the directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

17. CORPORATE GOVERNANCE STATEMENT

The Company has determined to early adopt the recommendations of the ASX Corporate Governance Council's Principles and Recommendations (Third Edition) in regard to the Corporate Governance Disclosures and provide disclosure of the Company Corporate Governance Statement on the Sundance Website at www.sundanceresources.com.au.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001, in Perth, Western Australia on 30 September 2015.

On behalf of the Directors

Mr Wal King
Chairman

Mr Giulio Casello
Managing Director and Chief Executive Officer

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Sundance Resources Limited
Level 3, 24 Outram Street
West Perth WA 6005

30 September 2015

Dear Board Members,

Sundance Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sundance Resources Limited.

As lead audit partner for the audit of the financial statements of Sundance Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A Richards

A T Richards
Partner
Chartered Accountants

Directors' Declaration

For the year ended 30 June 2015

The Directors of Sundance Resources Limited declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;

(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company; and

(d) the Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

Mr Wal King
Chairman

Mr Giulio Casello
Managing Director and Chief Executive Officer

30 September 2015
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Notes	2015 $	2014 $
CONTINUING OPERATIONS			
Other income	2	4,936,478	726,951
Administration expense	3	(1,206,224)	(2,180,027)
Consultants fees expensed		(492,198)	(581,460)
Depreciation and amortisation expense	3	(821,190)	(1,372,262)
Employee and director benefits expense	3	(8,823,294)	(12,984,425)
Exchange rate losses		(35,456)	(23,066)
Legal fees		(1,407,913)	(1,744,880)
Listing and registry fees		(219,868)	(274,002)
Occupancy costs		(1,240,399)	(1,600,590)
Professional fees	3	(615,695)	(630,348)
Transport & logistics		(8,885)	(58,240)
Personnel travel expenses		(1,321,641)	(2,227,480)
Finance charges on Convertible Notes	3	(18,494,632)	(8,918,727)
Port and rail costs written off	6(d)	(47,593,287)	-
Other expenses	3	(964,632)	(1,072,955)
Loss from continuing operations before tax		(78,308,836)	(32,941,511)
Income tax expense	9	-	-
LOSS FOR THE PERIOD		(78,308,836)	(32,941,511)
Loss attributable to:			
• Owners of the parent		(72,413,196)	(31,054,378)
• Non-controlling interests		(5,895,640)	(1,887,133)
NET LOSS ATTRIBUTABLE TO MEMBERS		(78,308,836)	(32,941,511)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		138,607	10,161,820
Other comprehensive income for the period		138,607	10,161,820
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(78,170,229)	(22,779,691)
Total comprehensive income attributable to:			
• Owners of the parent		(72,255,394)	(22,022,861)
• Non-controlling interests		(5,914,835)	(756,830)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS		(78,170,229)	(22,779,691)
LOSS PER SHARE			
From continuing operations		¢	¢
- Basic (cents per share)	20	(2.53)	(1.01)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSTION

As at 30 June 2015

	Notes	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	5(a)	13,725,029	14,377,685
Trade and other receivables	5(b)	157,462	183,201
Other current assets	6(a)	616,453	1,087,034
Inventory	6(b)	415,985	1,075,967
Total Current Assets		14,914,929	16,723,887
NON-CURRENT ASSETS			
Inventory	6(b)	128,092	2,208,258
Property, plant & equipment	6(c)	2,353,809	2,915,889
Mine development assets	6(d)	231,948,704	253,765,112
Total Non Current Assets		234,430,605	258,889,259
TOTAL ASSETS		249,345,534	275,613,146
CURRENT LIABILITIES			
Borrowings	5(c)	45,498,100	5,294,602
Trade payables and accruals	5(d)	3,263,974	2,521,952
Provisions	6(e)	388,955	339,019
Total Current Liabilities		49,151,029	8,155,573
NON-CURRENT LIABILITIES			
Borrowings	5(c)	39,194,356	32,921,104
Provisions	6(e)	305,075	260,432
Total Non-Current Liabilities		39,499,431	33,181,536
TOTAL LIABILITIES		88,650,460	41,337,109
NET ASSETS		160,695,074	234,276,037
EQUITY			
Issued capital	7	409,026,056	409,071,476
Reserves		43,965,273	39,172,785
Accumulated losses		(279,400,263)	(206,987,067)
Equity attributable to owners of the Company		173,591,066	241,257,194
Non-controlling interests		(12,895,992)	(6,981,157)
TOTAL EQUITY		160,695,074	234,276,037

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

For the year ended 30 June 2015

	Issued Capital $	Share Transactions with Non-Controlling Interests $	Foreign Currency Translation Reserve $	Issue of Convertible Notes $	Share Based Payments Reserve $	Accumulated Losses $	Attributable to Owners of the Parent $	Non-Controlling Interest $	Total Equity $
At 30 June 2013	408,971,476	(11,060,000)	4,880,071	-	21,671,649	(175,932,689)	248,530,507	(6,224,327)	242,306,180
Loss for the year	-	-	-	-	-	(31,054,378)	(31,054,378)	(1,887,133)	(32,941,511)
Foreign Currency Translation	-	-	9,031,517	-	-	-	9,031,517	1,130,303	10,161,820
Total comprehensive income for the year	-	-	9,031,517	-	-	(31,054,378)	(22,022,861)	(756,830)	(22,779,691)
		-							
Issue of Convertible Notes	-	-	-	12,700,000	-	-	12,700,000	-	12,700,000
Share based payments	100,000	(100,000)	-	-	2,049,548	-	2,049,548	-	2,049,548
At 30 June 2014	409,071,476	(11,160,000)	13,911,588	12,700,000	23,721,197	(206,987,067)	241,257,194	(6,981,157)	234,276,037
Loss for the year	-	-	-	-	-	(72,413,196)	(72,413,196)	(5,895,640)	(78,308,836)
Foreign Currency Translation	-	-	157,802	-	-	-	157,802	(19,195)	138,607
Total comprehensive income for the year	-	-	157,802	-	-	(72,413,196)	(72,255,394)	(5,914,835)	(78,170,229)
Equity raising costs	(45,420)	-	-	-	-	-	(45,420)	-	(45,420)
Issue of Convertible Notes	-	-	-	4,010,000	-	-	4,010,000	-	4,010,000
Share based payments	-	-	-	-	624,686	-	624,686	-	624,686
At 30 June 2015	409,026,056	(11,160,000)	14,069,390	16,710,000	24,345,883	(279,400,263)	173,591,066	(12,895,992)	160,695,074

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2015

	Notes	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(12,491,979)	(20,010,791)
Interest received		640,789	727,478
Interest paid		(9,872)	(61,284)
Net Cash Used In Operating Activities	8	**(11,861,062)**	**(19,344,597)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(558,894)	(157,345)
Proceeds from disposal property, plant & equipment		985	-
Exploration and development expenditure		(24,390,281)	(22,960,179)
Net Cash Used In Investing Activities		**(24,948,190)**	**(23,117,524)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue expenses		(45,420)	-
Proceeds from the issue of Convertible Notes	5(c)	40,000,000	40,000,000
Interest paid on Convertible Notes	5(c)	(2,114,041)	(1,000,000)
Convertible Note issue expenses		(1,684,251)	(1,796,795)
Net Cash Generated By Financing Activities		**36,156,288**	**37,203,205**
Net Decrease in Cash Held		**(652,964)**	**(5,258,916)**
Cash and cash equivalents at beginning of year		14,377,685	19,629,458
Effect of exchange rates on cash and cash equivalents		308	7,143
Cash and cash equivalents at end of Year	5(a)	**13,725,029**	**14,377,685**

The accompanying notes form part of these financial statements

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 1. GENERAL INFORMATION

Sundance Resources Limited A.C.N. 055 719 394 ('**Company**') is a public company listed on the Australian Stock Exchange (trading under the symbol 'SDL'), incorporated in Australia and operating in Australia and Africa.

Sundance Resources Limited's registered office and its principal place of business is as follows:

Level 3
24 Outram Street
West Perth WA 6005

The Company's principal activities during the year were the continued evaluation and de-risking of its Mbalam-Nabeba Iron Ore Project ('**Project**') in the Republics of Cameroon and Congo in Central Africa, and the evaluation of various development scenarios for the Project. These activities were undertaken through the Company's subsidiary companies Cam Iron S.A. ('**Cam Iron**') and Congo Iron S.A. ('**Congo Iron**'), which upon consolidation creates the Consolidated Entity ('**Group**' or '**Consolidated Entity**').

The financial statements were approved by the Board of Directors ('**Directors**') and authorised for issue on the 30 September 2015.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the financial statements of the Group and the separate financial statements of the parent entity (refer note 22). For the purposes of preparing the consolidated financial statements, the Company and the Group are for-profit entities.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('**IFRS**').

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2015, the Consolidated Entity had a net working capital deficiency of $34.2 million due mainly to the convertible notes with a redemption value totalling $44 million which are due for repayment on 4 November 2015 and $5 million due for repayment on 31 December 2015. For further details on the convertible notes see Note 5(c) to the financial statements.

