

ASX Announcement
8 July 2019

Market Update

AustSino Resources Group Ltd (**ASX: ANS**) (**AustSino**), led by its Chairman, Mr Ding Chun Ming, is pleased to provide the following Market Update in relation to the Sundance Agreement, the WAPRC Agreement and AustSino's other business activities.

Sundance Transaction: New Sundance Agreement

Overview of Sundance Project

Sundance Resources Ltd (ASX: SDL) (**Sundance**) has been seeking to develop the Mbalam-Nabeba Iron Ore Project in the Republics of Cameroon and Congo (**Project**). The Project plan involves the proposed development of a deepwater port, a 540-580 km rail network and two iron ore mines.

Sundance has advised that its Cameroon subsidiary, Cam Iron SA's, mining permit application over the land previously covered by Exploration Permit EP92 remains on foot. Sundance and Cam Iron also have intellectual property, engineering studies, drilling results and project approvals in respect of the proposed Mbarga mine and associated port and rail in Cameroon, which Sundance and Cam Iron propose to develop and commercialise if the Cameroon Government agrees to reinstate the Mbalam Convention (which lapsed on 14 September 2018).

Sundance's Congo subsidiary, Congo Iron SA, already has in place a Mining Convention (which has been passed into law by the Congo Parliament) and a Mining Permit in respect of Sundance's proposed Nabeba iron ore mine and associated rail, in the Republic of Congo. Sundance and Cam Iron also have intellectual property, engineering studies, drilling results and project approvals in relation to that proposed mine and associated rail, which Sundance and Congo Iron propose to develop and commercialise.

The preferred approach of Sundance, AustSino and the proposed Chinese consortium partners (referred to below) is to develop an integrated mine, port and rail project in Cameroon and Congo. The parties will or may need to review the economic and technical feasibility of, and the implementation strategy for, the Project and/or consider other development opportunities in Central Africa, if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.

Further information about the Project, with a breakdown between the Republics of Cameroon (where there is currently no Convention and no Mining Permit) and Congo (where a Convention and Mining Permit have already been granted) is set out in Schedule 2 of this Market Update. More detailed information can also be found at Sundance's website (www.sundanceresources.com.au) and in Sundance's previous Annual Reports and ASX Announcements.

Previous Sundance Agreement

Under the Previous Sundance Agreement, AustSino originally agreed to invest \$58 Million into Sundance to acquire approximately 50.8% of the ordinary shares in, and effective control over, Sundance. As part of the deal, approximately \$132M in Noteholder loans would be extinguished in return for a \$50M cash payment and a share and options package for the Noteholders. \$8M would be retained by Sundance for working capital and to progress the Project.

The Previous Sundance Agreement was subject to various important conditions precedent, including shareholder approval, Australian regulatory approvals and, in particular, the reinstatement of the Mbalam Convention (which lapsed on 14 September 2018). During April 2019, the deadline for satisfying all conditions precedent under the Previous Sundance Agreement was extended to 30 June 2019.

Over the past 6 months, AustSino and Sundance have held a number of meetings, both within and outside Cameroon, between senior representatives of the Cameroon Government and representatives from Sundance and AustSino as well as other potential consortium partners (described further below).

The potential consortium parties all attended meetings held between Sundance and AustSino, and with the Cameroon Government, during the last visit to Cameroon and they have all signed non-binding MOUs or similar documents (details of which accompany this announcement).

Sundance and AustSino have also communicated in writing and on several occasions with the Cameroon Government, with a view to obtaining the Cameroon Government's agreement to reinstate the Convention.

The initial response from the Cameroon Government was positive and it initially reiterated its intention to see the Project developed as quickly as possible. However, the Cameroon Government has still not made a decision whether or not to reinstate the Mbalam Convention and so it is uncertain whether (and if so when, and on what terms) any decision will be made regarding the reinstatement of the Mbalam Convention. Accordingly, the Previous Sundance Agreement lapsed on 30 June 2019.

New Sundance Agreement

Notwithstanding that the Mbalam Convention has not been reinstated to date, AustSino believes that there is significant value in the Congo Mining Convention and the Congo Mining Permit owned by Sundance and that those rights provide a valuable cornerstone to develop an integrated mine, rail and port project.

The Board of AustSino has already invested significant effort and resources into its proposed deal with Sundance and in exploring the development of a major iron ore mining, port and rail project in Africa. AustSino, led by its Chairman, Mr Ding Chun Ming, has brought together a world class consortium to pursue that strategy. Further details of that consortium are set out below (although, the consortium arrangements will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention).

Having now executed the New Sundance Agreement, AustSino intends (with Sundance) to continue to explore the possibility of obtaining the reinstatement of the Mbalam Convention (which itself is a condition of the New Sundance Agreement), as well as other development opportunities if the reinstatement of the Mbalam Convention is not ultimately able to be achieved or will be significantly delayed.

The terms of the New Sundance Agreement are supported unanimously by Sundance's Noteholders and all of Sundance's Noteholders have executed the New Sundance Agreement. A pro forma capital structure for Sundance after completion of the Sundance Transaction (assuming it occurs) is annexed to this Announcement.

Chairman of ANS Ding Chun Ming commented *“The Board of AustSino believes that the commercial terms of the New Sundance Agreement fairly value the Congo Mining Convention and the Congo Mining Permit retained by Sundance and, therefore, it is in the interests of AustSino shareholders for the Company to pursue the New Sundance Agreement”*.

Key terms of the New Sundance Agreement

The key terms of the New Sundance Agreement are set out in Schedule 1 of this Announcement. In particular:

- The reinstatement of the Mbalam Convention is now not a condition to the completion of the Sundance Transaction.
- Sundance will now issue to AustSino 11,153,846,154 ordinary shares at an issue price of A\$0.0026 per Share, together with the grant of 11,153,846,154 unlisted options at an exercise price of A\$0.02 and an expiry date of five years after the date of issue, which are subject to a number of conditions precedent to be satisfied or waived by 31 December 2019 or another date agreed by the parties. AustSino will still acquire approximately 50% of Sundance following the completion of the New Sundance Agreement, resulting in a change of control of Sundance.
- The cash payable by AustSino on completion of the New Sundance Agreement will now be \$29 Million. Of this, \$25 Million will be paid to Noteholders and \$4 Million will be retained by Sundance.
- In exchange for the cancellation of the existing convertible notes in Sundance held by the Noteholders (**Convertible Notes**) (**Cancellation**) and, in addition to the cash payment to the Noteholders, Sundance will now issue to the Noteholders:
 - 2,000,000,000 Shares at a deemed issue price of A\$0.004; and
 - 5,000,000,000 unlisted options at an exercise price of A\$0.02 and an expiry date of five years after the date of issue.
- Cancellation of the Convertible Notes will leave Sundance debt free.
- The number of options to be granted to the Noteholders is now 5 billion. The terms of those options are unchanged.
- AustSino will provide some financial support as required by Sundance to part support its working capital requirements until completion of the New Sundance Agreement:
 - The support of AustSino will be via an initial \$200,000 placement of ordinary shares to AustSino at an issue price of \$0.00375 per share, resulting in the issue of 53,333,333 shares to AustSino (**Initial Placement**). The Initial Placement will occur within 5 Business Days of this announcement.
 - After the Initial Placement and within 5 business days following a request by Sundance, AustSino is required to pay \$100,000 per month to Sundance in return for the issue of ordinary shares in Sundance at an issue price of \$0.00375 up to an aggregate of \$600,000 (including the initial \$200,000) (**Financial Support Arrangement**).
 - In lieu of subscribing for additional Sundance shares, AustSino may instead require that future Financial Support Arrangements be deducted from the \$29 Million purchase price payable by AustSino on completion of the Sundance Transaction.

