Major Resource Upgrade for Sundance Resources Limited Mbalam Iron Ore Project

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Perth, Australia (ABN Newswire) - International Iron Ore Development Company Sundance Resources Limited (ASX: SDL) (PINK: SUDCF) has taken another step towards its objective of developing its large scale iron ore project in central West Africa after today releasing a comprehensive update and overall increase of its JORC-Code Compliant Mineral Resources.

Sundance's inventory of High Grade Hematite resources at the Indicated category has more than doubled the previously-reported total (169 Mt) and is now 417.7 Mt @ 61.4% Fe. This is largely as a result of the conversion from Inferred to Indicated category at the Nabeba Deposit in the Republic of Congo.

Global Inferred and Indicated High Grade Hematite mineral resources for the Mbalam Project now stand at 484.0 Mt @ 61.1% Fe. As previously announced the Company also has defined a world-class JORC-Code Compliant Itabirite Hematite Resource at Mbarga, which remains unchanged from the estimate of 2.32 billion tonnes @ 38.0% Fe.

The conversion of mineral classification from Inferred to Indicated category is a direct result of the large drilling programme which has been undertaken at Nabeba over the past 12 months with intensive technical evaluations and extensive modelling carried out as part of the Mbalam Project Definitive Feasibility Study (DFS).

Mr Giulio Casello, MD and CEO of Sundance Resources said, 'This resource estimate further strengthens our confidence of the viability of this Project. We are now approaching half a billion tonnes of high quality iron resources and 85 per cent of that is now Indicated. Combining this with a world class itabirite deposit of over 2.3 billion tonnes, which lies under the Mbarga DSO deposit, we have a globally significant project capable of producing 35 million tonnes per annum of high quality iron ore for at least 25 years.

The first phase of the Mbalam Project consists of the planned railway and deep water port as well as two substantial DSO-quality high grade hematite deposits. This will be followed by the long term development of the itabirite resource. Sundance will continue to leverage our first mover advantage in the region to make this a world-class iron ore project; and in the meantime we will use our drilling rigs to continue exploring for more high grade hematite resources.'

The new resource figures as reported in this announcement are based on a later version of the resource model than has been used to generate the Maiden Reserve estimation in the Mining Study component of the DFS for the Mbalam Project which is expected to be complete by the end of March 2011. Further upgrading of the Reserve estimations will occur into the future.

The net result of updated Resource estimation is two-fold;

1. A significant increase of Indicated Resources resulting from increased drilling density and detailed interpretation of mineralisation; and

2. A significant increase in overall JORC-Code Compliant High Grade Hematite Resources resulting from additional drilling at the Nabeba Deposit over the interim nine months since the Maiden Resource was announced in June 2010.

JORC-Code compliant High Grade Hematite Resources

The high percentage of Indicated category (86%) within the total Resource Inventory is a direct reflection of the quantity and quality of drilling Sundance has undertaken, and the subsequent mineralogical and metallurgical studies. These have provided high confidence levels in the stated High Grade Hematite JORC-Code Compliant Resources.

Table 1a (For all Tables, please refer to the link at bottom of release) is the Global Summary of all High

Grade Hematite Resources for the Project, which is inclusive of all JORC-Code compliant Resources from the four drilled Deposits of the Mbalam Project; Mbarga, Mbarga South, Metzimevin and Nabeba.

The Company has also defined a World Class JORC-Code Compliant Itabirite Hematite Resource at Mbarga, which remains unchanged from the estimation as announced May, 2009 (Table 1b).

By comparison with other Iron Ore Projects in the region, this fully JORC-Code Complaint Itabirite Resource stands as arguably the highest quality Deposit of its type in this part of Africa, and is unique in the fact that it is overlain directly by a large, high quality, High Grade Hematite Resource as described further in this release.

Of the total 484 Mt High Grade Hematite, the Mbarga and Nabeba Deposits contain the majority of the Resources. By examining the differing silica and alumina levels in the tables for Mbarga and Nabeba on the following page, it can be concluded that the two deposits are quite different in their nature of mineralisation, yet highly compatible for the Project; Mbarga has low alumina but raised silica, whereas Nabeba has low silica with raised alumina values. Together, these 2 deposits comprise the majority of the Indicated Resources that will underpin the DFS, based on producing a high-quality product from blending of the various mineral resources.

To provide further details of the Global High Grade Hematite Resources for the Project, Tables 2-5 below summarise the Indicated and Inferred portions for each of the four individual deposits. The high percentage of conversion to Indicated for all deposits is explained further into this release, but is based largely on close-spaced Reverse Circulation (RC) and Diamond Core (DC) drilling carried out through 2010 and early 2011, and subsequent detailed analysis of mineralisation types, petrology and structures by Sundance Technical Teams and Consultants.