As set out in Note 15 – '***Events Occurring After the Reporting Period***', the Company has:

- signed a term sheet with existing convertible noteholders consisting of the 2015 Investor Group to invest a further $7 million into the Company through a subscription for new convertible notes; and
- reached agreement with Noble, the Investor Consortium and Wafin which, subject to ASX and shareholder approval, will extend the maturity date of the Noble and Investor Consortium convertible notes to 23 September 2017. The Directors believe there is a reasonable likelihood that the Consolidated Entity will be able to obtain ASX and shareholder approval at the AGM to be held on 30 November 2015 for these transactions.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that the Company and Consolidated Entity will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate. The ability of the Company and the Consolidated Entity to continue as going concerns is dependent on:

(i) Completing the receipt of $7 million in new convertible notes with the 2015 Investor Group by no later than the end of October 2015;

(ii) Securing additional funding of between $1 to $3 million by no later than April 2016 to provide sufficient working capital for the Consolidated Entity to continue to meet its obligations for the period to June 2016;

(iii) Finalising documentation with Noble, the Investor Consortium and Wafin and then obtaining ASX and shareholder approval to extend the maturity date of the convertible notes with Noble and the Investor Consortium which are due for repayment on 4 November 2015. There is a reasonable likelihood that Sundance will be able to obtain ASX and shareholder approval at the AGM to be held on 30 November 2015 for these transactions;

NOTE 1. GENERAL INFORMATION (CONTINUED)

(iv) Reaching agreement with Hanlong to extend the maturity date of the Hanlong convertible notes totalling $5 million to 31 December 2016 or the conversion of the Hanlong convertible notes into Sundance shares prior to the current maturity date of 31 December 2015; and

(v) The continued monitoring and management by the Directors of the quantum and timing of all discretionary expenditures including exploration and development costs and wherever necessary these costs will be minimised or deferred to suit the Consolidated Entity's cash flow forecast or that the funding shortfall can be met through traditional sources of equity or debt funding. The Consolidated Entity's cash flow forecast indicates it will be required to raise additional funding in June 2016 at an amount to be determined based on the progress with respect to the development of the Project.

Should the Company and Consolidated Entity be unable to achieve the matters set out above, a material uncertainty would exist as to whether the Company and Consolidated Entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include adjustments to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company and Consolidated Entity be unable to continue as going concerns.

As set out in the Material Business Risk section of the Directors' Report, securing additional funding is critical to the development of the Project and therefore the assessment of the carrying value of the capitalised Mine Development expenditure as at 30 June 2015. (refer Note 6(d)).

Critical accounting estimates

In the application of the Consolidated Entity's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience, external data and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The Directors evaluate the estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

Capitalised mine development expenditure is recognised at cost less accumulated amortisation and any impairments. Where commercial production in an area of interest has commenced, the associated costs, together with any forecast future capital expenditure necessary to develop proved and probable reserves, are amortised over the estimated economic life of the mine on a units-of-production basis. Changes in factors such as estimates of proved and probable reserves that affect unit-of production calculations are dealt with on a prospective basis. The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found and the future US$ iron ore price. Any such estimates and assumptions may change as new information becomes available (please refer to the Directors' Report – Material Business Risks). If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

In respect of the assessment of the carrying value of the capitalised mine development expenditure as at 30 June 2015 the Directors have concluded that a number of estimates and judgements are required the most critical of which relates to the ability of the Consolidated Entity to obtain the necessary funding for the project. Refer to Note 23(k) for further details of the specific assumptions and judgements taken into consideration in the assessment as at 30 June 2015.

NOTE 2. OTHER INCOME

	2015 $	2014 $
Other income from continuing operations		
Interest revenue	633,898	726,951
Gain on revaluation of derivative	4,209,590	-
Other income	92,990	-
TOTAL OTHER INCOME	4,936,478	726,951

NOTE 3. EXPENSES

	2015 $	2014 $
Expenses from continuing operations		
Depreciation and amortisation expense:		
- Depreciation of property, plant & equipment	821,190	1,372,262
	821,190	1,372,262
Employee and director benefit expense:		
- Share based payment	624,686	2,049,548
- Salaries and wages	7,196,982	9,648,101
- Non-Executive Directors' fees	652,769	668,825
- Superannuation	348,857	617,951
	8,823,294	12,984,425
Administration expense:		
- Corporate expenses	174,124	583,211
- General and administration expenses	566,963	1,011,711
- IT and communications	465,137	585,105
	1,206,224	2,180,027
Professional fees:		
- Audit, accounting and tax	500,980	404,559
- Public relations	114,715	225,789
	615,695	630,348
Convertible Note Finance		
- Convertible note implied interest charge	16,670,480	8,080,481
- Convertible note fair value movement	494,239	251,638
- Convertible note capitalised borrowing cost amortisation charge	1,329,913	586,608
	18,494,632	8,918,727
Other expenses:		
- Consumables	96,241	111,498
- Insurance	568,116	619,026
- Motor vehicles	262,423	268,809
- Other interest paid	9,872	61,284
- Other	27,980	12,338
	964,632	1,072,955

NOTE 4. SEGMENT INFORMATION

4.1 Products and services from which reportable segments derive their revenues

AASB 8 Operating Segments ('**AASB 8**') requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is specifically focused on each project being developed. The only project currently under development is the Mbalam-Nabeba Iron Ore Project which includes iron ore deposits in the Republics of Cameroon and Congo in Central Africa. The unallocated portion relates to head office and corporate activities.

The Group's reportable segment under AASB 8 is therefore the Mbalam-Nabeba Iron Ore Project.

Information regarding this segment is presented below. The accounting policies of the reportable segment are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the financial year.

4.2 Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable operating segment.

	SEGMENT REVENUE Year Ended		SEGMENT EXPENSE Year Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	$	$	$	$
Continuing Operations				
Mbalam-Nabeba Iron Ore Project	-	-	(56,978,182)	(15,813,746)
Total segments	-	-	(56,978,182)	(15,813,746)
Unallocated interest income			633,898	726,951
Unallocated expenses			(21,964,552)	(17,854,717)
Loss before tax			(78,308,836)	(32,941,511)

There were no intersegment sales during the year recorded in the revenue reported above.

Segment loss represents the loss attributed to each segment without allocation of central administration costs, borrowing costs, director's salaries and investment revenue. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTE 4. SEGMENT INFORMATION (CONTINUED)

4.3 Segment assets and liabilities

The following is an analysis of the Group's assets by reportable operating segment:

	30 June 2015 $	30 June 2014 $
Segment assets		
Mbalam-Nabeba Iron Ore Project	236,113,390	260,747,360
Total segment assets	236,113,390	260,747,360
Unallocated assets	13,232,144	14,865,786
CONSOLIDATED ASSETS	249,345,534	275,613,146
Segment liabilities		
Mbalam-Nabeba Iron Ore Project	1,455,797	1,223,022
Total segment liabilities	1,455,797	1,223,022
Unallocated liabilities	87,194,663	40,114,087
CONSOLIDATED LIABILITIES	88,650,460	41,337,109

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than parent entity current assets, the majority of which are cash and cash equivalents. Assets used jointly by reportable segments are allocated on the basis of the usage by individual reportable segments; and
- All liabilities are allocated to reportable segments other than 'other financial liabilities', current and deferred tax liabilities, and 'other' liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

4.4 Other segment information

	Depreciation and amortisation Year Ended		Additions to non-current assets Year Ended	
	30 June 2015 $	30 June 2014 $	30 June 2015 $	30 June 2014 $
Mbalam-Nabeba Iron Ore Project	764,845	1,295,093	25,846,286	23,138,984
Unallocated	56,345	77,169	46,434	49,217
	821,190	1,372,262	25,892,720	23,188,201

NOTE 4. SEGMENT INFORMATION (CONTINUED)

4.5 Geographical Information

The Group operates in two principal geographical areas – Australia (country of domicile) and Central Africa (Republic of Cameroon and Republic of Congo).

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below.

	Revenue from external customers		Non-current assets	
	Year Ended		Year Ended	
	30 June 2015 $	30 June 2014 $	30 June 2015 $	30 June 2014 $
Central Africa	-	-	234,379,738	258,819,530
Australia	-	-	50,867	69,471
	-	-	234,430,605	258,889,259

NOTE 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Notes	2015 $	2014 $ $
FINANCIAL ASSETS			
Cash and cash equivalents	5(a)	13,725,029	14,377,685
Trade and other receivables	5(b)	157,462	183,201
Total Financial Assets		**13,882,491**	**14,560,886**
FINANCIAL LIABILITIES			
Borrowings	5(c)	84,692,456	38,215,706
Trade payables and accruals	5(d)	3,263,974	2,521,952
Total Financial Liabilities		**87,956,430**	**40,737,658**
Note 5(a) Cash and cash equivalents			
Cash at bank and in hand		9,676,019	3,377,685
Short-term bank deposits		4,049,010	11,000,000
		13,725,029	14,377,685

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

The effective interest rate on short-term deposits was 2.79% (2014: 3.53%). These deposits have an average maturity of 90 days.

NOTE 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	2015 $	2014 $
Note 5(b) Trade and other receivables		
Other receivables	157,462	183,201
	157,462	**183,201**
Note 5(c) Borrowings		
CURRENT BORROWINGS		
Convertible Note - Debt Liability	45,788,657	5,204,602
Convertible Note - Derivative Liability	20,000	90,000
Convertible Note - Capitalised Borrowing Costs	(310,557)	-
	45,498,100	**5,294,602**
NON-CURRENT BORROWINGS		
Convertible Note - Debt Liability	40,447,525	29,991,701
Convertible Note - Derivative Liability	800	4,139,590
Convertible Note - Capitalised Borrowing Costs	(1,253,969)	(1,210,187)
	39,194,356	**32,921,104**
TOTAL BORROWINGS	**84,692,456**	**38,215,706**

The net proceeds received from the issue of the convertible notes have been split between the financial liability element and a derivative component, representing the residual attributable to the option to convert the financial liability into equity of the Company.

CURRENT BORROWINGS

Hanlong Convertible Note:

5 million convertible notes were issued by the Company on 6 February 2013 to Hanlong (Africa) Mining Investment Ltd (**'Hanlong'**) at an issue price of $1.00 per note. On 12 December 2014, Sundance advised that the maturity date for the A$5 million convertible notes with Hanlong had been extended from 31 December 2014 to 31 December 2015, and from 1 January 2015, Sundance will pay interest to Hanlong at the rate of 10% per annum on a quarterly basis on the outstanding convertible notes. Hanlong may convert notes into underlying shares utilising a conversion price of the average daily volume weighted average price of Sundance shares traded on the ASX over the five trading days preceding the date of conversion. Conversion may occur at any time until 31 December 2015 at the election of either Sundance or Hanlong. If the notes have not been converted they will be redeemed on 31 December 2015 at $1.00 per note. Sundance has made a request to Hanlong to extend the maturity date of the note to 31 December 2016.