- The total number of ordinary shares to potentially be issued by Sundance to AustSino under the Financial Support Arrangement is 160,000,000 ordinary shares. Neither the Initial Placement nor any subsequent placement of shares under the Financial Support Arrangement will require Sundance shareholder approval.
- The New Sundance Agreement will require a number of regulatory and shareholder approvals before completion, which are expected to be satisfied before 31 December 2019, as follows.

Key conditions precedent to New Sundance Agreement

- The key conditions precedent to the completion of the New Sundance Agreement are:
 - In relation to AustSino's investment in Sundance and the issue of shares by AustSino to WAPRC to fund the transaction:
 - approval by AustSino's shareholders as required for the purposes of the ASX Listing Rules and Corporations Act 2001 (Cth) ("Corporations Act");
 - approval of any relevant legal or regulatory bodies or by any subscriber in connection with AustSino's placement of shares to fund the transaction; and
 - an independent expert confirming that the relevant transactions are fair and reasonable, or not fair but reasonable, for AustSino's shareholders
 - Completion of AustSino's placement of shares to WAPRC to fund its subscription for the shares in Sundance
 - AustSino and Sundance continuing to take reasonable steps to discuss and advance the development of the Sundance Project on an exclusive basis
 - AustSino and Sundance taking all reasonable steps to discuss and advance the Sundance Project with the Governments of the Republics of Cameroon and Congo
 - In relation to AustSino's proposed investment in Sundance and the issue of securities by Sundance:
 - approval of Sundance's shareholders as required for the purposes of the ASX Listing Rules and the Corporations Act; and
 - an independent expert confirming that the relevant transactions are fair and reasonable, or not fair but reasonable, for Sundance's shareholders
 - Sundance and AustSino not being insolvent at or prior to completion of the Sundance Transaction.

Key differences from Previous Sundance Agreement

The key differences between the Previous Sundance Agreement and the New Sundance Agreement are as follows:

- The reinstatement of the Mbalam Convention is now not a condition to the completion of the Sundance Transaction (although all other conditions precedent are unchanged).
- The cash payment has been reduced from A\$58 Million to A\$29 Million (of which A\$20 Million will be paid to Noteholders and A\$4 Million be retained by Sundance for working capital and to progress the Project).
- The number of shares and options to be issued to AustSino has been adjusted (although AustSino will still acquire more than 50% of the total share capital, and effective control, of Sundance).
- The number of options to be granted to the Noteholders has been reduced from 10 Billion to 5 Billion (although all other terms are unchanged).

- AustSino has committed to provide the Financial Support Arrangement (up to an aggregate of A\$600,000).
- The date for satisfying all the conditions precedent has changed to 31 December 2019.

The New Sundance Agreement has the full support of the Sundance Board (in the absence of David Porter, who as a Noteholder was unable to participate in the Board meeting) as well as the full support of the AustSino Board.

AustSino's shares currently suspended from trading

AustSino's shares were suspended from trading in September 2018 when it entered into the Previous Sundance Agreement (to pursue the Sundance Transaction) and the WAPRC Agreement (to pursue the WAPRC Transaction).

AustSino is currently working with the ASX in relation to the conditions for reinstatement of AustSino's shares to the ASX platform in light of the New Sundance Agreement.

However, the ASX has indicated that one of the conditions for reinstatement of its shares to the ASX platform will be that the funds required for completion of the New Sundance Agreement and the WAPRC Agreement have been transferred to a bank account in Australia.

Non-binding MoUs with Chinese project partners in world class consortium

Primarily for the purpose of progressing the Previous Sundance Agreement (and now the New Sundance Agreement), AustSino has put in place non-binding Memoranda of Understanding (**MoUs**) or similar documents with a world class Consortium of proposed Chinese project partners who have all expressed keen interest and capability to be involved in the funding, ownership, construction, operation and/or iron ore offtake arrangements for the Mbalam-Nabeba Iron Ore Project.

The terms of the MoUs contemplated the development of an integrated mine, port and rail project in Cameroon and Congo. Therefore, the terms of those MoUs will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.

The proposed Chinese consortium partners are as follows:

- **Hong Kong Baofeng International Co Ltd** – Baofeng/Baowu is a joint venture company of Baosteel Resources Co Ltd and Jizhong Energy Group Co Ltd. Jizhong Energy is a large Chinese State Owned Enterprise (**SOE**) which is one of China's largest coal and resources companies. Baosteel is a subsidiary of China Baowu Group, a "Tier 1" Chinese SOE which is China's largest steel producer and the world's second largest steel producer. Baofeng/Baowu has expressed keen interest in being a funding partner and long-term customer of the Project.
- **Shanghai Tsingshan Mineral Co Ltd** – Tsingshan is a very large private Chinese steel company and is the world's largest stainless-steel producer. Tsingshan has extensive steel operations, projects and commercial activities in China, Asia and Africa. Tsingshan has expressed keen interest in being a funding partner and long-term customer of the Project.
- **China Railway Construction Corporation International Co Ltd** – CRCCI is a wholly owned subsidiary of China Railway Construction Corporation (CRCC), the world's largest construction company and China's largest railway construction company. CRCC is a "Tier 1" SOE of the

Chinese Government. CRCC has expressed keen interest in being a funding partner, and the construction partner and operator of the railway infrastructure, for the Project.

- **Shenzhen Yantian Port Holdings Co Ltd** – Yantian Port is China’s second largest port operator and the world’s third largest port operator. Yantian Port is registered on the Shenzhen Securities Exchange, although its main shareholder is the Chinese Government. Yantian Port currently owns and operates 7 bulk commodity and container ports in China and has an involvement in port projects in Egypt and Malaysia. Yantian Port has expressed keen interest in being a funding partner, and the construction partner and operator of the deepwater port, for the Project.

The key terms of the MoUs are set out in Schedule 3 to this Market Update.

WAPRC Transaction

AustSino entered into an agreement with Western Australia Port Rail (Construction) Co Ltd (**WAPRC**) in September 2018 (**WAPRC Agreement**) to pursue the WAPRC Transaction. Under that Agreement, WAPRC has agreed to invest \$100 Million into AustSino, to acquire approximately 60% of the shares in, and effective control over, AustSino. A pro forma balance sheet and a pro forma capital structure after completion of the WAPRC Transaction (assuming it occurs) are annexed to this Announcement.

