

3 February 2016

Companies Announcement Office

*Via Electronic Lodgement*

Dear Shareholder,

#### **PARTICIPATION IN RENOUNCEABLE ENTITLEMENT OFFER**

On 3 February 2016, Sundance Resources Limited (**Sundance**) announced that it will be offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the capital of Sundance (**New Shares**) via a partially underwritten pro rata renounceable entitlement offer on the basis of 1 New Share for every 1 share held by shareholders registered at 4.00 pm (Perth time) on 9 February 2016 (**Record Date**) at an issue price of A\$0.005 per New Share, together with 1 free new option for every 1 New Share subscribed exercisable at A\$0.006 each on or before 31 August 2017 (**New Options**) to raise up to A\$16.5 million (before costs of the offer) (**Entitlement Offer**).

The Entitlement Offer is partially underwritten by Patersons Securities Limited (**Patersons**) for an amount of A\$13.25 million. Patersons has entered into sub-underwriting arrangements with Mr David Porter for A\$11 million and other investors for A\$2.25 million.

Patersons has been appointed Lead Manager to the Entitlement Offer.

Assuming that all entitlements are accepted, following completion of the Entitlement Offer, Sundance will have issued approximately 3,302,558,630 New Shares and 3,302,558,630 New Options resulting in total fully paid ordinary shares on issue of approximately 6,605,117,260.

In addition, Patersons will be issued up to 112,500,000 shares upon the successful completion of the Entitlement Offer pursuant to the terms of an underwriting agreement dated 2 February 2016 between Sundance and Patersons.

The Entitlement Offer is being made under a prospectus in accordance with section 713 of the Corporations Act 2001 (Cth).

#### **Use of funds**

The funds raised under the Entitlement Offer, net of expenses, together with existing cash reserves will be used for the following purposes:

- to pay Mr Porter in cash A\$500,000 and a portion of the proceeds received by Sundance from the Entitlement Offer in accordance with the terms of a deed of release and settlement dated 17 January 2016 between Sundance, Mr Porter and Absolute Analogue Inc;
- protecting the intellectual property and assets of Sundance;
- maintaining relationships with the Governments of Cameroon and Congo;
- assisting the Government of Cameroon as required to progress the funding and signing of the EPC contract for the port and rail;
- continuing the process of negotiating and then agreeing the terms of an equity investment into the Mine Infrastructure; and
- general working capital purposes.

#### **Eligibility criteria**

Eligible Shareholders are those persons who:

- are registered as a holder of fully paid ordinary shares in Sundance as at 4.00 pm (Perth time) on the Record Date;
- have a registered address on Sundance's share register in Australia, New Zealand or Hong Kong (**Eligible Jurisdictions**);



- are not in the United States or acting for the account or benefit of a person in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**).

Sundance is of the view that it is unreasonable to extend the Entitlement Offer to Ineligible Shareholders, having regard to:

- the number of Ineligible Shareholders;
- the number and value of the New Shares and New Options which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

As Sundance has determined that you do not satisfy the eligibility criteria and are an Ineligible Shareholder, Sundance is unfortunately unable to extend to you the opportunity to subscribe for New Shares in the Entitlement Offer.

Sundance does, however, intend to appoint an ASIC-approved (**Nominee**) to arrange the sale of those entitlements that would otherwise have been issued to Ineligible Shareholders had they been Eligible Shareholders. The Nominee will direct the net proceeds (if any) to Sundance or another party on its instruction to facilitate pro rata payments to Ineligible Shareholders.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the entitlements may be sold and the manner in which any sale is made. After deduction for any withholding required by law (in Sundance's reasonable opinion) the proceeds of sale (if any) will be distributed to the Ineligible Shareholders for whose benefit the entitlements have been sold in proportion to the entitlement they would have been issued had they been Eligible Shareholders (after deducting brokerage commission and other expenses).

The ability to procure subscribers for entitlements or to sell entitlements on ASX, and the price at which entitlements can be sold, will depend on various factors, including market conditions. To the maximum extent permitted by law, neither Sundance nor the Nominee, nor their respective related bodies corporate, nor the Directors, officers, employees, agents or advisers of any of them, will be liable for a failure to sell entitlements at any particular price.

Any interest earned on the proceeds of the sale of these entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Sundance.

In limited circumstances, and in Sundance's absolute discretion, Sundance may elect to treat as Eligible Shareholders certain institutional or sophisticated persons who would otherwise not be Eligible Shareholders because their registered addresses are not in the Eligible Jurisdictions.

#### **Further details**

For further information on the Entitlement Offer you should contact Sundance's share registry by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or consult your professional adviser.

Yours sincerely

**Alan Rule**  
Company Secretary  
Sundance Resources Limited