

ASX Announcement | Media Release
28 January 2020

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31 DECEMBER 2019

Summary:

- **New AustSino, Noteholder Agreement now unconditionally extended to 30 June 2020**
- **Cameroon Government visits China**
- **Sundance shares remain in voluntary suspension**
- **\$158,000 cash on hand as at 31 December 2019**

Sundance Resources Limited (ASX: SDL) (“Sundance” or “Company”) provides the following information about activities for the quarter ended 31 December 2019:

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 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 were conditional on:

- written agreement of Sundance's Noteholders to the SDL Letter Agreement by 31 December 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.

Written agreement was received by the Sundance Noteholders to the SDL Letter Agreement on 2 December 2019. AustSino has informed Sundance that WAPRC has also extended their WAPRC Agreement to 30 June 2020.

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.

Sundance and AustSino expect that the Sundance Agreement will be concluded before 30 June 2020 with a current target date for the required Extraordinary General Meeting ("**EGM**") to be held late March or April 2020.

CAMEROON CONVENTION

Cameroon Government representatives visited China during November 2019. During this visit they met the potential partners in the consortium that could fund, construct and operate the Mbalam Nabeba Iron Ore Project ("**Project**"). The potential partners expressed their support for the Project which was well received by the Cameroon Government representatives.

Follow up meetings occurred in January 2020 in Cameroon between Sundance, AustSino and Cameroon Government representatives at which the Cameroon Government reiterated its support for the Project and the transaction that was occurring between Sundance and AustSino (e.g. the Sundance Agreement).

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.

CORPORATE

Total cash outflow from operating activities for the period was \$601,000. Sundance ended the December 2019 Quarter with \$158,000 in cash and deposits.

During the quarter \$400,000 was raised from placements with AustSino. \$100,000 in November 2019 as per the financing support clause of the Sundance Agreement and then \$300,000 in December 2019 as per the terms in the SDL Letter Agreement.

As per the SDL Letter Agreement AustSino will continue to fund Sundance \$300,000 per month till the transaction concludes.

The expenditure for the coming quarter is estimated to be \$791,000 and includes normal working capital plus travel costs to Cameroon, legal costs, completion of the Independent Expert's Report and production, distribution of the Notice of Meeting for the required EGM.

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 December 2019, the Company had 9,221,846,954 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 December 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

This release was authorised by the Board of Sundance.

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.