The total redemption amount at 31 December 2015 is $5 million.

Noble Convertible Note:

On 4 November 2013 the Company issued a convertible note with a face value of $20 million and a conversion price of $0.10 per share (**'Noble Note'**) and 200 million free attaching options (**'Noble Options'**) to Noble Resources International Pte Ltd. The Noble Options with an exercise price of $0.12 per option and an expiry date of 18 November 2015 were issued on 3 December 2013 following shareholder approval.

The terms of the Noble Notes are as follows:

- It is proposed that a separate iron ore product marketing company (**'MarketCo'**) will be established to handle the sale of product from the Mbalam-Nabeba Iron Ore Project. As part of the conditions of the Noble Note, the holder may convert the note into an interest in Market Co at any time before the maturity date, if MarketCo has been incorporated and the Company has finalised the marketing arrangements on terms acceptable to Noble, and provided the Noble Note has not otherwise been redeemed or converted, the noteholder may elect to convert the Noble Note into MarketCo shares with the number of MarketCo shares to be transferred to be the lesser of:
    - 30% of the shares in MarketCo then on issue; and
    - the greater of:

NOTE 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

- 24.9% of the shares in MarketCo then on issue; and
- that portion of 30% of the shares in MarketCo then on issue which is equivalent to the proportion of the Company's direct or indirect shareholding in MarketCo bears to the Company's direct or indirect shareholding in MarketCo plus the shares in MarketCo then on issue which are directly or indirectly held by government agencies in the Republics of Cameroon and the Congo.

- Noble may elect to convert the Noble Options into ordinary shares in the Company at a conversion price of $0.12 subject to adjustment, if:
  - at the Maturity Date, of 4 November 2015, MarketCo has not been incorporated and/or the Company has not finalised marketing arrangements on terms acceptable to the noteholder; and
  - at any time after a Change of Control Event occurs, and at that time, MarketCo has not been incorporated.
- If the Noble Note is not converted prior to the maturity date, 4 November 2015, it must be redeemed by the Company at the face value of $20 million. Interest on each Noble Note is 10% per annum payable semi-annually.

The total redemption amount at 4 November 2015 is $20 million.

Investor Consortium Note

On 4 November 2013 the Company issued convertible notes with a face value of $20 million (200,000 AUD denominated convertible notes at an issue price of $100 per note) (**'Investor Consortium Note'**) to an investor consortium made up of investment vehicles managed by Blackstone Alternative Solutions, L.L.C., the D. E. Shaw Group and Senrigan Capital (**'Investor Consortium'**). The Investor Consortium may convert the notes into underlying shares utilising a conversion price $0.10 subject to adjustment. If the notes have not been converted they will be redeemed on 4 November 2015 at $120 per note (120% of the face value). No interest will accrue in respect of the Consortium Notes.

The total redemption amount at 4 November 2015 is $24 million.

In addition, 260 million options have been issued to the investor consortium with the following terms:

- 200 million options at an exercise price of $0.10 per option with an expiry date of 4 November 2015;
- 60 million options at an exercise price of $0.12 per option with an expiry date of 4 November 2015.

As set out in Note 15 – '***Events Occurring After the Reporting Period***', the Company has reached agreement with Noble, the Investor Consortium and Wafin which, subject to, among other things, formal documentation and shareholder approval, will extend the maturity date of the Noble and Investor Consortium convertibles notes to 23 September 2017. There is a reasonable likelihood that Sundance will be able to obtain ASX and shareholder approval at the AGM to be held on 30 November 2015 for these transactions.

NON-CURRENT BORROWINGS

Wafin Consortium Note

On 23 September 2014 Sundance issued 400,000 convertible notes to Wafin Limited (**'Wafin'**) with an issue price of $100 per convertible note for a total investment of $40 million, maturing 36 months from the date of issue (23 September 2017) (**'Wafin Note'**). The Wafin Note is convertible at a price of 10 cents per Sundance share. If not converted into Sundance shares, these notes are redeemable at maturity for 130% of face value.

Wafin received options over 260 million ordinary shares with an exercise price of 12 cents, which expire on the earlier of 60 months from issue, 20 business days after the project's Financial Close or a Change of Control Event. 50 million of these options not subject to Shareholder approval were issued on 23 September 2014 with approval for the remaining 210 million options received from shareholders at the Company's AGM held on 27 November 2014.

For full details of the convertible notes issued to Wafin please refer to Sundance's ASX release dated 3 September 2014 and the 2014 Notice of Annual General Meeting.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

NOTE 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Valuation Technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 Jun 15	30 Jun 14				
Hanlong Note: – Derivative Component	$20,000	$90,000	Level 3	Black Scholes Option Pricing Model at 30 June 2015 Key inputs include: - Underlying share price $0.021 - Risk free rate 1.94% - Volatility 80% - Expected term 0.50 years - Vesting date 31 December 2015	N/A	N/A
Noble Note: – Derivative Component	nil	$1,339,590	Level 3	Binomial Model a 30 June 2015 Key inputs include: - Underlying share price $0.021 - Risk free rate of 1.94% - Volatility 80% - Expected term ranging from 0.35 years - Vesting date 4 November 2015	Valuation of Market Co is based on the discounted cash flow used to value the Project which includes the following assumptions: - Forecast commodity prices - Estimated start-up date - Estimated commissions payable to Market Co - Estimated production tonnage of the project - Forecast revenue - Estimated overhead expenses	The higher the value of Market Co, the higher the fair value.
Investor Consortium Note: – Derivative Component	nil	$2,800,000	Level 3	Binomial Model at 30 June 2015 Key inputs include: - Underlying share price of $0.021 - Risk free rate 1.94% - Volatility of 80% - Expected term 0.35 years - Vesting date 4 November 2015	N/A	N/A
Wafin Note: – Derivative Component	$800	N/A	Level 3	Binomial Model at 30 June 2015 - Key inputs include: - Underlying share price of $0.021 - Risk free rate 2.02% - Volatility of 80% - Expected term 2.24 years Vesting dates ranging from 23 September 2019 to 28 November 2019	N/A	N/A

NOTE 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The options issued to Noble, Investor Consortium and Hanlong in the prior period have been valued using the binomial model and key assumptions including an underlying share price at shareholder approval date of $0.021, a volatility of 80%, a risk free rate of 1.94%, an expected term of 0.35 to 0.50 years and vesting date of 4 November 2015 to 31 December 2015. The use of these inputs resulted in a value of nil being recorded in the Convertible Note and Option Reserve.

The options issued to Wafin have been valued using the Black Scholes option pricing model and key assumptions including an underlying share price of $0.021, a volatility of 80%, a risk free rate of 2.02%, an expected term of 2.24 years and vesting dates of between 23 September and 28 November 2019. The use of these inputs resulted in a value of $4,010,000 being recorded in the Convertible Note and Option Reserve.

There were no transfers between any Levels in the period.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Financial Liabilities	30 June 15		30 June 2014	
	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Convertible note debt liability- Hanlong	4,964,553	4,964,553	4,900,492	4,900,492
Convertible note debt liability - Noble	18,998,402	19,153,681	16,116,252	16,721,346
Convertible note debt liability - Investor Consortium	21,075,078	21,230,356	12,665,263	13,270,356
Convertible note debt liability - Wafin	39,193,556	40,447,525	-	-

The fair value amounts have been derived from independent valuation at balance sheet date, while the carrying amount reflects the fair value less the capitalised borrowing costs incurred in the arrangement of the Noble and Investor Consortium convertible notes.

Note 5(d) Trade and Other Payables

	2015 $	2014 $
CURRENT		
Trade payables	1,475,802	1,636,829
Sundry payables and accrued expenses	1,788,172	885,123
	3,263,974	2,521,952

Trade payables and sundry creditors are non-interest bearing and generally on 30 day terms.

NOTE 6. NON-FINANCIAL ASSETS AND LIABILITIES

This note provides information about the group's non-financial assets and liabilities, including:

- Specific information about each type of non-financial asset and liability
  - Other Assets (note 6(a))
  - Inventories (note 6(b))
  - Property, plant and equipment (note 6(c))
  - Mine development assets (note 6(d))
  - Employee benefits provisions (note 6(e))
  - Accounting policies
- Information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

	2015 $	2014 $
Note 6(a) Other Assets		
Prepayments	511,525	616,468
Tax receivables	104,928	470,566
	616,453	1,087,034
Note 6(b) Inventories		
Consumables and equipment (current inventory)	992,946	1,075,967
Provision for impairment (current inventory)	(576,961)	-
Drilling equipment and spares (non-current inventory)	2,287,023	2,208,258
Provision for impairment (non-current inventory)	(2,158,931)	-
	544,077	3,284,225

Inventories are carried at the lower of cost and net realisable value. The cost of inventories recognised as an expense during the period in respect of continuing operations was nil (2014: nil). All inventories consumed are capitalised to mine development or exploration and evaluation expenditure as appropriate.

All current inventories are expected to be consumed within 12 months, whereas the non-current inventories will be held as drilling equipment and spares for such time as required for further project development. As these items are not held for the purpose of resale but will be capitalised into a non-current asset when used they have been classified as non-current.