The previous Sundance Agreement (**Previous Sundance Agreement**) lapsed on 30 June 2019 and has been superseded by the execution of a new Sundance Agreement on or around 5 July 2019 (**New Sundance Agreement**). Under the New Sundance Agreement, the purchase price to be paid by AustSino to acquire a controlling interest in Sundance has been reduced from \$58 Million to \$29 Million and the number of options to be granted to the Noteholders has been reduced from 10 Billion options to 5 Billion options, exercisable at a strike price of \$0.02.

The terms of the New Sundance Agreement have been summarised above under the heading “Sundance Transaction”. It is intended that the balance of the funds to be received from WAPRC will primarily be applied in developing the significant iron ore project opportunities in Central Africa made possible by the New Sundance Agreement, including feasibility studies and commercial negotiations with governments and project partners.

The WAPRC Agreement remains subject to various important conditions precedent, including Foreign Investment Review Board (FIRB) approval, shareholder approvals and Chinese and Australian regulatory approvals.

During April 2019, the deadline for satisfying all conditions precedent under the WAPRC Agreement was extended to 31 December 2019. This coincides with the timeline for completion of the New Sundance Agreement.

Given that the new Sundance Agreement is no longer subject to the reinstatement of the Mbalam Convention, AustSino understands that WAPRC intends to pursue the granting of the Chinese regulatory approvals required for WAPRC to transfer the funds to Australia as quickly as possible.

Material risks to completion of WAPRC Agreement and the New Sundance Agreement

The AustSino Board are committed to the successful completion of the WAPRC Agreement and New Sundance Agreement. However, as with any transactions of this size and complexity, there are risks to completion and so there is no guarantee either transaction will be completed. In particular:

- There may be a material delay in WAPRC obtaining the necessary Chinese and Australian regulatory approvals (including FIRB) to transfer \$100M to Australia (and therefore, there could be a material delay in AustSino's ability to obtain re-quotations of its shares on the ASX and complete the New Sundance Agreement), or those approvals may not be obtained at all.
- The deadlines of 31 December 2019 for completing the WAPRC Agreement and/or the New Sundance Agreement may not be met (or extended);
- AustSino and WAPRC may not be able to complete the WAPRC Transaction; and
- As a result of a failure to complete the WAPRC Transaction, AustSino, Sundance and the Noteholders may not be able to complete the transactions under the New Sundance Agreement.

Other business activities

In addition to its existing investment in Sundance and its ongoing involvement in a proposed transaction with Sundance, AustSino has significant iron ore deposits in the Mid West Region of Western Australia. That region is a large and prospective mineral region which has the potential to become a major new iron ore province. Numerous Chinese and Australian companies already have significant iron ore deposits in the Region.

AustSino also owns engineering studies and other intellectual property in relation to potential economic infrastructure solutions for the Mid West Region. Much of that material was acquired from the Chinese-backed Yilgarn Consortium which previously bid (unsuccessfully) for the concession rights to build a deepwater iron ore port at Oakajee during 2007-8. At that time, the Mitsubishi-backed consortium provisionally won the rights to build the port and rail infrastructure from the Western Australian Government; however, the Mitsubishi consortium was ultimately unable to develop the Oakajee Project, so its rights subsequently lapsed. The WA Government has subsequently confirmed that no other parties currently have any rights in relation to the Oakajee Project.

In addition to its involvement with Sundance and the Mbalam-Nabeba Project, AustSino continues to explore potential opportunities to utilise or extract value out of its Mid West iron ore tenements and the engineering studies and intellectual property which AustSino holds (whether in its own right or through collaboration, joint ventures or other partnerships with parties who are interested in developing infrastructure or mining projects in the Mid West Region).

For instance, during 2018, AustSino commissioned a high-level concept study outlining potential infrastructure solutions for the Mid West Region. AustSino also signed a non-binding MoU with Shenzhen Yantian Port Holding Co Ltd, pursuant to which Yantian Port has confirmed its interest in playing a significant role in the future development and funding of the Oakajee Project.

However, none of the commercial discussions with Yantian Port and any other parties in relation to the Mid West Region are at a binding stage, and it is not currently possible for AustSino's Board to predict whether (and if so, when or on what terms) any such discussions will ultimately lead to binding commitments, contracts or investments.

AustSino will provide further market updates in relation to the WAPRC Agreement, the New Sundance Agreement and AustSino's other business activities in due course.

Further enquiries

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Forward looking statements

This announcement contains certain forward-looking statements and opinion. Generally, words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. The forward-looking statements, opinion and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Sundance. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

The New Sundance Agreement (to pursue the Sundance Transaction) and the WAPRC Agreement (to pursue to WAPRC Transaction) are subject to a number of conditions and there is no guarantee that either of those transactions will complete in accordance with its terms.

Schedule 1
Key terms of the
New Sundance Agreement

Key Term	Description
Financial support	<p>Sundance will issue 53,333,333 ordinary shares (“Shares”) to AustSino at an issue price of A\$0.00375 per Share by no later than 5 Business Days after the date when the last party has signed the New Sundance Agreement (“Initial Placement”).</p> <p>After the Initial Placement and within 5 business days following a request by Sundance, AustSino is required to pay \$100,000 per month to Sundance in return for the issue of ordinary shares in Sundance at an issue price of \$0.00375 up to an aggregate of \$600,000 (including the initial \$200,000) (“Financial Support Arrangement”).</p> <p>Sundance will use the proceeds from the Financial Support Arrangement for the development of the Mbalam-Nabeba Iron Ore Project, working capital purposes and expenses and to fund the transactions contemplated under the New Sundance Agreement.</p>
Placement Completion	<p>AustSino will pay A\$29 million to Sundance (“Completion Payment”) and Sundance will:</p> <ul style="list-style-type: none">• issue to AustSino 11,153,846,154 Shares at an issue price of A\$0.0026 per Share; and• grant AustSino 11,153,846,154 unlisted options at an exercise price of A\$0.02, which have an expiry date of five years after the date of issue, are transferable to persons that do not require a disclosure document and are otherwise on terms consistent with existing Noteholder options. <p>Sundance must use A\$25 million of the Completion Payment as consideration for the cancellation of the existing convertible notes on issue to the Noteholders in Sundance (“Convertible Notes”), with the remaining funds to be used for development of the Mbalam-Nabeba Iron Ore Project, working capital purposes and expenses and to fund the transactions contemplated by the New Sundance Agreement.</p>
Conditions to Placement Completion	<p>Completion of the Placement Completion is subject to the following conditions:</p> <ul style="list-style-type: none">• Any Noteholder that is not party to the New Sundance Agreement agreeing to cancel its Convertible Notes and the other transactions involving the Noteholders as contemplated under the New Sundance Agreement on the terms contemplated by the New Sundance Agreement (this condition will have been satisfied once the last party has signed the New Sundance Agreement)• In relation to AustSino’s investment in Sundance and the issue of shares by AustSino to fund the Completion Payment:

