



ASX Announcement
29 July 2020

Sundance Resources Limited (ASX : SDL) General Meeting Chairman's Address

The past 12 months have delivered considerable progress in putting the parts together to move the world-class Mbalam-Nabeba Iron Ore Project towards development. While 2019 and 2020 was a frustrating period in the sense that steps towards development have taken longer than we would have hoped, we greatly appreciate and acknowledge the patience of our shareholders. We do believe we have a way forward.

To that end, on behalf of the Directors of Sundance, I welcome you to our extraordinary general meeting.

As you know, on 8 July 2019, Sundance announced that it had entered into an agreement with AustSino and the Noteholders of the Company which would, if implemented, result in the Company receiving net cash of A\$4 million and reducing its liabilities by approximately A\$132 million.

The Proposed Transactions under this agreement are subject to, amongst other things, Shareholder approval at this EGM for the purposes of the ASX Listing Rules and the Corporations Act. Under the Proposed Transactions the Company has agreed, in consideration for A\$29 million and subject to a number of conditions precedent being satisfied or waived, to issue to AustSino 11.15 billion Shares and 11.15 billion Options at an exercise price of 2 cents and an expiry date of five years after the date of issue ; and on completion of the issue of AustSino Shares and AustSino Options, the Company's Convertible Notes will be cancelled in exchange for a cash payment of A\$25 million and the issue of 2 billion Shares and 5 billion Options at an exercise price of 2 cents to the Noteholders.

If these Proposed Transactions are implemented the Company will extinguish all of its debt under the Note Cancellation resulting in AustSino having voting power of 51.9% in the Company and the Noteholders combined having voting power of approximately 9.02%.

The AustSino Transaction and Note Cancellation are inter-conditional. This means that if Shareholders do not approve both the AustSino Transaction or the Note Cancellation, then neither will be implemented.

The Directors believe that the Proposed Transactions are in the best interests of Shareholders and, therefore, recommend that you vote in favour of the Proposed Transactions. The full details were contained in the Notice of Meeting but in summary the reasons we are supporting these transactions are:

Stronger balance sheet and cash position. On completion Sundance will have no debt and \$4 million of cash. If all of the AustSino Options and options held by the Noteholders are exercised before their expiry date, this will result in a cash injection of approximately A\$320 million.

In addition, the Company considers that the continued involvement of AustSino as a strategic investor in Sundance is important to developing the Project. AustSino has helped bring together a significant consortium of Chinese entities which are interested in funding, building, and operating our project.

Sundance engaged an independent expert, Pendragon, to consider the issue of Shares to AustSino and to prepare the Independent Expert's Report to assist Shareholders in understanding the merits of the AustSino Transaction. Pendragon has concluded that the issue of Shares to AustSino as contemplated by Resolution 1 is fair and reasonable to Shareholders who are not associated with AustSino or the Noteholders.

DAVID PORTER
Chairman
Sundance Resources Limited

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