

ASX Announcement

22 October 2019

MARKET UPDATE SUNDANCE AND AUSTSINO EXTEND END DATE ON AGREEMENT

As announced on 8 July 2019, Sundance Resources Ltd ("**Sundance**") (ASX: SDL), AustSino Resources Group Ltd ("**AustSino**") (ASX: ANS) and the Noteholders of Sundance ("**Noteholders**") entered into an agreement dated 5 July 2019, which regulates the terms on which AustSino would invest in Sundance and the existing notes held by the Noteholders would be cancelled in exchange for a cash, share and option package ("**Sundance Agreement**"). The end date for completion of the Sundance Agreement is currently 31 December 2019.

Under the terms of a letter agreement signed today, Sundance and AustSino have agreed to extend the end date for completion of the Sundance Agreement to 30 June 2020 ("**SDL Letter Agreement**").

In addition to this extension:

- The existing financial support arrangement in the Sundance Agreement will continue until completion. AustSino will continue to pay \$100,000 per month to Sundance in return for the issue of ordinary shares in Sundance at an issue price of \$0.0045 per share (which would comprise total payments of \$1.3 million if completion does not occur until 30 June 2020).
- AustSino will now pay an additional \$200,000 per month to Sundance starting on 1 December 2019 in return for the issue of ordinary shares in Sundance at an issue price of \$0.0045 per share. However, the shares will not be issued to AustSino unless and until completion occurs (which would comprise total additional payments of \$1.4 million to Sundance if completion does not occur until 30 June 2020).
- Sundance and AustSino have agreed to release each other (and their relevant personnel) from any claims or liabilities arising under or in connection with the Second Placement Agreement or the Mbalam-Nabeba Iron Ore Project prior to 22 October 2019 (the date of the SDL Letter Agreement).

The additional funds to be received from AustSino will be used for general working capital purposes and to progress discussions regarding the Mbalam-Nabeba Iron Ore Project.

These changes are conditional on:

- written agreement of Sundance's Noteholders to the SDL Letter Agreement by 31 December 2019 (but which Sundance and AustSino expect to receive by late November 2019); and
- AustSino and Western Australian Port Rail Construction (Shanghai) Ltd ("**WAPRC**"), being parties to an agreement dated on or about 24 September 2018 pursuant to which WAPRC will subscribe for shares in the Investor for \$100 million ("**WAPRC Agreement**"), agreeing to extend the deadline for completing all conditions precedent under the WAPRC Agreement from 31 December 2019 to 30 June 2020, by 1 December 2019 (which Sundance and AustSino expect to receive by mid November 2019).

Separately, as consideration for Sundance agreeing to extend the end date to completion of the Sundance Agreement, AustSino has agreed to issue approximately 107,692,308 fully paid ordinary AustSino shares to Sundance at a deemed issue price of \$0.013 per share but at no cost to Sundance, by no later than 5 business days after receipt of written agreement from all Noteholders of Sundance to the SDL Letter Agreement (which Sundance and AustSino expect to receive by late November 2019).

Sundance and AustSino expect that the Sundance Agreement will be concluded before 30 June 2020. Sundance and AustSino also expect that trading in their shares on ASX will remain suspended until the Sundance Agreement is completed or comes to an end (and that shares in AustSino will remain suspended until the WAPRC Agreement is also completed or comes to an end).

Mbalam Convention Update

Sundance and AustSino representatives have had a number of meetings regarding the reinstatement of the Mbalam Convention with the Prime Minister's office and the Presidency in Cameroon and have been encouraged by these meetings. Further meetings and discussions are also planned to take place in Africa and China before the end of 2019.

Sundance Resources' Chief Executive Officer, Giulio Casello, said:

"We are disappointed that the end date of our agreement has had to be extended again but are satisfied that AustSino is working hard on concluding their part of the agreement and will be continuing to fund Sundance until the agreement is completed.

"Sundance and AustSino are both hopeful that we will conclude the agreement well before the new end date."

ENDS

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