- approval by AustSino’s shareholders as required for the purposes of the ASX Listing Rules and Corporations Act 2001 (Cth) (“Corporations Act”);
 - approval of any relevant legal or regulatory bodies or by any subscriber in connection with AustSino’s placement of shares to fund its subscription for the Initial Placement; and
 - an independent expert confirming that the relevant transactions are fair and reasonable, or not fair but reasonable, for AustSino’s shareholders
- Completion of AustSino’s placement of shares to fund its subscription for the Placement Completion
 - AustSino and Sundance continuing to take reasonable steps to discuss and advance the development of the Mbalam-Nabeba Project on an exclusive basis
 - AustSino and Sundance taking all reasonable steps to discuss and advance the Mbalam-Nabeba Project with the Governments of the Republics of Cameroon and Congo, subject to Placement Completion
 - In relation to the investment in Sundance and the issue of securities by Sundance:
 - approval of Sundance’s shareholders as required for the purposes of the ASX Listing Rules and the Corporations Act; and
 - an independent expert’s report confirming that the relevant transactions are fair and reasonable, or not fair but reasonable, for Sundance’s shareholders
 - Sundance and AustSino not being insolvent at or prior to Placement Completion

The parties must satisfy or waive these conditions on or before 31 December 2019 or as otherwise agreed.

Cancellation of Convertible Notes

The Convertible Notes will be cancelled in their entirety and the corresponding note deeds will be terminated in exchange for:

- the payment of A\$25 million to the Noteholders;
- the issue of 2,000,000,000 Shares in the capital of Sundance to the Noteholders at a deemed issue price of A\$0.004 per Share; and
- 5,000,000,000 unlisted options at an exercise price of A\$0.02, which have an expiry date of 5 years from the date of issue, are transferable to persons that do not require a disclosure document and are otherwise on terms consistent with existing Noteholder options,

with such payment and issue of securities to be pro-rated to the redemption value of the Noteholder’s Convertible Notes as a proportion to the total redemption value of the Convertible Notes as set out in the body of this announcement or as

otherwise agreed between the Noteholders.

Conditions to Cancellation Completion	<p>Cancellation of the Convertible Notes (and termination of the corresponding note deeds) and the issue of Shares and options in Sundance to the Noteholders ("Cancellation Completion") is subject to the following conditions:</p> <ul style="list-style-type: none">• Approval of Sundance's shareholders as required for the purposes of the ASX Listing Rules and the Corporations Act• Approval of any relevant legal or regulatory bodies• Sundance not being insolvent at or prior to Cancellation Completion• No "Event of Default" (as defined in the Existing Term Sheet) defined below having occurred or continuing to subsist• AustSino complying with its obligations to provide financial support to Sundance
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Cancellation Completion will occur at the same time as Placement Completion.

Existing Term Sheet	<p>The legally binding term sheet between the Noteholders and Sundance dated 29 July 2018 ("Existing Term Sheet") will continue to apply and remain binding on the Noteholders and Sundance until Cancellation Completion when it will terminate.</p> <p>Sundance and the Noteholders acknowledge and agree that on and from the date of the New Sundance Agreement, the End Date in the Existing Term Sheet will be extended to the earlier of (a) 100 days after the termination of the New Sundance Agreement, and (b) 30 June 2020.</p>
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Board appointment right	<p>AustSino has the right to appoint at least two directors to the board of Sundance on and from Placement Completion.</p> <p>Noble Resources International Pte Ltd has the right, for so long as it holds 5% of the voting power in Sundance (based on the number of voting Shares on issue in Sundance), to appoint a nominee as a non-executive director of Sundance (and remove and replace that nominee).</p>
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Lapse of existing options	<p>On Placement Completion, the existing options held by those Noteholders under the relevant note deeds will lapse in accordance with their terms.</p>
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Representations and warranties	<p>The New Sundance Agreement contains customary representations and warranties from each party. The Issuer also warrants that it will not issue securities before Placement Completion except in certain limited circumstances (including pursuant to the Sundance directors exercising their fiduciary duties). The Investor also warrants that it considers it is not a state owned enterprise, is a sophisticated investor for the purposes of the Corporations Act and that it is not required to receive a disclosure document for the issue of shares.</p>
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Conduct of business obligations	<p>The New Sundance Agreement contains certain customary undertakings by Sundance restricting the conduct of its business before Placement Completion without the consent of AustSino and the Noteholders (including, without limitation, the obligation to not enter into or vary any material agreements or</p>
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acquire any material assets).

Release

With effect from Cancellation Completion:

- each Noteholder releases and discharges Sundance; and
- Sundance releases and discharges each Noteholder,

from all claims, costs and expenses that each Noteholder has, at any time had, may have or, but for the New Sundance Agreement, could or might have had, against Sundance in any way related to the Convertible Notes (including, without limitation, pursuant to the Existing Term Sheet).

Events of default

A party will be entitled to terminate the New Sundance Agreement if one or more of the following events occurs:

- Sundance using the proceeds of the Initial Payment in a manner materially inconsistent with the use contemplated in this Agreement or as otherwise agreed in writing with AustSino;
- breach of material representations, warranties or covenants of Sundance or AustSino which are not remedied within 10 business days of the date that breach is notified to Sundance;
- material breach of Sundance's or AustSino's obligations under the New Sundance Agreement;
- insolvency of Sundance; or
- insolvency of AustSino.

Schedule 2 Further information about Mbalam-Nabeba Project

Overview

This Schedule contains only a high level summary about Sundance's proposed Mbalam-Nabeba Project. Detailed information (broken down between the Republics of Cameroon and Congo) can be found on Sundance's website (www.sundanceresources.com.au) and in Sundance's previous Annual Reports and ASX Announcements.

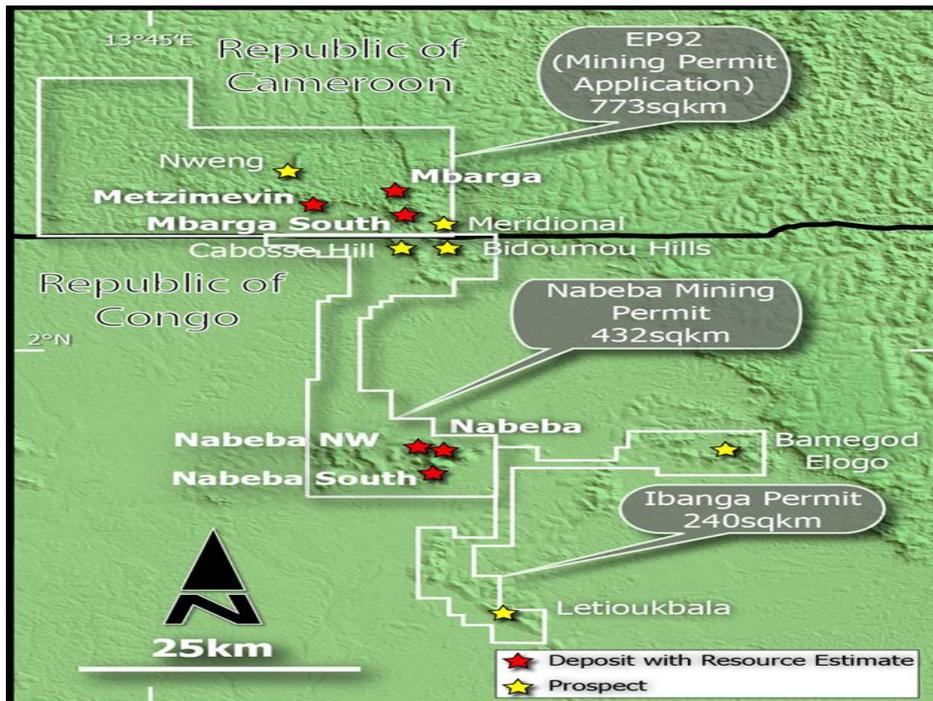
Sundance has advised that its Cameroon subsidiary, Cam Iron SA's, mining permit application over the land previously covered by Exploration Permit EP92 remains on foot in relation to Sundance's proposed Mbarga mine and associated port and rail, in Cameroon. Sundance and Cam Iron also have intellectual property, engineering studies, drilling results and project approvals in relation to that proposed mine and associated port and rail, which Sundance and Cam Iron propose to develop and commercialise if the Cameroon Government agrees to reinstate the Mbalam Convention (which lapsed on 14 September 2018).

