

ASX Announcement | Media Release
29 April 2020

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31 MARCH 2020

Summary:

- **Good Progress on holding of EGM for AustSino transaction**
- **Sundance and AustSino visit Cameroon**
- **COVID 19 impact unclear**
- **Sundance shares remain in voluntary suspension**
- **\$384,000 cash on hand as at 31 March 2020**

Sundance Resources Limited (ASX: SDL) (“Sundance” or “Company”) provides the following information about activities for the quarter ended 31 March 2020:

AGREEMENT WITH AUSTSINO AND NOTEHOLDERS UPDATES

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 was 31 December 2019.

On 22 October 2019 Sundance announced a Letter Agreement was signed between Sundance and AustSino in which Sundance 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).

Separately, as consideration for Sundance agreeing to extend the end date to completion of the Sundance Agreement, AustSino 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. AustSino announced on 24 December 2019 that these shares have been issued to Sundance.

During the Quarter Sundance received the three \$300,000 payments from AustSino as per the SDL Letter Agreement.

One of the conditions for Sundance to conclude the Sundance Agreement is to receive shareholder approval via an Extraordinary General Meeting (“EGM”) prior to 30 June 2020. Sundance engaged an Independent Expert during the Quarter to issue an Independent Experts Report (“Report”) to assist Shareholders in understanding the merits of the AustSino transaction. The Report has been issued to the regulators for review along with a draft Notice of Meeting for the EGM.

Sundance is well placed and sees no issue in complying with its conditions under the Sundance Agreement prior to 30 June 2020.

CAMEROON CONVENTION

Meetings occurred between representatives of Sundance, AustSino and the Cameroon Government in Yaoundé, Cameroon during January 2020. The Government expressed its strong support for the Mbalam-Nabeba Iron Ore Project and the change of control transaction between Sundance and AustSino and was looking forward to the transaction being completed.

SUNDANCE REMAINS IN VOLUNTARY SUSPENSION

Sundance expects that trading in its shares on ASX will remain suspended until the Sundance Agreement is completed or it comes to an end.

COVID-19 IMPACT

During the Quarter there have been considerable global economic disruptions arising from the outbreak of COVID-19 virus. This amongst other impacts has resulted in full lockdowns in Cameroon and Congo and travel restrictions in and out of China (including to Hong Kong). As of today, Sundance is unable to determine what effects the outbreak of the virus could have on the conclusion of the Sundance Agreement especially related to AustSino.

Sundance will continue to monitor the situation with AustSino closely and consider a range of expenditure containment and other measures as further information is received.

CORPORATE

Total cash outflow from operating activities for the period was \$668,000. Sundance ended the March 2020 Quarter with \$384,000 in cash and deposits.

During the Quarter \$900,000 was raised from placements with AustSino as per the terms of the SDL Letter Agreement.

The expenditure for the coming Quarter is estimated to be \$748,000 and includes normal working capital plus the issuing of the Notice of Meeting and running of the EGM. These costs will be monitored closely during the quarter and adjusted as required.

EXPENDITURE

The Pro-forma Appendix 5B - Statement of Consolidated Cash Flows is provided in a separate report. The related party payments referred to in section 6 of the 5B are for Director salaries.

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 2020, the Company had 9,383,354,890 shares on issue.

SCHEDULE OF TENEMENTS

The Company, through its subsidiary companies, held the following exploration/mineral research permits and mining tenements as at 31 March 2020:

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

This release was authorised by the Board of Sundance.

ENDS

GIULIO CASELLO

Chief Executive Officer and Managing Director

Sundance Resources Limited

Tel: +61 8 9220 2300

Media:

Peter Klinger

Cannings Purple

Mob: +61 411 251 540

E: pklinger@canningspurple.com.au

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.