Note 6(c) Property, Plant and Equipment

	2015 $	2014 $
Cost	14,294,900	15,044,594
Accumulated depreciation	(11,941,091)	(12,128,705)
	2,353,809	2,915,889
Buildings	1,270,583	1,571,905
Plant and equipment	273,478	436,201
IT and communications	483,913	423,110
Furniture and fittings	325,835	484,673
	2,353,809	2,915,889

NOTE 6. NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Buildings $	Plant & Equipment $	IT & Communication $	Furniture & Fittings $	Total $
Cost					
Balance at 30 June 2013	2,198,634	9,545,277	1,670,130	1,193,613	14,607,654
Effect of movement in exchange rates	84,192	104,336	32,493	78,910	299,931
Additions	28,489	22,297	138,181	39,055	228,022
Write-offs	-	(73,736)	(17,277)	-	(91,014)
Balance at 30 June 2014	2,311,315	9,598,174	1,823,526	1,311,578	15,044,593
Effect of movement in exchange rates	858	10,875	2,060	577	14,370
Additions	99,287	46,017	320,415	93,175	558,894
Disposals	-	-	(219)	(3,624)	(3,843)
Write-offs	(364,222)	(411,743)	(233,924)	(309,225)	(1,319,114)
Balance at 30 June 2015	2,047,238	9,243,323	1,911,858	1,092,481	14,294,900
Accumulated depreciation and write-off					
Balance at 30 June 2013	(601,856)	(8,366,269)	(1,078,420)	(664,103)	(10,710,648)
Effect of movement in exchange rates	6,020	(129,305)	(6,839)	10,245	(119,880)
Eliminated on asset write-off	-	73,736	350	-	74,086
Depreciation expense	(143,573)	(740,135)	(315,508)	(173,047)	(1,372,262)
Balance at 30 June 2014	(739,409)	(9,161,973)	(1,400,417)	(826,905)	(12,128,704)
Effect of movement in exchange rates	(954)	(11,545)	(1,206)	(739)	(14,444)
Disposals	-	-	80	1,432	1,512
Eliminated on asset write-off	120,657	446,809	237,655	216,614	1,021,735
Depreciation expense	(156,949)	(243,136)	(264,057)	(157,048)	(821,190)
Balance at 30 June 2015	(776,655)	(8,969,845)	(1,427,945)	(766,646)	(11,941,091)

Buildings, plant & equipment, IT & communications and furniture & fittings are stated at cost less accumulated depreciation and impairment. Construction in progress is stated at cost. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

Buildings – 15 years
Plant & equipment – 3 to 15 years
IT& communications – 2 to 10 years
Furniture & fittings – 3 to 15 years

NOTE 6. NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	2015 $	2014 $
Note 6(d) Mine Development Assets		
Mbalam-Nabeba Iron Ore Project		
Carrying amount at beginning of year	253,765,112	224,963,327
Effect of movement in exchange rates	443,106	5,841,606
Additions	25,342,129	22,960,179
Rail and port costs written off	(47,593,287)	-
	231,957,060	253,765,112

At 30 June 2015, the Company held a 90% interest in Cam Iron S.A. which holds a 100% interest in the Project in Cameroon and an 85% interest in Congo Iron S.A. which holds a 100% interest in the Project in Congo. The mining codes in both Cameroon and Congo entitle the state to take up an equity interest in the Project.

Sundance reviews the carrying value of its assets at each balance date. During the year ended 30 June 2015, the following material events occurred which were considered indicators of impairment:

- the benchmark spot price of iron ore, being the Consolidated Entity's sole product, decreased significantly from US$93 per dry metric tonne ('**dmt**') as at 30 June 2014 to US$59.50/dmt as at 30 June 2015, a reduction of 36%, and has declined further since period end; and
- as at 30 June 2015, the market capitalisation of the Consolidated Entity was below the net assets.

Consequently, an impairment assessment has been undertaken on the combined Cam Iron and Congo Iron Cash Generating Unit ('**CGU**'). The Consolidated Entity assessed the recoverable amount of the CGU as at 30 June 2015 using the Fair Value less cost to sell method. The Fair Value less cost to sell is assessed as the present value of future cash flows expected to be derived less costs to sell the CGU.

The following assumptions were used in determining the Fair Value less cost to sell for the CGU:

- Cashflow forecasts for the life of the CGU were derived from a life of mine model based on the following assumptions:
  - The Consolidated Entity achieving funding for the development of the Project;
  - The definitive feasibility study completed in March 2011 for Stage 1 of the Project. The results of which were announced to ASX on 6 April 2011. Infrastructure EPC price and all other capex costs have been inflated to take account of cost increases through to the end of construction;
  - The mines to be funded, owned and operated by Sundance whilst the rail and port infrastructure is funded, owned and operated by the Government of Cameroon;
  - Construction and development for Stage 1 to commence in the March quarter of 2017;
  - Production from Stage 1 commencing in late 2020, ramping up to annual production of 40Mtpa;
  - The latest JORC code compliant reserves and resource estimates;
  - The receipt of all necessary approvals for the development and operation of the Project; and
  - Financial commitments outlined in the Conventions with both Government of Cameroon and Government of Congo.
  - A range of forecast long term iron ore prices for the 62% Fe/dmt fines CFR price (northern China) provided by leading external economic forecasters was considered. The range considered (expressed in 2020 real terms) was between U$69/dmt and U$90/dmt. The Consolidated Entity used U$75/dmt (2020 real) for the 62% Fe fines CFR price (northern China) as its long term iron ore price; and
  - Revenue and cost inflation estimates of 2.5% per year.
- Discount rate of 14.5% (nominal, after tax). The discount rate (nominal after tax) used at 30 June 2014 was 12.0%, however it was decided that an increased rate of 14.5% was more appropriate to take into account the current iron ore price market, investment and financing market and development risks.

NOTE 6. NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Based on these assumptions, no impairment has been recognised in the financial report.

The Consolidated Entity considered a number of sensitivities in assessing the recoverable amount as at 30 June 2015. The Consolidated Entity does consider certain assumptions to have a more significant impact on the assessment of the recoverable value and accordingly sensitivities on these assumptions are set out below. The cashflow estimates are most sensitive to changes in iron ore prices and the discount rate. It is estimated that changes in key assumptions, if all other assumptions remain unchanged, would impact recoverable amounts as 30 June 2015 as follows:

- A decrease in the long term benchmark 62% Fe fines CFR iron ore price to US$70.0/dmt whilst maintaining all other assumptions would, in itself, result in a full impairment of $232 million.
- An increase in the discount rate from 14.5% to 16.0% whilst maintaining all other assumptions, in itself does not result in an impairment.
- A delay in the commencement of construction by 12 months from the March quarter 2017 to the March quarter 2018, whilst maintaining all other assumptions, in itself does not result in an impairment.

The ultimate recoupment of costs capitalised for both Mine Development Assets and Exploration and Evaluation Assets for specific areas of interest is dependent on the successful financing, development and commercial exploitation, or alternatively, sale of the respective areas. As detailed in Note 1, the Consolidated Entity requires significant additional funding in order to develop the Project.

As announced to ASX on 30 June 2015, the Government of the Republic of Cameroon ('**Cameroon Government'**) has agreed to seek to fund 100% of the capital requirement for the rail and port infrastructure in Cameroon via a loan from China and possibly other friendly countries. Sundance is confident that this funding for the infrastructure will be obtained by the Cameroon Government and this will allow the Company to concentrate on the funding and the development of the Mbarga and Nabeba mines.

As a consequence, the Cameroon Government will own 98% of the rail and port infrastructure entities and in recognition of the capital invested to date by Sundance's subsidiary Cam Iron and the ongoing support that Sundance will provide towards the development of the rail and port infrastructure, Cam Iron will obtain a 2% free carried interest in these entities until the date of first commercial production. Cam Iron will not be required to provide any equity or debt funding for the construction of the rail and port infrastructure.

Sundance subsidiaries, Cam Iron and Congo Iron S.A., will enter into take or pay agreements incorporating a commercial tariff for each tonne transported and loaded using the infrastructure.

To date Sundance has capitalised approximately $47.6 million of expenditure relating to the feasibility study on the rail and port infrastructure in the Mine Development asset. Sundance has written off the expenditure incurred to date of approximately $47.6 million.

NOTE 6(E) EMPLOYEE BENEFITS PROVISIONS

	2015 $	2014 $
CURRENT		
Employee benefits provision	388,955	339,019
	388,955	339,019
NON CURRENT		
Employee benefits provision	305,075	260,432
	305,075	260,432
	694,030	**599,451**

NOTE 7. EQUITY

	2015 $	2014 $
Note 7(a) Contributed Equity		
3,110,250,938 fully paid ordinary shares (2014: 3,082,028,456)	409,026,056	409,071,476
	409,026,056	409,071,476

	Number of shares	Share capital $
Balance as at 30 June 2013	3,072,110,985	408,971,476
1,000,000 shares issued 18 October 2013[iii]	1,000,000	100,000
6,258,382 shares issued on 28 January 2014[ii]	6,258,382	-
9,089 shares issued on 10 June 2014[ii]	9,089	-
2,650,000 shares issued on 10 June 2014 [i]	2,650,000	-
Balance as at 30 June 2014	3,082,028,456	409,071,476
7,623,280 shares issued 19 December 2014[ii]	7,623,280	-
20,599,202 shares issued 27 January 2015[ii]	20,599,202	-
Capital raising costs	-	(45,420)
Balance as at 30 June 2015	3,110,250,938	409,026,056

Notes:

(i) Issued to Mr Casello upon the vesting of Performance Rights approved by shareholders at the Company's AGM held on the 24 November 2010.