Sundance's Congo subsidiary, Congo Iron SA, already has in place a Mining Convention (which has been passed into law by the Congo Parliament) and a Mining Permit in respect of Sundance's proposed Nabeba mine and associated rail, in the Republic of Congo. Sundance and Cam Iron also have intellectual property, engineering studies, drilling results and project approvals in relation to that proposed mine and associated rail, which Sundance proposes to develop and commercialize.

The preferred approach of Sundance, AustSino and the Chinese Consortium partners is to develop an integrated mine, port and rail project in Cameroon and Congo. The parties will or may need to review the economic and technical feasibility of, and implementation strategy for, the Project and/or consider other development opportunities in Central Africa, if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.

Proposed Stage 1 - High Grade Hematite Reserves and Resources

Deposit	Reserve Category	Tonnes of Product (Mt)	Fe in Product (%)	SiO ₂ in Product (%)	Al ₂ O ₃ in Product (%)	P in Product (%)	LOI in Product (%)
Mbalam (All Deposits)	Probable	154	62.9	5.16	2.81	0.08	2.3
Nabeba (All Deposits)	Probable	363	61.9	4.17	2.79	0.10	3.7
Total	Probable	517	62.2	4.46	2.80	0.09	3.3



- Republic of Cameroon

- Mbalam Deposits

- Exploration Permit EP92 held by Cam Iron, a 90% owned subsidiary of Sundance, has now expired and the Mbalam Convention has passed its long stop date.

A valid mining permit application over the land previously covered by EP92 was lodged in October 2009 and later amended in December 2009. Sundance has independent legal advice which supports Sundance's priority over any other application by a third party over the land (1)

- Republic of Congo

- Nabeba deposits

- A 25 year mining permit was issued by Presidential decree on 6 February 2013 (Decree No. 2013-45) to Congo Iron, an 85% subsidiary of Sundance.
 - The Nabeba Mining Convention was signed on 24 July 2014 between the Congo Government and Congo Iron

Proposed Stage 2 - Itabirite Hematite Resources

Global Itabirite Resource		Tonnes	Fe	SiO₂	Al₂O₃	P	LOI
		(Mt)	(%)	(%)	(%)	(%)	(%)
•	Mbarga Deposit	3,924	33.1	48.2	2.2	0.05	0.7
•	Nabeba Deposit	1,714	34.1	42.3	2.7	0.05	2.6
•	Total Itabirite Resource	5,638	33.4	46.4	2.4	0.05	1.3

Schedule 3
Non-binding MoUs etc.

Note: the Consortium arrangements referred to in this Schedule contemplate the development of an integrated mine, port and rail project in Cameroon and Congo. The terms of these documents will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention

	MoU or similar document
Title of document	AustSino-Sundance Consortium Acknowledgement Document for Mbalam-Nabeba Iron Ore Project
Parties	AustSino Resources Group Ltd (AustSino); Sundance Resources Ltd (Sundance); Shenzhen Yantian Port Holdings Co Ltd (Yantian); China Railway Construction Corporation International Co Ltd (CRCC); Hong Kong Baofeng International Co Ltd (Baofeng/Baowu); Shanghai Tsingshan Mineral Co Ltd (Tsinghan)
Date signed	February 2019
Key provisions	<p>The parties acknowledge:</p> <ul style="list-style-type: none"> - Sundance is participating in the Mbalam-Nabeba Project in Cameroon and Congo (Project) - AustSino has established a consortium of Yantian, CRCC, Baofeng/Baowu and Tsingshan, who have signed MoUs or similar documents, demonstrating their desire to be involved in the Project as investors, contractors and/or offtakers (Consortium) - AustSino has entered to a contract to acquire a majority interest in, and effective control over, Sundance - The Consortium parties have accepted an invitation to meet the Cameroon Government in late February 2019, to demonstrate their strong interest and capability to fund and develop the Project - The Consortium parties intend to use their reasonable endeavours to complete all necessary commercial negotiations, due diligence and legal documentation for funding and developing the Project as soon as possible after meeting with the Cameroon Government
Other provisions	<p>The Consortium parties agree to treat this document, their discussions with the Cameroon Government and any shared information, as confidential and not to use such information for any other purpose (subject to typical disclosure rights e.g. to personnel and advisors on a need to know basis; if required by law or the rules of a securities exchange etc.)</p> <p>The obligations of confidentiality in this document are legally binding. The remainder of this document is non-binding and represents the parties' statement of intentions only.</p>
Important Note	The terms of this document will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.

	MoU or similar document
Title of document	Letter of Intent (LOI)
Parties	AustSino Resources Group Ltd (AustSino) Hong Kong Baofeng International Company Limited (Baofeng)
Date signed	December 2018
Key provisions	<p>The parties acknowledge:</p> <ul style="list-style-type: none"> - Pursuant to a share placement agreement which was signed in September 2018, AustSino will acquire a majority interest in, and effective control, over Sundance Resources Ltd (Sundance) - Sundance is developing the Mbalam-Nabeba Iron Ore Project in the Republic of Cameroon and Congo (Project) - The development of the Project will require the construction and operation of a 580 km railway and a new bulk mineral export port - Sundance has undertaken a definitive feasibility study for Stage 1 of the Project and a pre-feasibility study for Stage 2 of the Project - The Definitive Feasibility Study for Stage 1 indicates that the Project will produce up to 517 Million tonnes of haematite Direct Shipping Ore and the Pre-feasibility Study for Stage 2 indicates that the Project will produce up to 5.6 Billion tonnes of Itabirite concentrate (Product) - Provided all milestones are achieved, First Ore on Ship can occur by January 2021 - AustSino has signed cooperation agreements with China Yantian Port, China Railway Construction and another large Chinese Group for the construction of terminals and ports. The initial construction period is 2 years - Baofeng International is a joint venture Hong Kong company of Baosteel Resources and Jizhong Energy Group Fengfeng Group. The trades of Hong Kong Baofeng are dominated by commodities such as iron ore, coking coal and coke - Baofeng International intends to support the development of the Project by initially entering into this LOI and, provided that all technical and commercial terms can be agreed, enter into a binding Ore Sales Contract during 2019 - The purpose of this document is to record the shared intention of AustSino and Hong Kong Baofeng International Company Limited to respectively sell and purchase iron ore product from the Project, and to incorporate the terms of this LOI into a future Ore Sales Contract - The parties agree as follows:

	<ul style="list-style-type: none"> ○ to sell and purchase iron ore product from the Project of certain predicted chemical specifications and physical specifications (contained the Appendix to the LOI). ○ to sell and purchase no more than 8 mtpa of the proposed Products between 2021-2030 ○ to sell and purchase such iron ore on FOB terms delivered into vessels of between 150kt and 230kt capacity ○ to sell and purchase the Product with pricing referenced to the 62% Fe Platts Iron Ore FOB Index or another agreed price FOB index minus at least 2% discount, with quality adjustments agreed in the Ore Sales Contract ○ Hong Kong Baofeng becomes an equity investor in Sundance or any related party of AustSino, the parties will agree to discuss a price rebate to the existing market price as part of the transaction structure ○ the parties agree to negotiate in good faith and use reasonable endeavours to reach agreement on the terms of a binding Ore Sales Contract by latest 31 December 2019
Other provisions	<p>Parties must keep all information confidential.</p> <p>Except for the confidentiality obligations, the LOI is non-binding and represents the parties' statement of intentions only.</p>
Important Note	<p>The terms of this document will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention</p>

	MoU or similar document
Title of document	Iron Ore Offtake Agreement / Non-binding MoU
Parties	AustSino Resources Group Ltd (AustSino) Shanghai Tsingshan Mineral Co Ltd (Tsinghan)
Date signed	November 2018
Key provisions	<p>The parties acknowledge:</p> <ul style="list-style-type: none"> - Sundance is participating in the Mbalam-Nabeba Project in Cameroon and Congo (Project) - Pursuant to a share placement agreement which was signed in September 2018, AustSino will acquire a majority interest in, and effective control, over Sundance - Sundance is developing the Mbalam-Nabeba Iron Ore Project in the Republic of Cameroon and Congo (Project) - The development of the Project will require the construction and operation of a 580 km railway and a new bulk mineral export port - Sundance has undertaken a definitive feasibility study for Stage 1 of the Project and a pre-feasibility study for Stage 2 of the Project - The Definitive Feasibility Study for Stage 1 indicates that the Project will produce up to 517 Million tonnes of haematite Direct Shipping Ore and the Pre-feasibility Study for Stage 2 indicates that the Project will produce up to 5.6 Billion tonnes of Itabirite concentrate (Product) - Since becoming a significant investor in Sundance, AustSino has been working diligently with Sundance and other Chinese interests to develop and fund the Project - Tsingshan is a world leading stainless steel manufacturing business conglomerate. It ranks first in the world. In 2017, Tsingshan achieved the best management performance in China's stainless steel industry, generating operating revenue of RMB 161.5 billion and profits of RMB11 billion - Tsingshan is now setting up 10 million tons carbon steel plants in both China and Indonesia - Tsingshan is one of the world's main customers for iron ore - Tsingshan also has a very close relationship and history of collaboration on projects in China and overseas with other large Chinese companies - AustSino and Sundance have obtained confirmation from the Cameroonian Government that it is prepared to work cooperatively with AustSino, Sundance and

	<p>their Chinese Project Partners to enable the development and funding of the Project</p> <ul style="list-style-type: none"> - AustSino has brought together a consortium of highly professional, competent and financially capable Chinese partners (Consortium) with relevant experience in construction, port operation, railway operation, resource development and production and investment. That Consortium is very interested in developing and funding the Sundance Project. - Tsingshan is very interested in facilitating the marketing and sale of the iron ore which will be necessary to underpin the economic viability of the Project - Tsingshan has also indicated that it may have existing alliances, joint ventures or consulting arrangements with other Chinese parties which it may be able to bring to the Project - The Cameroon Government has accepted AustSino and Sundance's proposal to facilitate meetings with members of the Consortium. The Cameroon Government has also confirmed its intention to work cooperatively with the Consortium to enable the development and funding of the Sundance Project - The Parties have agreed to enter into this non-binding MOU to record the proposed key commercial terms of an offtake agreement (Offtake Agreement) and to facilitate the preparation, negotiation and execution of the Offtake Agreement for approximately 25% of the Product to be produced during Stage 1 by the Mbalam and Nabeba Iron Ore Mines (Mines). - It is intended that the Offtake Agreement will commence on the date of its execution, and will be for a term ending not less than 10 years (each a Contract Year) after the commissioning of the Mines - It is intended that the Mines will supply and Tsingshan will purchase up to 10 Million tonnes of Product each Contract Year following production from the Mines reaching steady state (which volume constitutes approximately 25% of the anticipated production of the Mines during Stage 1) for the first 10 years - During the ramp-up period from the commissioning of the Mines until the Mines reach steady state, it is intended that Tsingshan will purchase Product in accordance with an agreed ramp up delivery schedule - It is also intended that Tsingshan will be invited to become a major offtake customer for the Itabirite Product to be produced by the Mines during Stage 2 - The Offtake Agreement will provide for delivery of Product on an FOB basis (ex-Port of Lolabe, in the Republic of Cameroon) - The price of the Product (Price) will be a price to be agreed between the parties as reflecting the prevailing average index price less 2 per cent subject to any applicable adjustments provided for in the Offtake Agreement. The Price will be expressed and payable in US dollars - Tsingshan will be required to open an unrestricted irrevocable letter of credit with a bank having an acceptable credit rating at least 30 days prior to any shipment and covering the provisional value (Provisional Value) for that shipment
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	<ul style="list-style-type: none"> - The Provisional Value will be for 100% of the value of each shipment and subject to usual subsequent adjustments - The price under the Offtake Agreement will be payable on usual terms - Risk in the Product will pass to Tsingshan once the Product has passed the ship's rail at the Port of Lolabe and property and title in the Product will pass to Tsingshan on final payment of the Price by Tsingshan - It is intended that the Product will meet agreed Product specifications which Specification will be incorporated in the Offtake Agreement. However, the parties acknowledge that the DSO Product to be produced in Stage 1 is anticipated to be 62% Fe and that the Itabirite Product to be produced in Stage 2 is anticipated to be 66% Fe - The Offtake Agreement will provide for independent weighing, sampling and analysis of Product at the Port of Lolabe and for any required volume and Price reconciliation - Tsingshan acknowledges that third party funding will be required for the development of the Project - Tsingshan agrees to co-operate with financiers or proposed financiers and to provide them with documents and information as may be reasonably requested by them - It is also intended that Tsingshan will be invited to become an equity participant in the Project along with Sundance, AustSino and other members of the Consortium - It is also intended that Tsingshan will become a party to a Cooperation Agreement for the funding and development of the Project to be executed between AustSino, Sundance and their Project Partners - The parties agree to act in good faith and use their reasonable endeavours to negotiate and execute the Offtake Agreement based on the terms set out in this MOU, and such other provisions that are mutually agreed to by the parties, on or before 31 December 2019 (Negotiation Period) (or such other date agreed by the parties) - The Offtake Agreement will contain additional terms and conditions customarily contained in agreements of this type - Each party agrees to provide the other party with all reasonable information, assistance and cooperation, in order to facilitate the finalisation of the Offtake Agreement - During the Negotiation Period, Tsingshan must not directly or indirectly approach, solicit, negotiate with or enter into any contract, arrangement or understanding with any other person (including any of AustSino's Project Partners) in relation to the marketing or sale of any Product from the Mines, without the prior written consent of AustSino
Other provisions	The parties agree to treat this document, their discussions with the Cameroon Government and any shared information, as confidential and not to use such information for any other purpose (subject to typical disclosure rights e.g. to personnel and advisors on a need to know



