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ASX / MEDIA RELEASE

## DRILLING RE-COMMENCES AT MBALAM PROJECT

### *New Diamond Drill Rig Commissioned With First Two Holes Completed*

International iron ore company Sundance Resources Limited (ASX: SDL – "Sundance") is pleased to announce that it has re-commenced drilling at its **Mbalam Iron Ore Project** in West Africa.

The Company has completed two commissioning holes at the main Mbarga Deposit utilising the Sandvik DE710 (UDR 200D LS) Track Mounted Drill Rig purchased earlier this year. These holes have achieved excellent penetration rates and core recovery. Visual interpretation indicates that the drilling results should be consistent with previously reported results. The PQ core is to be shipped to Perth for metallurgical testing. This data, together with follow up drilling results, will be used to assist the process of progressive conversion of current Indicated and Inferred Resources to Reserves.

The immediate focus of drilling with the new rig will be to test new prospects on Exploration Permit 92 in Cameroon before commencing drilling at the Nabeba Deposit, located in the neighbouring Republic of Congo.

Access to the Nabeba Deposit, located 42km south of the Mbarga Deposit, is currently scheduled to be completed in early January 2010. Drilling at this deposit is aimed at converting the current Exploration Target\* of 100 to 250Mt of hematite grading 55% to 65% Fe to JORC-Code compliant resources. This would result in a significant increase in the Company's inventory of High Grade hematite.

"We are pleased that drilling has re-commenced at Mbalam following cessation in December last year," said Sundance's CEO, Don Lewis. "The first phase of drilling resulted in the definition of JORC-Code compliant resources totalling 215 million tonnes of High Grade hematite and 2,325 million tonnes of Itabirite hematite at the Mbarga, Mbarga South and Metzimevin deposits. We look forward to increasing the High Grade hematite resource base over coming months".

"As previously announced, Sundance has recently purchased a second diamond drilling rig which will enable it to accelerate this new phase of drilling. The new rig will be ready for shipment from South Africa at the end of November and we expect to see it on site in January", Mr Lewis added.

"This is an important period of activity for the Mbalam Project following our recent \$85 million capital raising. The drilling program, which forms a core part of our Definitive Feasibility Study, will support project financing activities in 2010 and has the potential to add substantial value to the Project as we progress discussions with prospective partners, customers and financiers."

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\* While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets in excess of Inferred or Indicated Mineral Resources is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource in excess of that estimated for the Mbarga, Mbarga South or Metzimevin Deposits and it is uncertain if further exploration will result in determination of a Mineral Resource for the Nabeba Deposit or other prospects on the Company's landholdings.

Released by:  
Nicholas Read  
Telephone: (+61-8) 9388-1474 / +61-419 929 046  
Read Corporate

On behalf of:  
Don Lewis, Managing Director  
(+61-8) 9220-2300 / +61-417 996 005  
Web: [www.sundanceresources.com.au](http://www.sundanceresources.com.au)

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#### **About Sundance Resources Limited**

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo, on the central west coast of Africa. Sundance has commenced feasibility study on its Mbalam Iron Ore Project as the basis for developing a global iron ore business. Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Project and nearby projects in Congo and Gabon.

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

#### **Competent Person's Statement**

*The information in this release that relates to Exploration Results is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy.*

*Mr Longley is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Mr Widenbar is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The estimated quantity and grade of DSO quality Supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at the Mbarga Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarga, Mbarga South and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <10% Al<sub>2</sub>O<sub>3</sub>; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarga South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value is used for the Mbarga Itabirite hematite.*

*A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used 20m x 10m x 10m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.*

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

*The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying with a range of densities adopted from 3 to 4t/m<sup>3</sup> depending on the iron grade. A density of 3.6t/m<sup>3</sup> has been used for the majority of the near-surface High Grade Hematite and a value of 2.6 t/m<sup>3</sup> applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.*

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

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

*While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of Exploration Targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these Exploration Targets and it is uncertain if further exploration will result in determination of a Mineral Resource.*

**Forward-Looking Statement**

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