(ii) Issue of shares under the Short Term Incentive Plan

(iii) Issue of shares to Mr Bogne as part consideration for settlement reached between Sundance's subsidiary Cam Iron and Mr Bogne. This settlement was announced to the ASX on 27 August 2013.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

OPTIONS OVER ORDINARY SHARES

At 30 June 2015 there were 720,000,000 (2014: 460,502,000) unissued ordinary shares for which options were outstanding which were subject to vesting conditions. These comprise the following:

- 200,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 12 cents per share expiring on 18 November 2015
- 200,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 10 cents per share expiring on 4 November 2015
- 60,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 12 cents per share expiring on 4 November 2015
- 50,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 12 cents per share expiring on 23 September 2019 or 40 days after Financial Close*.
- 210,000,000 options which entitle the holder to subscribe for one ordinary share in the Parent Entity for 12 cents per share expiring on 28 November 2019 or 40 days after Financial Close*.

NOTE 7. EQUITY (CONTINUED)

** Financial Close means the time when the project financing documentation for the full debt funding of the Mbalam-Nabeba Iron Ore 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 $40,000,000 has now been received by the Company.*

Performance Rights over Ordinary Shares

At 30 June 2015 there were 21,136,834 (2014: 33,220,935) performance rights on issue over ordinary shares.

- 1,015,961 performance rights issued pursuant to the 2012 LTI plan. These performance rights vest over the period to 31 December 2015
- 1,514,535 performance rights issued pursuant to the 2013 LTI plan. These performance rights vest over the period to 31 December 2016
- 6,890,652 performance rights issued pursuant to the retention plan. These performance rights vest over the period to 1 November 2016
- 9,715,686 performance rights issued pursuant to the 2014 LTI plan. These performance rights vest over the period to 31 December 2017

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of, and amounts paid up, of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at any meeting of the Company.

NOTE 8. CASH FLOW INFORMATION

	2015 $	2014 $
Reconciliation of cash flow from operations with loss after income tax		
Loss after tax	(78,308,836)	(32,941,511)
Non-cash items in loss after tax		
Cost of share based payments	624,686	2,049,548
Depreciation of plant and equipment	821,190	1,372,262
Loss on disposal of fixed asset	1,345	-
Write off of fixed assets	297,379	-
Rail and port costs written off	47,593,287	-
Finance charge – convertible note	16,380,591	7,918,727
Gain on revaluation of derivative – Convertible Notes	(4,209,590)	-
Total foreign exchange impact on operating cash flows	(24,761)	254,890
Changes in assets and liabilities		
(Decrease)/Increase in accruals and provisions	917,023	(568,840)
(Decrease)/Increase in creditors	729,556	876,397
(Increase)/decrease in inventories	2,740,149	-
(Increase)/decrease in other debtors and prepayments	576,919	1,693,930
Net cash used in operating activities	**(11,851,062)**	**(19,344,597)**
Cash and cash equivalents at the end of the year is shown in the accounts as:		
Cash and cash equivalents	13,725,029	14,377,685
Cash and cash equivalents at the end of the financial year	**13,725,029**	**14,377,685**

NOTE 9. INCOME TAX

	2015 $	2014 $
The components of tax expense comprise:		
Current Income Tax		
- Current income charge	(20,276,724)	(7,035,603)
Deferred Income Tax		
- Relating to origination and reversal of temporary differences	3,747,222	1,873,104
- Tax losses not brought to account	20,276,724	7,035,603
- Timing differences not brought to account	(3,747,222)	(1,873,104)
Income tax expense reported in the statement of comprehensive income	-	-
The prima facie tax on loss from ordinary activities is reconciled to the income tax as follows:		
Prima facie tax receivable on loss from ordinary activities before income tax at 30% (2014: 30%)		
– consolidated group	(23,492,651)	(9,882,454)
Add:		
Tax effect of:		
- Tax rate difference for foreign operations	(1,788,474)	(1,006,994)
- Other non-allowable items	1,257,291	1,980,741
- Losses not brought to account	20,276,724	7,035,603
- Timing differences not brought to account	3,747,110	1,873,104
Income tax attributable to entity	-	-
Unrecognised deferred tax balances		
Unrecognised deferred tax asset – losses	60,805,335	40,945,128
Unrecognised deferred tax assets – other	6,507,002	2,378,684
Unrecognised deferred tax liabilities – other	(6,313)	(16,605)
Deferred tax asset not brought to account	**67,306,024**	**43,307,207**

The deferred tax asset not brought to account will only be of benefit to the Group if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the entities in the Group are able to meet the continuity of ownership and/or continuity of business tests.

NOTE 10. FINANCIAL RISK MANAGMENT

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities such as trade receivables, trade payables and convertible notes, which arise directly from its operating and financing activities. The Group's policy is that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are interest rate risk, credit risk, capital risk, liquidity risk and foreign currency risk. The Board reviews each of these risks on a regular basis.

Interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Group and the Company are exposed to interest rate risk as entities in the Group deposit funds at both short-term fixed and floating rates of interest. Neither the Group nor the Company have any interest bearing liabilities subject to interest rate fluctuations. The Group and the Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit exposure is controlled by counterparty limits that are reviewed and approved by the Audit & Risk Management Committee annually. The counterparty limits approved during the year are that an individual counterparty does not exceed: 40% where gross monetary assets are in excess of $50 million; 50% where gross monetary assets are between $10 million $50 million; and 100% where gross monetary assets are below $10 million. Concentration of credit risk related to any counterparty did not exceed these limits during the year; the maximum counterparty risk recorded during the year amounted to 70%.The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on.

Capital risk

The Group and Company endeavour to manage their capital to ensure the Group and the Company will be able to continue as a going concern while maximising the development outcomes from its exploration expenditure.

The capital structure of the Group and the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves, carried forward losses and non-controlling interests. At 30 June 2015 the Group and the Company have convertible note facilities with Wafin, Hanlong, Noble and the Investor Consortium.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves through the monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTE 10. FINANCIAL RISK MANAGMENT (CONTINUED)

Liquidity and interest rate risk tables

The tables below have been drawn up based on the undiscounted cash flows (including both interest and principal cash flows expected) using contractual maturities of financial assets and the earliest date on which the Group and the Company can be required to pay financial liabilities. Amounts for financial assets include interest earned on those assets except where it is anticipated the cash flow will occur in a different period. In addition to the below cash flows, please refer to Note 14 Expenditure Commitments.

	Weighted average effective interest rate	Less than 1 month $	1 to 3 months $	3 to 12 months $	Greater than 12 months	Total $
2015						
Financial assets						
Variable interest rate	1.76%	9,676,019	-	-	-	9,676,019
Fixed interest rate	2.79%	-	4,049,010	-	-	4,049,010
		9,676,019	4,049,010	-	-	13,725,029
Financial liabilities						
Trade Payables	0%	3,263,974	-	-	-	3,263,974
Derivative Liability		-	-	35,000	1,240	36,240
Debt Liability	18.61%	-	-	49,975,959	51,998,760	101,974,719
		3,263,974	-	50,010,959	52,000,000	105,274,933
2014						
Financial assets						
Variable interest rate	2.50%	3,377,685	-	-	-	3,377,685
Fixed interest rate	3.53%	6,000,000	5,000,000	-	-	11,000,000
		9,377,685	5,000,000	-	-	14,377,685
Financial liabilities						
Trade Payables	0%	2,521,952	-	-	-	2,521,952
Derivative Liability		-	-	90,000	4,139,590	4,229,590
Debt Liability	36.37%	-	-	6,910,000	40,860,410	47,770,410
		2,521,952	-	7,000,000	45,000,000	54,521,952

Foreign currency risk

As a result of significant investment operations in Africa, the Group's balance sheet can be affected significantly by movements in the XAF/A$ exchange rates. The Group does not currently hedge this exposure.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		Assets	
	2015 $	2014 $	2015 $	2014 $
Euro (EUR)	81,329	-	27,480	36,493
US Dollars (USD)	90,550	9,203	5,364	1,570
Central African Franc (XAF)	512,000	423,974	879,470	252,403
South African Rand (ZAR)	-	-	51	46
GB Pound (GBP)	-	-	895	96

NOTE 10. FINANCIAL RISK MANAGMENT (CONTINUED)

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate assessed by management as the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss and other equity, and the balances below would be negative. Due to the nature of foreign currency denominated assets and liabilities, the figures below will only impact the loss, there would be no effect on other equity.

AUD Movement	Impact on AUD carrying value of net assets denominated in:									
	EUR		USD		XAF		ZAR		GBP	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
10% Increase	(5,385)	3,649	(8,519)	(763)	36,747	(17,157)	5	5	90	10
10% Decrease	5,385	(3,649)	8,519	763	(36,747)	17,157	(5)	(5)	(90)	(10)

Fair values

The aggregate fair values of the Group's financial assets and financial liabilities both recognised and unrecognised are as follows:

	2015		2014	
	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Consolidated				
Cash and cash equivalents	13,725,029	13,725,029	14,377,685	14,377,685
Receivables	157,462	157,462	183,201	183,201
Financial Liabilities	87,956,430	89,060,088	40,737,658	41,947,845

The following methods and assumptions are used to determine the fair value of financial assets and liabilities:

- Cash assets and financial assets are carried at amounts approximating fair value because of their short term to maturity. Receivables and payables are carried at amounts approximating fair value.
- The fair values of other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value. For other assets and other liabilities the fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Group intends to hold these assets.

