

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**).

Pursuant to the ASX Listing Rules, Sundance is required to provide you with certain information as part of the procedure under the Entitlement Offer. This notice contains all the information required by Appendix 3B of the ASX Listing Rules.

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\$11.0 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.

#### **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
- for general working capital purposes.

#### **Eligible Shareholders**

The Entitlement Offer is being made to all shareholders 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;

- 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, (**Eligible Shareholders**).

### **Further details about the Entitlement Offer**

New Shares issued under the Entitlement Offer will rank equally with all fully paid ordinary shares in the capital of Sundance.

The Entitlement Offer is renounceable. Accordingly, entitlements can be sold to persons meeting certain eligibility criteria on ASX or by transferring it directly to another eligible person. Please see below for further details regarding selling your entitlement.

Eligible Shareholders who take up their full entitlement, may subscribe for additional New Shares and New Options from a pool of those not taken up by Eligible Shareholders as at the closing date of the Entitlement Offer (**Oversubscription Offer**). There is no guarantee that applicants under the Oversubscription Offer will receive the number of New Shares and New Options applied for under the Oversubscription Offer, or any. The Directors in consultation with Patersons, reserve the right to allot and issue New Shares and New Options under the Oversubscription Offer at their absolute discretion.

As required under the ASX Listing Rules, Sundance informs you that no Shareholder approval is required for the Entitlement Offer and, therefore, no Shareholder approval will be sought.

### **Prospectus**

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

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Entitlement Offer. Full details of the Entitlement Offer are set out in the Prospectus.

On 12 February 2016, Eligible Shareholders will be sent a Prospectus and a personalised entitlement and acceptance form which contains important information about the Entitlement Offer and sets out the number of New Shares they are entitled to purchase under the Entitlement Offer.

A copy of the Prospectus is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and Sundance's website at [www.sundanceresources.com.au](http://www.sundanceresources.com.au).

Eligible Shareholders should read all of the Prospectus carefully before deciding whether to participate in the Entitlement Offer.

### **Action required by Eligible Shareholders**

Your entitlement may have value and it is important you determine whether to (in whole or in part) take up, sell or do nothing in respect of your entitlement.

**Take up an entitlement:** If you wish to take up all or part of your entitlement, you will need to complete and return the entitlement and acceptance form together with the requisite application monies, or alternatively pay your application monies via BPAY® by following the instructions set out on the entitlement and acceptance form. In each case, applications and application monies must be received by no later than 5.00 pm (Perth time) on 26 February 2016.

**Take up more than your entitlement:** If you wish to apply for more New Shares and New Options than your entitlement you will need to complete the relevant section of the personalised entitlement and acceptance form that will accompany the Prospectus (titled "Additional New Shares applied for") and return it, together with the necessary application monies to Sundance in accordance with the instructions in the Prospectus and on the entitlement and acceptance form.

**Sell an entitlement:** There are a number of ways in which you can sell all or part of your entitlement, each of which may result in a different value for entitlements sold:

1. If you wish to sell all of your entitlement on ASX, you should instruct your stockbroker personally and provide them with the details they request as set out on your entitlement and acceptance form. Entitlements can be sold on ASX from 5 February 2016 to 19 February 2016.
2. If you wish to take up part of your entitlement and sell the balance on ASX, you need to:
  - o in respect of the part of your entitlement you are taking up, complete and return the entitlement and acceptance form with the requisite application monies (or pay your application monies via BPAY® by following the instructions set out on the entitlement and acceptance form); and
  - o in respect of entitlements to be sold on ASX, you should instruct your stockbroker personally and provide them with the details they request as set out on your entitlement and acceptance form.
3. If you wish to transfer all or part of your entitlement other than on ASX, you will need to complete and return a renunciation and transfer form (which can be obtained by contacting Sundance's share registry or your stockbroker) together with the entitlement and acceptance form and the transferee's application monies to the Sundance share registry by no later than 5.00 pm (Perth time) on 26 February 2016. The purchaser's address must be in Australia, New Zealand or Hong Kong.

Please note you may incur brokerage if you choose to sell your entitlement on ASX. Eligible Shareholders who sell their entitlement before receiving confirmation of their entitlement in the personalised entitlement and acceptance form do so at their own risk.

**Do nothing:** Entitlements not taken up, sold or transferred will lapse. The New Shares and New Options not subscribed for will form part of the shortfall.

By allowing your entitlement to form part of the shortfall, you will forgo any exposure to future increases or decreases in the value of the New Shares and New Options that would have been allotted to you had you taken up your entitlement. Your percentage shareholding in Sundance (held at the Record Date) will also be diluted.

The New Shares and New Options not subscribed for under the Entitlement Offer will be available for subscription through the Oversubscription Offer. Any New Shares and New Options which remain after the Oversubscription Offer will form part of oversubscription shortfall and will be taken up by Patersons, subject to sub-underwriting arrangements up to an amount of \$13.25 million.

The Directors in consultation with Patersons, reserve the right to then place the oversubscription shortfall at their absolute discretion.

The tax consequences from selling your entitlement or from doing nothing may be different. Before selling your entitlement or choosing to do nothing in respect of your entitlement, you should seek your own tax advice.

#### Key dates for Eligible Shareholders

Announcement of Entitlement Offer – pre market	Wed 3 February 2016
Lodgement of Prospectus with ASIC and ASX – pre market	Wed 3 February 2016
Notice to optionholders	Wed 3 February 2016
Notice to shareholders	Wed 3 February 2016
Entitlements trading commences on a deferred settlement basis	Fri 5 February 2016
Ex date for the Entitlement Offer (date from which shares begin trading without entitlements to participate in the	Fri 5 February 2016

Entitlement Offer)	
Record Date (to identify shareholders entitled to participate in the Entitlement Offer)	4.00 pm (Perth time) on Tue 9 February 2016
Despatch of Prospectus and entitlement and acceptance form commences	Fri 12 February 2016
Offer opens	Fri 12 February 2016
Entitlements trading commences on a normal settlement basis	Mon 15 February 2016
Entitlements trading ends	Fri 19 February 2016
New Shares and New Options quoted on a deferred settlement basis	Mon 22 February 2016
Offer closes	5.00 pm (Perth time) on Fri 26 February 2016
ASX notified of under-subscriptions	Tue 1 March 2016
Allotment of New Shares and New Options under the Entitlement Offer	Thu 3 March 2016
Mailing of holding statements in relation to New Shares and New Options issued under the Entitlement Offer	Fri 4 March 2016
Normal trading of New Shares and New Options issued under the Entitlement Offer expected to commence on ASX	Fri 4 March 2016

These dates (other than the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. Sundance reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the date the Entitlement Offer closes or accepting late applications, either generally or in particular cases, without notice.

Sundance also reserves the right to withdraw the Entitlement Offer at any time, in which case Sundance will refund application monies (being the amount paid for New Shares applied for on a duly completed entitlement and acceptance form) in accordance with the Corporations Act and will do so without interest.

#### **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