	<p>basis; if required by law or the rules of a securities exchange etc.)</p> <p>This MOU is intended to set out the agreed key commercial terms on which Tsingshan will buy the Product. Other than in respect of this clause ('Legal Status of this MOU') and the clauses relating to 'Confidentiality', 'Costs', 'Offtake Agreement', 'Governing Law', 'Due Diligence' and "Other Provisions", this MOU is not intended to be legally binding on the Parties and merely represents a statement of intention.</p>
Important Note	<p>The terms of this document will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.</p>

	MoU or similar document
Title of document	Memorandum of Understanding
Parties	AustSino Resources Group Ltd (AustSino) China Railway Construction Corporation International Co Ltd (CRCCI)
Date signed	November 2018
Key provisions	<p>The parties acknowledge:</p> <ul style="list-style-type: none"> - Sundance Resources Ltd will be controlled by AustSino on completion of AustSino's transaction with Sundance - Sundance is developing the Mbalam-Nabeba Iron Ore Project in the Republic of Cameroon and Congo (Project) - The development of the Project will require the construction and operation of a 580 km railway and a new bulk mineral export port - CRCCI is a wholly owned subsidiary of China Railway Construction Corporation Limited (CRCC). CRCC is one of the largest contractors in the world and a leading project contracting enterprise in China - During the past 60 years, CRCC has undertaken more than half of the railway design and construction works in China and is proud with its expertise in design and construction of railways, high-speed railways, expressways, bridges, tunnel as well as logistics - AustSino wishes to avail itself of CRCCI's expertise for the implementation of the Project through investment, EPC and operation, and CRCCI has expressed its interest and availability for the same - The parties hereby wish to establish the key terms and conditions of their initial arrangements through this Memorandum for CRCCI's proposed involvement in the Project, which for the avoidance of doubt, is only in relation to the railway aspects of the Project - AustSino agrees to provide CRCCI all required and desirable support, assistance, authorizations, permits, consents, approvals facilitations and information (including any available technical documentation) to facilitate the preparation of CRCCI's proposal in relation to the Project - AustSino agrees to assist and cooperate with CRCCI in preparing and arranging necessary bank financing and investment for the Project - CRCCI agrees to cooperate with AustSino in investment, financing, design, procurement, construction and operation for the Project, if deemed necessary and desirable

	<ul style="list-style-type: none"> - CRCCI agrees to dispatch a technical team at CRCCI's own initiative to the site of the Project for necessary investigation - AustSino hereby appoints CRCCI on an exclusive basis for negotiation of the EPC and operation of the railway infrastructure, and will not cooperate with any third party which has a competitive relationship with CRCCI during the period of validity of this Memorandum
Other provisions	<p>Parties must keep all information confidential during the validity of the MoU and for a period of five (5) years after its termination.</p> <p>The MoU is non-binding and represents the parties' statement of intention only.</p>
Important Note	<p>The terms of this document will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.</p>

Appendix	MoU or similar document
Title of document	Memorandum of Understanding (MoU)
Parties	AustSino Resources Group Ltd (AustSino) Shenzhen Yantian Port Holdings Co Ltd (Yantian Port)
Date signed	November 2018
Key provisions Sundance Project	<p>The parties acknowledge:</p> <ul style="list-style-type: none"> - AustSino is a significant investor in Sundance Resources Ltd (Sundance) - Sundance is developing the Mbalam-Nabeba Iron Ore Project in the Republics of Cameroon and Congo (Sundance Project) - The development of the Sundance Project will require the construction and operation of a 540 km rail line and a new bulk mineral export port - AustSino is committed to providing significant further investment and funding for the Sundance Project - Yantian Port rank as China's top three container ports operator and is one of China's fastest-growing seaports. Its combined operations across seven bulk commodity and container ports in mainland China make Yantian Port the third largest port operator in the world - Yantian Port also has a very close relationship and history of collaboration on projects in China and overseas with China Communications Construction Corporation (CCCC) and other large Chinese companies - Since becoming a significant investor in Sundance, AustSino has been working diligently with Sundance and other Chinese interests to develop and fund the Sundance Project - Yantian Port has been briefed on the Sundance Project by AustSino and Sundance and Yantian Port is very interested in playing a significant role in the development and funding of the Sundance Project - AustSino and Sundance have obtained confirmation from the Cameroonian Government that it is prepared to work cooperatively with AustSino, Sundance and their Chinese project partners to enable the development and funding of the Sundance Project - AustSino has brought together a consortium of highly professional, competent and financially capable Chinese partners (Consortium) with relevant experience in construction, port operation, railway operation, resource development and production and investment. That Consortium is very interested in developing and funding the Sundance Project

	<ul style="list-style-type: none"> - Yantian Port has also indicated that it may have existing alliances, joint ventures or consulting arrangements with other Chinese parties including China Communications Constructions Company (CCCC) which it may be able to bring to the Sundance Project - Once a Cooperation Agreement has been signed with AustSino's Chinese project partners, AustSino will finalise the raising of A\$100 Million for a Feasibility Study for the Oakajee Project and in order to complete AustSino's investment in Sundance - The Cameroon Government has accepted AustSino and Sundance's proposal to facilitate meetings with members of the Consortium. - The Cameroon Government has also confirmed its intention to work cooperatively with the Consortium to enable the development and funding of the Sundance Project once the Consortium has signed a Cooperation Agreement
Other provisions	The MoU is non-binding and reflects a statement of the parties' intentions.
Important Note	<p>Note that the Sundance Project and Oakajee Project provisions are contained in one single MoU between AustSino and Yantian Port, but are summarized in this Schedule separately for ease of reference.</p> <p>The terms of this document relating to the Sundance Project will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.</p>