NOTE 11. CONTROLLED ENTITIES

	Principal Activity	Country of Incorporation	Proportion of ownership interest and voting power held by the Group (%)	
			2015	2014
Parent Entity:				
- Sundance Resources Limited	Corporate	Australia	-	-
Subsidiaries of Sundance Resources Limited:				
- Cam Iron S.A.	Iron ore exploration	Cameroon	90	90
- Sundance Minerals Pty Ltd	Holding	Australia	100	100
- Sundance Exploration Pty Ltd	Holding	Australia	100	100
- Sundance Mining Pty Ltd	Holding	Australia	100	100
- Congo Iron S.A.	Iron ore exploration	Congo	85	85
- Sangha Resources S.A.	Dormant	Congo	80	80
Subsidiaries of Cam Iron S.A.:				
- Mbarga Mine Co S.A.	Holding	Cameroon	90	90
- CI RailCo S.A.	Holding	Cameroon	90	90
- CI PortCo S.A.	Holding	Cameroon	90	90
Subsidiary of CI Rail Co S.A. and CI PortCo S.A.:				
Mineral Terminal and Rail Operations Company S.A	Dormant	Cameroon	90	90

NOTE 12. CONTINGENT LIABILITIES

The Group is aware of the following contingencies as at 30 June 2015:

Hold Co Production Based Compensation

- Sundance is required to pay ongoing production based compensation to Hold Co SARL, Cam Iron's minority shareholder, pursuant to a compensation deed. The obligation to pay this compensation is based on iron ore to be sold by Congo Iron and will be calculated at the rate of US$0.10 per tonne for iron ore sold at the price of US$80 per tonne and is subject to a rise and fall of US$0.005 per tonne for every US$10 movement in the price (i.e. at US$90 per tonne the rate is US$0.105).

Use of the Quantm System on the Mbalam Rail Corridor

- In July 2007, Sundance entered into an agreement with Quantm Pty Ltd ('**Quantm**') for the application of the Quantm System on the Mbalam Rail Corridor. This agreement provided for a success fee of US$1,850,000 which is only payable upon the completion of Financial Close as interpreted under the agreement. The timetable and certainty to achieve Financial Close is not known. As a result no amount has been recognised as a liability in the financial statements.

Absolute Analogue & David Porter v Sundance (2007)

- Absolute Analogue Pty Ltd and David Porter ('**Plaintiff's'**) issued a claim against the Company (WA Supreme Court Action No. CIV 1773 of 2007) in relation to an alleged agreement between the Company and the Plaintiff's for the issue of 30 million options (20 million options with an exercise price of $0.10 and 10 million options with an exercise price of $0.20). The Plaintiff's are seeking damages in lieu of specific performance assessed at $9 million plus interest at 6% p.a. since 2007 and costs. This matter proceeded to trial in November 2013 and on 6 August 2014 the Supreme Court of Western Australia delivered its judgment in favour of Sundance dismissing the plaintiffs' claim and ordered the plaintiffs to pay Sundance's costs.

NOTE 12. CONTINGENT LIABILITIES (CONTINUED)

- The Plaintiff's lodged an appeal which was heard in June 2015. The Plaintiffs were not successful in having the Supreme Court Judge's decision reversed but a retrial has been ordered by the Court of Appeal (WA) in their decision handed down on 28 August 2015. Any retrial, if it occurs, would not be expected to proceed until well into 2016.

David Porter v Sundance (2013)

- On 29 April 2013 Mr Porter issued a claim against the Company (WA Supreme Court Action No. CIV 1632 of 2013) in which he is seeking damages in lieu of specific performance in relation to Sundance options estimated to be between $4 - 5 million plus interest at 6% p.a. since 2007 and costs. Mr Porter claims to be entitled to 10 million Sundance options at $0.10 per option pursuant to an alleged agreement relating to Sundance obtaining certain iron ore licences in the Republic of Congo. The trial was completed in early September 2015 and a decision is expected in either late 2015 or early 2016.

Fiscal Compliance

- The Group, including its subsidiaries in Cameroon and Congo, are engaged in ongoing discussions with the financial administrations in each of Cameroon and Congo on customs, indirect taxes and other fiscal administrative matters. The ongoing discussions may or may not lead to further costs being incurred by the Group.

Mbalam Convention, Cameroon

- On 29 November 2012, Cam Iron agreed the terms of the Convention with the Republic of Cameroon and since that date there have been some revisions to these terms. The Convention underpins the agreement between Cam Iron and the government outlining the fiscal and legal terms and conditions and commitments to be satisfied for the development and operation of the Project in Cameroon.

Nabeba Convention, Republic of Congo

- On 24 July 2014, Congo Iron agreed the terms of the Convention with the Republic of Congo. The Convention underpins the agreement between Congo Iron and the government outlining the fiscal and legal terms and conditions and commitments to be satisfied for the development and operation of the Project in the Republic of Congo.

NOTE 13. CAPITAL AND LEASING COMMITMENTS

	2015 $	2014 $
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements. Payable minimum lease payments:		
- Not later than 12 months	1,016,065	742,692
- Between 12 months and 5 years	290,113	770,148
- Greater than 5 years	-	-
	1,306,178	**1,512,840**

The Company's premises at Level 3, 24 Outram Street West Perth are leased for a period of three years which expires on 15 November 2016.

The office premises lease of Cam Iron are leased for a period of 12 months through to 31 July 2016. The Congo Iron office premises are leased for a period of 12 months through to 31 March 2017.

Cam Iron provides residential premises for two employees, while Congo Iron provides one for a residential employee and a guest house for non-resident employees. Each of these leases is for 12 months and has the option of being renewed.

NOTE 14. EXPENDITURE COMMITMENTS

Exploration Permit – Republic of Cameroon

The Cameroon Ministry of Mines ('**Ministry**') granted an extension of Exploration Permit No. 92 requiring a total minimum expenditure of XAF1,000,000,000 (approximately AUD$2,200,000) over the period 29 September 2014 to 24 July 2015. Exploration Permit No. 92 has been further extended for 24 months to 24 July 2017, with minimum expenditure of XAF 1,638,000,000 required over the two year period. Cam Iron has met the minimum expenditure requirements for Exploration Permit No. 92.

The expenditure requirements of Exploration Permit No.92 are denoted in Central African CFA franc (XAF).

Exploration Permits and Mining Permit – Republic of Congo

On 6 February 2013, by Presidential Decree 2013-45, Congo Iron obtained a Mining Permit over the Nabeba –Bamegod exploration permit area for a period of 25 years.

On 9 August 2013 by Presidential Decree 2013-405, the Ministry granted a second 2 year extension of the Ibanga Exploration Permit, which requires a total minimum expenditure requirement of XAF 3,550,000,000 (approximately AUD$8,000,000) over the two year period to 8 August 2015. This permit expired in August 2015. Congo Iron made application for a new permit, the Bethel Exploration Permit covering only part of the previous Ibanga permit area containing the most prospective area in August 2015.

The expenditure requirements of Decree No 2013-45 for the Nabeba – Bamegod permit and Decree No 2013-405 for the Ibanga permit are denoted in Central African CFA franc (XAF).

Cam Iron and Congo Iron as appropriate are not legally bound to meet the minimum expenditure commitments detailed in Exploration Permits. However, failure to meet the required level of minimum expenditure could potentially result in revocation of the said permit.

NOTE 15. EVENTS OCCURING AFTER THE REPORTING PERIOD

Since the end of the financial year:

- On 7 July 2015, Sundance satisfied all the conditions precedent to the Transition Agreement.
- On 30 September 2015, Sundance announced that the Company had signed a term sheet with existing convertible noteholders consisting of Noble, Senrigan, DE Shaw and Wafin ('**2015 Investor Group**') to invest a further $7 million into the Company through a subscription for new convertible notes. The key terms of the 2015 Investor Group Notes agreed at this stage are as follows:
    - 70,000 convertible notes with a face value of $100 per note;
    - They will be secured, rank pari passu with all other existing and future secured and unsubordinated convertible notes and mature on 23 September 2017;
    - No interest is payable;
    - At a noteholders election they may be converted into Sundance shares at a conversion price of $0.016 which, if all of the 2015 Investor Group Notes were converted, would result in 437,500,000 Sundance shares being issued; and
    - If they are not converted prior to the maturity date, they must be redeemed by the Company at 120% of face value.

  The 2015 Investor Group Notes will be issued under the Company's 15% placement capacity. The Company and the 2015 Investor Group are currently finalising detailed agreements which are expected to be signed by 16 October 2015 with the funds to be received and the notes issued within 3 business days of signing the detailed agreements. Completion of the issue of the 2015 Investor Group convertible notes will be subject to what the Company considers to be standard completion conditions.
- On 30 September 2015, Sundance announced that in principle agreement has been reached with Noble, the Investor Consortium and Wafin to extend the maturity date of the Noble and Investor Consortium convertible notes that are due for repayment on 4 November 2015 to 23 September 2017.

  The other key terms that will apply for each of the Noble, Investor Consortium and Wafin agreements are:
- The notes will be secured;
- No interest is payable on the notes;
- The notes may be converted into Sundance shares at a conversion price of $0.06. If the notes are not converted prior to the maturity date, they must be redeemed by the Company at 120% of face value;
- The options are exercisable at $0.07 per option and expire on the earlier of 5pm (WST) on 23 September 2019 or the date which is 40 business days after the Company achieves Financial Close or when a Change of Control event occurs.

NOTE 15. EVENTS OCCURING AFTER THE REPORTING PERIOD (CONTINUED)

The Company together with Noble, Investor Consortium and Wafin are currently finalising detailed agreements which are expected to be signed by no later than 16 October 2015.

These agreements to extend the maturity dates of the Noble and Investor Consortium convertible notes will be subject to, among other things, shareholder approval. Sundance will seek approval from shareholders at the AGM to be held on 30 November 2015 and will apply to ASX for a waiver from Listing Rule 6.23.3 to the extent necessary.

In order to facilitate the timing of all approvals required, including the Sundance AGM, both Noble and the Investor Consortium have agreed to extend the maturity date of their existing notes from 4 November 2015 to 1 December 2015.

