



ASX Announcement | Media Release
18 April 2019

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31 MARCH 2019

Summary:

- **\$1.08M investment from sophisticated investors during the Quarter**
- **AustSino/Noteholder Agreement end date extended to 30 June 2019**
- **Sundance waiting on Cameroon Government decision on Mbalam Convention reinstatement**
- **Sundance remains in voluntary suspension while AustSino responds to ASX queries for further information**
- **\$576,000 on hand at 31 March 2019**

Sundance Resources Limited (ASX: SDL) ("**Sundance**" or "**Company**") provides the following information about activities for the quarter ended 31 March 2019:

AGREEMENT WITH AUSTSINO AND NOTEHOLDERS UPDATES

On 25 September 2018 Sundance announced that it had signed an agreement ("**Agreement**") with AustSino Resources Group (ASX: ANS) ("**AustSino**") and all noteholders of the Company (other than Wafin Limited ("**Wafin**") being Senrigan Master Fund, Noble Resources International Pte Ltd, D. E. Shaw Composite Holdings International, Ltd, BSOF Master Fund L.P. and David Porter (together the "**Noteholders**"). On 1 October 2018 Sundance announced that Wafin had executed a deed poll dated 28 September 2018 ("**Accession Deed Poll**") pursuant to which Wafin agreed to be bound by the terms of the Agreement. The Agreement will deliver funding for Sundance, leave Sundance debt free, and bring in partners who have the capability and capacity to fund and bring the Mbalam Nabeba Iron Ore Project ("**Project**") into production.

Sundance announced on 31 December 2018 that the end date of the Agreement had been extended until 31 March 2019. Subsequently, and in response to the positive progress in Cameroon, Sundance reached an agreement with all of the Noteholders and AustSino to further extend the end date of the Agreement to 30 June 2019.

As consideration for facilitating the extension of the end date of the Agreement to 30 June 2019, the Company on 9 April 2019 issued 300 million fully paid ordinary shares to Western Australian Port Rail Construction (Shanghai) Ltd ("**WAPRC**") at a deemed issue price of A\$0.005. No shareholder approval was required for the issue of these shares to WAPRC.

The agreement previously signed with the Noteholders and announced by Sundance on 30 July 2018, in which the Company announced a restructure of its balance sheet and the elimination of the Convertible Notes, remains on foot. The term of that agreement has been extended by Sundance and the Noteholders to 30 September 2019.

Further Funding Received

During the current quarter Sundance received from AustSino and sophisticated investors a total of \$1,080,000 (less costs) in immediately available funds. The funds will be used for working capital and to progress the requirements of the Agreement.

Sundance received \$120,000 from AustSino following the issue by Sundance of 30,000,000 fully paid ordinary shares to AustSino at an issue price of \$0.004 per share. AustSino also received 60,000,000 bonus options (2 options per share issued) at an exercise price of \$0.006, and due to lapse 5 years after issue.

The total funding received from AustSino now totals \$1.120M and its shareholding in Sundance as at 31 March 2019 is 3.24%.

During the quarter Sundance also received \$960,000 from other sophisticated investors under the same terms as per the issue to AustSino described above.

SUNDANCE REMAINS IN VOLUNTARY SUSPENSION

Sundance shares will remain in suspension while AustSino (also in suspension) responds to the ASX's request for further information concerning AustSino's proposed transactions. The additional information includes WAPRC and its corporate/capital structure, the source of funds and the new controllers of AustSino following completion of the WAPRC placement (which is itself a control transaction) – see the AustSino ASX Announcement of 25 September 2018 for further information.

CAMEROON CONVENTION

As per ASX announcements of 19 and 20 March 2018, the Mbalam Convention was extended to 14 September 2018. During the period of extension Sundance needed to demonstrate to the Cameroon Government that a credible partner who was interested in the development of the Project had taken an equity position. If that was to occur, the Government advised it would take all useful measures to assist Sundance in continuing to carry out the development of the Project. Sundance believes that it has satisfied this condition with the Agreement entered into with AustSino.

A number of meetings have occurred during the quarter in Cameroon between senior representatives of the Cameroon Government and representatives from Sundance and AustSino as well as potential other stakeholders that are interested in participating in the funding, construction and operation of the Project.