This resource estimate incorporates assay results from over 730 drill holes totalling more than 115,000 m of drilling.

Resource Classification by Individual Deposit

Due to the variable nature of mineralisation at each deposit, different modelling parameters have been applied when estimating Mineral Resources within the deposits. Exact parameters for each deposit have been tabulated at the rear of this release, including a summary of the drilling, sampling and surveying methods applied.

Note that Metzimevin has received no further drilling in 2010/2011 and remains at Inferred status. As such, it will not be considered in the current 2011 DFS. Mineral Resources at Metzimevin have been re-estimated as part of this recent work using a Fe cut-off grade of 50% and density of 2.80.

Meridional remains as a 'Prospect', not Deposit, as insufficient drilling has been undertaken to estimate a JORC-Code Compliant Resource. Further exploration is planned on these 2 areas during 2011 when drill rigs and priorities are appropriate.

Sundance has established first class exploration camps at both Mbarga and Nabeba and has developed good roads and relationships with local communities in the region to make work between the different areas efficient and harmonious.

Sundance tenure holdings are continuous between the areas and remain in good standing with Ministerial compliance, reporting and expenditure commitment requirements.

Figure 1 (for all Figures, please refer to the link at bottom of release) illustrates the geographical location of each deposit within the Mbalam Project. South Mbarga is a satellite deposit three kilometres south of Mbarga, and Nabeba is a further 40km south.

Also evident on Figure 1 are several of the identified Prospects on Sundance Tenure including Meridional, Njweng and Letioukbala. As resource definition drilling at Nabeba nears completion, the Site Exploration Geologists are working at further prioritisation of high grade mineralisation Targets on the remaining ground including these Prospects. Some drilling will continue on Nabeba and Mbarga Deposits in particular, to gather further definition of metallurgical, geotechnical and hydrogeological parameters. The intention is to advance work on all the Deposits forming the basis of the High Grade DFS, as well as continuing Exploration on all levels for the progressive addition of JORC-Code Compliant resources from prospective tenure in the immediate vicinity.

As mentioned above, the three main Deposits, (Mbarga, Mbarga South and Nabeba) comprise the data set

and resources which underpin the High Grade Hematite Definitive Feasibility Study currently nearing completion at Sundance. The following sections summarise drilling undertaken at these Deposits and illustrate the styles of mineralisation present at each deposit in both tables and cross-section format.

Mbarga Deposit

Work at Mbarga commenced in June 2007 with the very first drill hole by Sundance into the Project. Drilling at Mbarga has continued throughout the interim period, (with a hiatus during the GFC), up to late 2010, with the most recent work focused on collecting Metallurgical core samples to assist characterisation of mineralisation types and behaviours during processing.

To date, 371 drill holes have been completed for a total of 75,435 m as illustrated on Figure 2. Sundance has aimed to maintain a balance of approximately 80% RC and 20% DC drilling when undertaking resource definition programmes. The Mbarga dataset is currently 79% RC and 21% DC. QAQC analysis between the two types of drilling has highlighted no significant issues with sampling and representivity. The Mbarga resource estimation is based on 325 of these holes (72,170 m). The remaining holes were drilled for metallurgical testwork.

During 2007 and 2008, drilling targeted both near-surface High Grade Hematite and deep Itabirite mineralisation. The longest drill holes at Mbarga are more than 600m deep and are still within enriched-Itabirite. The decision was made in 2009 to focus further exploration and resource definition drilling on only near-surface DSO-style mineralisation, as this would set the Project as distinct and well above many other low grade Iron Ore (magnetite and hematite) Projects in West Africa.

Nabeba Deposit

Drilling commenced at the Nabeba Deposit in late January 2010 and the Maiden Inferred JORC-Code compliant Resource of 200 Mt was announced in record time in June of the same year. All drilling, utilising Sundance's four fully-owned drill rigs has focused solely on the Nabeba Deposit during the remainder of 2010.

For the dataset, 37,275 m of drilling from 333 holes at Nabeba have been included (Figure 3). Of this, 82% is RC and 18% DC. Six deliberate twin holes have been drilled at Nabeba and again no issues were identified during QAQC comparisons of the resultant data for Indicated status of confidence.

Sundance's two diamond drill rigs are continuing work on Nabeba to collect more bulk samples for metallurgical and processing test work. Essential Geotech drilling has been completed at Nabeba for the Feasibility Study.