- On 30 September 2015, Sundance announced that the Board and Management of Sundance have undertaken further steps to minimise cash spend. A number of significant cost reductions in head office and in country will be implemented from early October including reduction of salary for Board members and employees and some additional redundancies. It is expected that the quarterly cash spend will be approximately $4.6 million for each of the December 2015 and March 2016 quarters.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 16. RELATED PARTY TRANSACTIONS

The Company is the parent and ultimate controlling party of the Group. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Sundance has adopted a policy to specify the circumstances in which it is deemed appropriate for Management to contract the services of a Director-Related Entity. This Policy provides that Sundance is only to enter into a transaction with a Director-Related entity in the following circumstances:

- Where any proposed transaction is at arm's length and on normal commercial terms; and
- Where it is believed that the Director-Related entity is the best equipped to undertake the work after taking into account:
  - Experience;
  - Expertise;
  - Knowledge of the group; and
  - Value for money.

Legal Services

Gilbert + Tobin received $263,728 (2014: $2,648,130) from the Group for legal services rendered during the current financial period up to 27 November 2014. Michael Blakiston was a Director of the Company until 27 November 2014 and during the period was partner of Gilbert + Tobin. All services provided were carried out on an arms-length basis, under commercial terms.

Advisory Services

PCF Capital received nil (2014: $49,304) from the Group for advisory services during the current financial period. In April 2013 the Group engaged PCF Capital for advisory services relating to project funding or a corporate transaction with specific parties. George Jones was a Director of Sundance until 27 November 2014 and also of PCF Capital. All services provided were carried out on an arms-length basis, under commercial terms.

PCF Capital's mandate with the Company ended on 24 April 2014. The Company had a continuing obligation in relation to this engagement whereby fees are payable 12 months from this date, until 24 April 2015, should a successful transaction complete with a party specified in the engagement with PCF Capital.

Equity Holdings

At 30 June 2015, Directors and their related entities held directly, indirectly or beneficially in the Company 9,750,000 ordinary shares (2014: 27,312,500), no options over ordinary shares (2014: nil) and no performance rights over ordinary shares (2014: nil).

NOTE 17. SHARE BASED PAYMENTS

Ordinary share based payments

In the prior financial year the Group issued 1,000,000 ordinary shares in Sundance Resources Ltd to Mr Roger Bogne as part consideration for settlement reached between Sundance's subsidiary Cam Iron and Mr Bogne. This settlement was announced to the ASX on 27 August 2013. Fair value of the shares at grant dates was $0.10 per share for a total value of $100,000.

Employee share based payment plan

The Group has an ownership-based remuneration plan for executives and senior employees. Historically an option based plan was used and in 2011 this was changed to a performance rights based plan.

Each employee share option or performance right converts into one ordinary share of Sundance upon exercise. No amounts are paid or payable by the recipient upon receipt of the performance right or option, and only upon exercise for option holders. The performance rights and options carry neither rights to dividends nor voting rights. Performance rights or options may be exercised at any time from the date of vesting to the date of their expiry. The number of performance rights and options vested is calculated in accordance with the performance criteria approved by the Nomination and Remuneration Committee. The performance criteria reward executives and senior management to the extent of the Group's and the individuals achievement judged against achievement of corporate and operational objectives. The performance conditions are derived from the following performance areas: achieving funding (equity and debt) commitment for Stage 1 of the Project; delivery of Total Shareholder Returns ('**TSR**') over a three or four year period; and increasing the Net Present Value ('**NPV**') of the Project. Options issued in previous periods under the Employee Share Option Plan have varying performance conditions derived from key organisational objectives and are conditional on the holder remaining an employee at vesting date.

The weighted average fair value of the performance rights granted during the financial year is $0.1246 (2014: $0.1033). Performance rights and options were priced using a binomial pricing model. Expected volatility is based on the historical share price volatility of other entities listed on the Australian Stock Exchange with similar profiles to Sundance.

Share Based Payments – Performance Rights

	2015		2014	
	Number of Rights	Weighted Average Fair Value of Rights	Number of Rights	Weighted Average Fair Value of Rights
Outstanding at the beginning of the year	33,220,955	$0.1459	9,859,432	$0.3618
Issued during the year(i)	9,262,711	$0.0819	27,842,128	$0.1033
Forfeited or expired during the year(ii)	(21,346,832)	$0.1393	(1,830,605)	$0.3355
Vested and converted to shares(iii)	-	-	(2,650,000)	$0.3700
Outstanding at year-end	**21,136,834**	**$0.1246**	**33,220,955**	**$0.1459**

Notes:

(i) The performance rights issued during the current year relate to the 2013 LTI, the 2013 Retention Plan and the 2014 LTI.

(ii) The performance rights forfeited during the current year relate to personnel who departed the Group, while those expired related to a failure to meet the performance criteria of one tranche of the 2013 LTI.

(iii) The performance rights that vested and converted in the 2014 financial year related to the rights attached to the CEO's remuneration package implemented in 2010.

The performance rights outstanding at 30 June 2015 had a weighted average fair value of $0.12 (2014: $0.15) and a weighted average remaining contractual life of 1.85 years (2013: 2.24 years).

NOTE 17. SHARE BASED PAYMENTS (CONTINUED)

Share Based Payments – Options

	2015		2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	460,502,000	$0.1115	17,652,547	$0.3231
Issued during the year(i)	260,000,000	$0.1200	460,000,000	$0.1113
Forfeited or expired during the year(ii)	(502,000)	$0.2500	(17,150,547)	$0.3252
Exercised during the year	-	-	-	-
Outstanding at year-end	**720,000,000**	**$0.1144**	**460,502,000**	**$0.1115**
Vested and Exercisable at year-end	**720,000,000**	**$0.1123**	**260,502,000**	**$0.1049**

(i) The options issued during the current year relate to the options issued to Wafin.

(ii) The options forfeited during the current year relate to personnel who departed the Group, while those which expired relate to a failure of the holder to exercise at their specified exercise price.

The options outstanding at 30 June 2015 had a weighted average remaining contractual life of 0.23 years (2013: 1.36 years).

Grant Date	Grant Date Fair Value	Vesting Date	Expiry Date	Exercise Price	As at 30 June 2015 Number of Options	As at 30 June 2014 Number of Options
Issued 24 May 2011(i)	$ 0.23	30-Jan-14	30-Jan-15	$ 0.25	-	502,000
Issued 4 November 2013(ii)	$ 0.03	6-Jun-14	4-Nov-15	$ 0.10	60,000,000	60,000,000
Issued 29 November 2013(ii)	$ 0.04	6-Jun-14	4-Nov-15	$ 0.10	140,000,000	140,000,000
Issued 29 November 2013(ii)	$ 0.03	6-Jun-14	4-Nov-15	$ 0.12	60,000,000	60,000,000
Issued 29 November 2013(iii)	$ 0.04	19-Oct-15	18-Nov-15	$ 0.12	200,000,000	200,000,000
Issued 23 September 2014(iv)	$ 0.03	23-Sept-14	23-Sept-17	$ 0.12	50,000,000	-
Issued 28 November 2014(iv)	$ 0.01	28-Nov-14	28-Nov-17	$ 0.12	210,000,000	-
Total					720,000,000	460,502,000

Notes:

(i) Represents outstanding options issued to eligible employees under the Company's Employee Share Option Plan. These options have performance conditions derived from key organisational objectives and are conditional on the holder remaining an employee at vesting date.

(ii) These options were issued to the Investor Consortium under the convertible note funding agreement and vested on occurrence of a relevant event.

(iii) These options were issued to Noble under the convertible note funding agreement.

(iv) These options were issued to Wafin under the convertible note funding agreement.

The options issued to Wafin have been valued using the binomial model and key assumptions including an underlying share price at shareholder approval date of $0.021, a volatility of 80%, a risk free rate of 2.02%, an expected term of 2.24 years and the vesting dates of 23 September 2014 and 28 November 2014. The use of these inputs resulted in a value of $4,010,000l being recorded in the Convertible Note and Option Reserve.

NOTE 18. KEY MANAGEMENT PERSONNEL REMUNERATION

The aggregate remuneration paid to directors and other members of key management personnel of the company and the Group is set out below:

	2015 $	2014 $
Short-term employee benefits	2,678,730	2,542,233
Post-employment benefits	113,825	109,085
Termination and other long term benefits	-	-
Share-based benefits	179,997	665,524
	2,972,552	3,316,842

NOTE 19. AUDITORS REMUNERATION

Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	98,021	130,224
- corporate taxation services	7,087	75,592
- taxation services related to the Project	-	-
- financial advisory related to the Project	85,602	273,114
	190,710	478,930
Remuneration of auditor network firms of the company for:		
- auditing or reviewing the financial report of foreign subsidiaries	216,709	220,484
	407,419	699,414

Deloitte Touche Tohmatsu (**'Deloitte'**) performs the audit of the Company and its subsidiaries.

The Company has a policy to specify the circumstances in which it is deemed appropriate for Management to contract the services of Deloitte for non-audit work.

This policy provides that the Company is only to enter into a non-audit contract or transaction with the external audit firm in the following circumstances:

- Where any proposed transaction will not compromise the independence of the external auditors; and
- Where it is believed that the external auditor is best equipped to undertake the work after taking into account:
  - Experience;
  - Expertise, particularly in Cameroon and Republic of Congo where Deloitte have permanent representation;
  - Knowledge of the group;
  - Synergies of having the auditor perform the work; and
  - Value for money.

NOTE 20. LOSS PER SHARE

		2015 $	2014 $
a.	Reconciliation of earnings to profit or loss from continuing operations		
	Loss from continuing operations	(78,308,836)	(32,941,511)
	Less: loss attributable to non-controlling interest	5,894,394	1,887,133
	Earnings used to calculate basic loss per share	(72,414,442)	(31,054,378)
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share.	3,094,827,888	3,075,615,468
	Shares deemed to be issued for no consideration in respect of:		
	- options (i)	-	-
	- performance rights	-	25,691,594
		3,094,827,888	3,101,307,062

Note:

(i) During the year ended 30 June 2015 260,000,000 (2014: 460,000,000) options to subscribe for ordinary shares were issued, no options were exercised and 502,000 (2014:17,150,547) options were forfeited, leaving 720,000,000 (2014: 460,502,000) options outstanding at year end. These options are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would decrease the net loss from continuing operations per share.