The meetings were positively received by the Cameroon Government, which reiterated its strong desire to see the Project developed as quickly as possible. Sundance is currently waiting on a formal written position from the Cameroon Government regarding the reinstatement of the Mbalam Convention between Sundance's subsidiary Cam Iron and the Cameroon Government.

If the formal position from the Cameroon Government is supportive of Cam Iron, this will support AustSino to progress the relevant regulatory approval application in China. This approval will facilitate the transfer of the required funds to complete the transactions documented in the Agreement between Sundance, Sundance's noteholders and AustSino as announced to the ASX on 25 September 2018. As per the announcement, completion of the Agreement is also subject to other regulatory and shareholder approvals.

Notwithstanding the end of the Mbalam Convention, Sundance subsidiary Cam Iron's mining permit application over the land previously covered by Exploration Permit EP92 remains on foot giving Cam Iron priority rights over that area until a decision is made on the mining permit application. This understanding by Cam Iron was confirmed by independent legal advice during the quarter.

CORPORATE

Total cash outflow from operating activities for the period was \$608,000. Sundance ended the March 2019 Quarter with \$576,000 in cash and deposits. The Independent Expert's Report required for completion of the Agreement has not yet been initiated because of the delay in the End Date of the Agreement.

The expenditure for the coming quarter is estimated to be \$661,000 and includes normal working capital plus the legal, Independent Expert's Report, EGM costs and other associated costs to complete the Agreement. Management will continue to review costs and look for opportunities to reduce expenditure.

EXPENDITURE

The Pro-forma Appendix 5B - Statement of Consolidated Cash Flows is provided in a separate report.

ASX ANNOUNCEMENTS

The Quarterly Report should be read in conjunction with all announcements made by the Company to the ASX, including the financial statements which contain further details about Material Business Risks. These announcements can be found on the following link:

<http://www.sundanceresources.com.au/irm/content/asx-announcements.aspx>

SHARE CAPITAL

As at 31 March 2019, the Company had 8,645,846,952 ordinary fully paid shares on issue.

SCHEDULE OF TENEMENTS

The Company, through its subsidiary companies, held the following exploration/mineral research permits and mining tenements at 31 March 2019:

Country	Area	Permit	Holder
Republic of Cameroon	Mbalam	Exploration Permit No. 92 has now expired and the Mbalam Convention has passed its long-stop date requiring reinstatement. A valid Mining Permit application over the land previously covered by EP92 was lodged on October 2009 and later amended in December 2009. The Company has legal advice, which supports Sundance's priority over any other application by a third party over the land.	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) The Government of Cameroon has a right to a 10% free carry interest in Cam Iron on the grant of the mining permit.

(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 81% in Cam Iron and 76.5% in Congo Iron

(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

ENDS

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About Sundance Resources

Sundance Resources is seeking to develop its flagship Mbalam-Nabeba Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. Stage One will be the production of a Direct Shipping Ore ("DSO")-quality sinter fines product averaging >62.0% Fe at a rate of 40Mtpa for approximately 14 years based on blending material sourced from the deposits in the neighbouring countries of Cameroon and Congo. Stage Two, which is currently at a Pre-Feasibility Stage, would then extend the life of the operation by further 15-plus years producing high-grade Itabirite hematite concentrate. In April 2011, Sundance completed the Definitive Feasibility Study for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam-Nabeba Iron Ore Project. The Project will utilise the rail and port infrastructure to be financed, built and owned by the Government of Cameroon, a 540km rail line dedicated to the transport of iron ore through Cameroon and a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.

Forward Looking Statements

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, financing a large capital project, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of Sundance's operations including the likely financing and commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital sources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's operations, economic performance and financial condition.

Although Sundance 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, deterioration in the iron ore market, deterioration in debt and equity markets that lead to the Project not being able to be financed, success of business and operating initiatives, changes in the regulatory environment and other government action, fluctuations in iron ore prices and exchange rates, business and operational risk management, changes in equipment life, capability or access to infrastructure, emergence of previously underestimated technical challenges, environmental or social factors which may affect a license to operate.