Drilling has predominately focused on near-surface, High Grade Hematite mineralisation, but one diamond hole has been pushed deeper into the 'basement.' Initial observations and analysis suggest that comparable enriched-Itabirite lies beneath at least this part of the Nabeba Hill. A decision will be made later in 2011 as to whether Itabirite Resources at Nabeba should be targeted, but for now the focus is on exploration for additional high-grade DSO-style mineralisation.

Mapping and sampling by Site Geologists continues on the ridges flanking the main hill at Nabeba and RC rigs will be used to test for depth extent of outcropping High-Grade Hematite on the ridges shown (shaded in pink) below on Figure 4.

South Mbarga Deposit

South Mbarga was initially drilled in 2008 and a second campaign was completed in 2010 to enable all High Grade Resources to be converted to Indicated. A total of 44 holes has been drilled for 5,727 m of which 86% is RC and 14% DC.

Mineralisation Styles within Each Deposit

The following tables and cross sections for Mbarga, Mbarga South and Nabeba will illustrate clearly the high level of geological and mineralogical definition Sundance which has now been achieved for the five various styles of mineralisation that are found within the Deposits' internal architecture. This interpretation and classification will enable the DFS to generate a Mining Schedule that plans and coordinates delivery of mined material from each deposit in a timely manner, such that the Resource Inventory is maximised to

deliver a high-quality consistent mine feed.

The Mbarga Deposit has four distinct sub-horizontal mineralised 'domains' that are geologically and/or chemically distinct. These sit conformably on top of the massive Itabirite Resource at Mbarga (Figure 6).

1. The four domains all form part of what is generally referred to as a Supergene Profile, but in the individual deposit tabulations below, the 'Supergene' zone has been restricted to the discrete sub-horizontal, highly-enriched, low -contaminant mineralisation.

2. The 'Surficial' Zone is positioned above the Supergene domain and is characterised by elevated alumina levels.

3. The 'Transitional' Zone underlies the Supergene and, as the name suggests, contains elevated silica as it forms the intermediate zone between Itabirite and Supergene. The Transitional material is friable and has undergone extensive metallurgical testing to ensure it has potential economic value to the Project.

4. 'Phos' material is as the name suggests areas of elevated phosphorous that will either require careful blending with higher quality material or be stockpiled separately for alternative treatment.

The fifth type of mineralisation identified, 'Hypogene', comprises siliceous yet significantly mineralised discrete zones that extend up from the underlying sub-vertical Itabirite. As these are geographically distinct, they have been separated during interpretation and modelling.

Table 6 below details the tonnage and quality of individual Mineralised Domains within the Mbarga Deposit with Iron 'Cut-off' (i.e. greater than) and/or Alumina 'Cutover' (i.e. less than) grades itemised in the second and third columns. Note that the Supergene Zone has no restrictions applied as by definition, this is the premium mineralisation and is of exceptional quality (64.2% Fe).

As part of its DFS, Sundance is proposing to treat the Transitional material further, as this mineralisation has proven very amenable to a low-cost and simple upgrading process. Hence the logic behind including material within the Resource Inventory from this zone with up to nearly 18% silica.

While the majority of High Grade Resources at Mbarga are classified as Indicated (86%), approximately 22 Mt of mineralisation remains at Inferred level. These Inferred resources are situated at the eastern end of the Deposit, where drill-spacing is wider and subsequently interpretation is not as detailed as the main part of Mbarga.

Densities assigned to the various domains at Mbarga are illustrated in cross-section below in Figure 6. The relative positions of each Domain are clearly illustrated and the large Itabirite Resource can be seen (in grey) underlying the High Grade 'Cap.'

During recent technical analysis of all available density information for mineralised domains of the Project, it was apparent that the original density of 3.6 applied to Mbarga Supergene and the regressed value used for Transitional material (May, 2009) was biased by a small number of the early hard/competent core samples, to what is now considered an unrepresentative high value. A value of 2.80 (Mbarga Supergene) and 2.90 (Mbarga Transitional) has now been applied, and together with a slight re-interpretation of domain boundaries, explains the net decrease of JORC-Code Compliant Resources at Mbarga of 33.6 Mt.

This slight decrease at Mbarga has been more than compensated by an increase in overall Project Resources and together is considered a much better representation of the Deposit's internal architecture and will be more useful in DFS analysis.

Mbarga, however, currently remains the most significant Deposit within the Project due to the large (2.32 Billion tonne @ 38.0% Fe) enriched-Itabirite JORC-Code Compliant Resource delineated directly beneath the High Grade Hematite mineralisation (Table 1b).