NOTE 21. DIVIDENDS

No dividends have been paid or proposed during the year (2014: nil).

NOTE 22. PARENT ENTITY FINANCIAL INFORMATION

	2015 $	2014 $
Financial Position (as at 30 June)		
Current assets	13,179,992	14,449,504
Non-current assets	234,709,743	339,527,540
Total assets	247,889,735	353,977,044
Current liabilities	47,789,828	6,583,347
Non-current liabilities	39,404,833	33,097,289
Total liabilities	87,194,661	39,680,636
Net assets	160,695,074	314,296,408
Shareholders' equity		
Issued Capital	409,071,475	409,071,476
Share based payments premium reserve	24,345,883	23,721,197
Transactions with non-controlling interests reserve	5,550,000	1,540,000
Accumulated losses	(278,272,284)	(120,036,264)
Total equity	160,695,074	314,296,408
Financial Performance (for the year ended 30 June)		
Loss for the year	(158,235,836)	(17,127,766)
Total comprehensive income	(158,235,836)	(17,127,766)

NOTE 23. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Accounts

The financial report has been prepared on an accruals basis and is based on historical cost, except for the revaluation of certain financial instruments that are measured at fair values as explained in the accounting policies. Costs are based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

Critical accounting judgements and the key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods. Refer to Note 23(k) for further details.

NOTE 23. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of the consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the fair value of those interests at the date of the original business combination and the non-controlling interest's share of the changes in equity since the date of the combination.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

b) Foreign currency

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environments in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Sundance Resources Limited and is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing in the month of the transactions. At each balance sheet date, monetary items are translated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in the profit or loss on disposal of the net investment.

NOTE 23. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On consolidation, assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing at the balance date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed. Any exchange differences that have previously been attributed to non-controlling interests are derecognised but they are not classified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of the transition to Australian Accounting Standards are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date.

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified within operating cash flows.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black Scholes or binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions have been determined can be found in Note 17.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the equity instruments that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with the corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payments transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are at the fair value of the equity instrument granted, measured at the date the entity obtains the goods or the counterparty renders the service.

f) Income Tax

Current Tax

Current income tax is calculated by reference to the amount of income taxes payable or recoverable in respect to the taxable profit or tax loss for the period. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

NOTE 23. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity) in which case, the tax is also recognised outside of profit or loss.

g) Financial assets

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

h) Impairment of long-lived assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

i) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and that they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

j) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

NOTE 23. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Critical accounting estimates and judgements

Significant accounting judgements

The directors evaluate the estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Capitalised mine development assets

Capitalised mine development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs, together with any forecast future capital expenditure necessary to develop proved and probable reserves, are amortised over the estimated economic life of the mine on a units-of-production basis. Changes in factors such as estimates of proved and probable reserves that affect unit-of production calculations are dealt with on a prospective basis.

The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available (please refer to the Directors Report – Material Business Risks). If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black Scholes, using the assumptions detailed in Note 17 Share Based Payments.

l) Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to the 'issue of convertible notes' reserve account. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

NOTE 23. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(a) Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, beginning 1 July 2014.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the company/consolidated entity included:

- AASB 1031 'Materiality' (December 2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments - Part B'
- AASB 2014-1 'Amendments to Australian Accounting Standards' [Part A – Annual Improvements 2010-2012 and 2011- 2013 Cycles]
- AASB 2014-1 'Amendments to Australian Accounting Standards' [Part C – Materiality]
- Interpretation 21 'Levies'

The adoption of these standards and interpretations did not have a material impact on the consolidated entity.

NOTE 23. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Standards and Interpretations issued but not yet effective

At the date of the authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective. Initial application of the following Standards will not affect the amounts recognised in the financial report, but may change the disclosures presently made in relation to the Group and the Company's financial report:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' and relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

Deloitte.

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Independent Auditor's Report to the members of Sundance Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Sundance Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 37 to 75.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sundance Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Sundance Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss after tax of $78,308,836 during the year ended 30 June 2015 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by $34,236,100. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's and company's ability to continue as going concerns and therefore, the consolidated entity and company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 32 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Sundance Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A T Richards

A T Richards
Partner
Chartered Accountants
Perth, 30 September 2015

Additional Information

As at 20 October 2015

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary Share Capital

3,110,250,938 ordinary fully paid shares on issue are held by 20,318 individual shareholders. No ordinary shares have been partly paid.

All issued ordinary shares carry one vote per share.

Options

720,000,000 unlisted options on issue held by 5 individual option holders. Options do not carry a right to vote.

Performance Rights

21,136,834 performance rights are held by 10 individual performance rights holders. Performance rights do not carry a right to vote.

Convertible Rights

5,600,001 unlisted convertible notes on issue are held by 5 individual holders. Convertible notes do not carry a right to vote.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

	Fully Paid Ordinary Shares	Options	Performance Rights	Convertible Notes
1-1,000	436,740	-	-	1
1,001-5,000	12,568,490	-	-	-
5,001-10,000	26,927,462	-	-	-
10,001-100,000	340,978,704	-	-	2
100,001 and over	2,729,339,542	5	10	2
Holding less than a marketable parcel	133,765,287	-	-	-

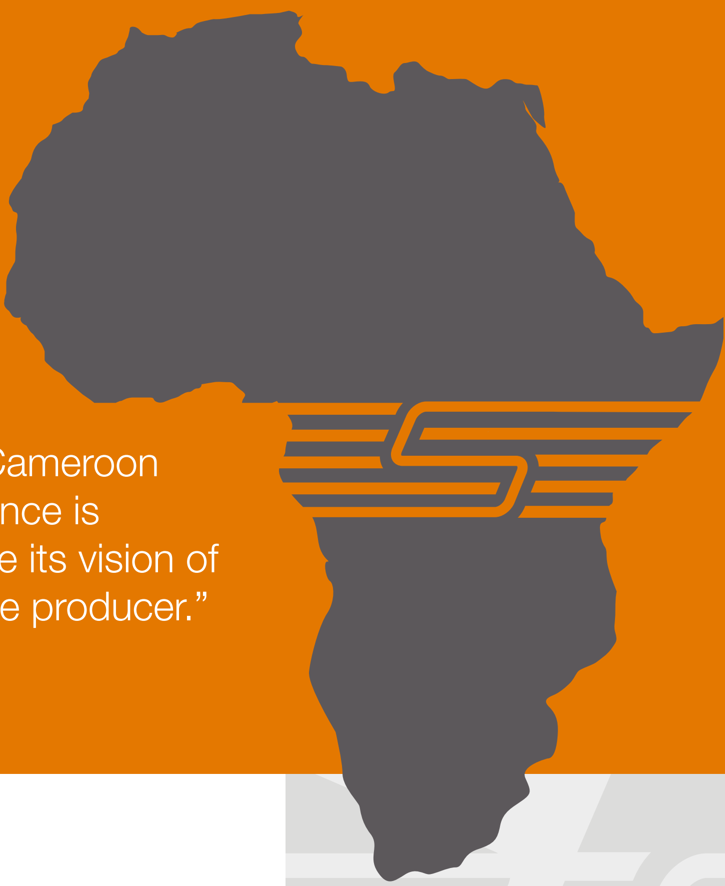
SUBSTANTIAL SHAREHOLDERS

Ordinary Shareholders	Fully Paid Ordinary Shares Number
Hanlong (Africa) Mining Investment Limited	433,791,352
HSBC Custody Nominees (Australia) Limited	210,861,199
Citicorp Nominees Pty Limited	190,906,828

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

The Top 20 shareholders held 40.86% of the total issued capital.

	Ordinary Shareholders	Number of Shares	Percentage of Total Ordinary Shares Issued
1	HANLONG (AFRICA) MINING INVESTMENT LIMITED	433,791,352	13.95
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	210,861,199	6.78
3	CITICORP NOMINEES PTY LIMITED	190,906,828	6.14
4	J P MORGAN NOMINEES AUSTRALIA	112,396,672	3.61
5	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	75,427,515	2.43
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	44,154,627	1.42
7	BRISPOT NOMINEES PTY LTD	30,406,869	0.98
8	MR MICHAEL DAVID JEFFERYS M & J JEFFERYS SUPER A/C	26,288,250	0.85
9	CS FOURTH NOMINEES PTY LTD C/-CREDIT SUISSE EQTS AUST LTD	24,389,667	0.78
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,725,562	0.67
11	UOB KAY HIAN (HONG KONG) LIMITED <CLIENTS A/C>	17,643,770	0.57
12	BURNS SUPER QLD PTY LTD <BURNS SUPERFUND A/C>	12,275,000	0.39
13	MR COLIN JAMES BIRD	11,088,888	0.36
14	MR RALPH TODISCO	10,000,000	0.32
15	YOLO (QLD) PTY LTD <DANIELLE KENDALL FAMILY A/C>	10,000,000	0.32
16	ACP INVESTMENTS PTY LTD <THE ACP INVESTMENT A/C>	9,000,000	0.29
17	SARANDEENA NO 2 PTY LIMITED	8,100,000	0.26
18	MR GIULIO CASELLO	7,950,000	0.26
19	MR BRIAN LAURENCE EIBISCH	7,900,000	0.25
20	MR JOSE MANUEL DO REGO	7,650,000	0.25
Total Remaining Holders Balance		1,270,956,199	59.14



"Working hand in hand with the Cameroon and Congo Governments, Sundance is exceptionally well placed to realise its vision of becoming a leading global iron ore producer."

The Mbalam-Nabeba Project

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