The Mbarga South Deposit is a relatively small component of the Project but contains nearly 7 Mt of extremely high grade (64.1% Fe), high quality Supergene mineralisation (Table 7). A relatively small Surficial Zone has been defined above this zone and a somewhat larger Transitional Zone underlies it.

Mbarga South is a good example of how even relatively small, easily overlooked Prospects, can be drilled and evaluated to high Grade Deposit status, and combine to become significant additions to the Project resource base.

No cut-offs or cutovers of contaminants have been applied to South Mbarga during modelling as the geological units are well-defined and within favourable chemical parameters for the Project. All of the South

Mbarga mineralisation detailed below in Table 7 is classified as Indicated resources.

The Itabirite underlying the near-surface mineralisation is yet to be drill tested at South Mbarga.

The Nabeba Deposit represents approximately 60% of the Project High Grade Resource Inventory and has three distinct sub-horizontal mineralised 'domains' that are geologically and/or chemically distinct.

- The 'Surficial' Zone is relatively thin, with elevated alumina (4.9%) and yet at 60.3% Fe, is an important domain that extends from Surface. As such, there is no overburden or substantial non-mineralised material overlying this Deposit. The zone has no Fe cut-off applied but any material over 6% alumina or 0.25% P has been excluded.

- The 'Supergene' Zone at Nabeba is highly significant. This zone is high-tonnage and high- quality. Together with the Supergene at Mbarga, it will form the 'heart' of the DFS Mining studies with which additional Resources, of lesser quality, will be blended. No cut-offs or cutovers have been applied as they are not necessary within this high grade unit. In places, the Supergene Zone at Nabeba is over 100m thick and laterally consistent. There are small areas of slightly lower grade material within this unit but they are not sufficiently large and not of consistent extent to warrant separation into sub-domains.

- The 'Sub-Grade' Zone at Nabeba is a mineralised discrete unit that has somewhat elevated silica and alumina. It is not being included in the current DFS but early metallurgical studies on this material indicate that it has the potential to be upgraded. Note that for this unit, both silica (

The following photographs are from Sundance's recent diamond drilling programmes and illustrate the physical nature of the 5 main types of Mineralisation Zones identified:

1. Surficial Zone (Mbarga, South Mbarga and Nabeba) :

- Elevated alumina (Al2O3) and phosphorus (P) values.

- Goethite mineralogical content higher.

- Moderate-Kaolinite and high-Gibbsite normative mineralogy content.

2. Supergene Zone (Mbarga, South Mbarga and Nabeba) :

- High Hematite mineralogical content relative to Goethite.

- High iron (Fe>60%) and relatively low silica (

- High Hematite and low Kaolinite/Gibbsite normative mineralogy content.

3. Sub-Grade Zone (Nabeba only):

- High Hematite and moderate Goethite mineralogical content.

- Moderate iron (>55% Fe) and moderate-high silica (>6.0% SiO2) and alumina (>3.0% Al2O3) content.

- Moderate Hematite/Goethite and high Kaolinite normative mineralogy content.

4. Hypogene Zone (Mbarga only):

- Hard competent rock with high Hematite content commonly in the form of fine- to medium-grained specularite.

- Texture often contains cm-scale vughs which are also lined with Specularite.

5. Transitional Zone (Mbarga and South Mbarga):

- Moderate iron (~50% Fe) and elevated silica (>10% SiO2).

- The difference between this unit and the underlying Itabirite unit is that the apparent continuity in the mineralisation remains horizontal and is related genetically more to the overlying Supergene Zone than the potential source material, that is, the underlying Itabirite material with preserved sub-vertical layering.

- The boundary between the Transition Zone and the Itabirite is gradational.

To view the three tables detailing all parameters and relevant modeling information relating to the estimation of JORC-Code Compliant High Grade Hematite Resources at the Mbarga, Mbarga South and Nabeba Deposits, please refer to the link at the bottom of release.

For the complete Sundance Resources announcement including tables and figures, please refer to the following link below:
http://www.abnnewswire.net/media/en/docs/66582-ASX-SDL-533949.pdf

About Sundance Resources Limited:

Sundance Resources Limited (ASX: SDL) (PINK: SUDCF) is an international resources company developing the Mbalam Iron Ore Project in the Republic of Cameroon and the Republic of Congo, in central west Africa. Sundance Resources is listed on the Australian Securities Exchange and is part of the S&P ASX200 Index.

The Company's corporate head office is based in Perth, Western Australia, home to the world-class iron ore deposits of the Pilbara region. This location means the Company has assembled a management and technical team that draws readily on the skills of some of the world’s most experienced iron ore specialists as it continues to cement its position as an emerging force in the global iron ore sector.

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