Appendix	MoU or similar document
Title of document	Memorandum of Understanding (MoU)
Parties	AustSino Resources Group Ltd (AustSino); Shenzhen Yantian Port Holdings Co Ltd (Yantian)
Date signed	November 2018
Key provisions Oakajee Project	<p>The parties acknowledge:</p> <ul style="list-style-type: none"> - AustSino holds significant iron ore deposits in the Mid West Region of Western Australia (Region) - AustSino and other Chinese interests remain committed to the further development and expansion of their respective iron ore projects in the Region subject to the development of the necessary port and rail infrastructure - AustSino owns the intellectual property developed in relation to the Oakajee Project which was developed by the Yilgarn consortium in collaboration with various Chinese interests. That intellectual property includes substantial preliminary works such as engineering pre-feasibility studies, key environmental investigations and geotechnical, rail alignment and vessel handling studies - Since acquiring intellectual property from Chinese interests, AustSino has been working diligently with Chinese interests, the WA Government and other key stakeholders to develop a compelling China-driven alternative proposal for the Oakajee Project - Yantian Port is very familiar with AustSino and the Oakajee Project and has itself conducted analysis on AustSino and has undertaken research for the Oakajee Port. Yantian Port is very interested in playing a significant role in the development and funding of the Oakajee Project - AustSino has obtained confirmation from the recently elected WA Labor Government that no other party has any rights in relation to the Oakajee Project and the WA Government remains committed to the development of the Oakajee Project in order to support further expansion of the Region as a major resources province - AustSino has brought together a consortium of highly professional, competent and financially capable Chinese partners (Consortium) with relevant experience in construction, port operation, railway operation, resource development and production and investment. That Consortium is very interested in developing the Oakajee Project - Yantian Port has also indicated that it may have existing alliances, joint ventures or consulting arrangements with other Chinese parties including China

	<p>Communications Constructions Company (CCCC) which it may be able to bring to the Oakajee Project</p> <ul style="list-style-type: none"> - Once a Cooperation Agreement has been signed with AustSino's Chinese project partners, AustSino will finalise the raising of A\$100 Million for a Feasibility Study for the Oakajee Project and to complete AustSino's investment in Sundance - The WA Government has previously accepted AustSino's proposal to facilitate meetings with members of the Consortium in Perth. The WA Government has previously indicated its preparedness to send a senior WA Government representative to Beijing to meet with the Consortium once the Consortium has signed a Cooperation Agreement
Other provisions	The MoU is non-binding and reflects a statement of the parties' intentions.
Important Note	<p>Note that the Sundance Project and Oakajee Project provisions are contained in one single MoU between AustSino and Yantian Port, but are summarized in this Schedule separately for ease of reference.</p> <p>The terms of this document relating to the Sundance Project will or may need to be renegotiated if the Cameroon Government does not ultimately agree to reinstate the Mbalam Convention.</p>

Further enquiries
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Annexure

Pro forma AustSino Resources Group Limited capital structure after completion of WAPRC Transaction

	Note	Number	Percentage post issue of Placement Shares
Fully Paid Ordinary Shares			
Shares on issue - 8 July 2019	1	5,250,359,652	40.57%
Proposed issue to WAPRC of Placement Shares	2, 3	7,692,307,693	59.43%
Shares on issue post WAPRC transaction		12,942,667,345	100.00%
Unlisted options			
Exercisable at \$0.02 each expiring 30 November 2019		65,000,000	52.00%
Exercisable at \$0.04 each expiring 17 April 2020		20,000,000	16.00%
Exercisable at \$0.03 each expiring 30 November 2020		40,000,000	32.00%
Total Options on issue		125,000,000	100.00%

Note 1: This includes:

- 3,000,000 fully paid ordinary shares are escrowed until the earlier of 6 August 2019 or until the company issues a prospectus, cleansing statement or other disclosure document.
- 30,769,230 fully paid ordinary shares are escrowed until the earlier of 15 February 2020 or until the company issues a prospectus, cleansing statement or other disclosure document.
- 134,938,590 fully paid ordinary shares are escrowed until the earlier of 16 May 2020 or until the company issues a prospectus, cleansing statement or other disclosure document.

Note 2: The Placement Shares will be held in escrow for a period of 12 months commencing immediately on Completion, unless released earlier by the Issuer (in its absolute discretion), subject to applicable laws and the requirements of any Government Agency.

Note 3: Following the issue of the Placement Shares WAPRC will hold 7,692,307,693 shares in total (for a total shareholding of 59,43% of total shares on issue).

Annexure

Pro forma AustSino Resources Group Limited Balance Sheet after completion of WAPRC Transaction

	Consolidated 31 Dec 18 Reviewed	Subsequent Event Adjustments	SDL Financial Support Arrangement*	WAPRC Transaction*	Consolidated Pro-forma (unaudited)
ASSETS					
Current Assets					
Cash and cash equivalents	2,846,811	2,034,201	(600,000)	100,000,000	106,315,213
Trade and other receivables	84,909				84,909
Total Current Assets	2,931,720	2,034,201	(600,000)	100,000,000	106,400,122
Non-Current Assets					
Other assets	65,420				65,420
Financial assets at fair value through other comprehensive income	1,250,000	120,000	600,000		2,090,000
Plant and equipment	258,957				258,957
Deferred exploration and evaluation	3,027,531				3,027,531
Total Non-Current Assets	4,601,908	120,000	600,000	-	5,441,908
Total Assets	7,533,628	2,154,201	-	100,000,000	111,842,030
LIABILITIES					
Current Liabilities					
Trade and other payables	971,903				971,903
Provisions	21,295				21,295
Total Current Liabilities	993,198	-	-	-	993,198
Total Liabilities	993,198	-	-	-	993,198
Net Assets	6,540,430	2,154,201	-	100,000,000	110,848,832
EQUITY					
Issued capital	70,355,920	2,154,201		100,000,000	174,664,322
Reserves	6,521,918				6,521,918
Accumulated losses	(70,337,408)				(70,337,408)
Total Equity	6,540,430	2,154,201	-	100,000,000	110,848,832

Subsequent Events

Adjustments reflecting the investment in Sundance of \$120,000 made on 9 January 2019 for 30,000,000 fully paid ordinary shares at an issue price of \$0.004 per share and 60,000,000 bonus options (2 options per share issued) at an exercise price of \$0.006 per option with an expiry date of 8 January 2024 as well as two capital raisings completed by AustSino of \$400,000 and \$1,754,201 (both before costs) during February 2019 and May 2019 respectively.

* -as defined above

Annexure

Pro forma Sundance Resources Limited capital structure after completion of Sundance Transaction

	Note	Number	Percentage post issue of Completion Placement Shares
Fully Paid Ordinary Shares			
Shares on issue – 5 July 2019	1	8,945,846,952	
Shares on Issue excluding current AustSino shares (280M)		8,665,846,952	38.55%
Proposed issue to AustSino of Initial Placement Shares		53,333,333	
Proposed issue to AustSino on Placement Completion		11,153,846,154	
Total share ownership of AustSino following transaction	2	11,487,179,487	51.1%
Proposed issue of advisory fee shares at completion of Second Placement		325,000,000	1.45%
Proposed issue of shares to Noteholders at completion of transactions		2,000,000,000	8.90%
Shares on issue post transaction completion		22,478,026,439	100%
Unlisted options			
Existing options	3,4,5,6,7,8	1,460,000,000	
AustSino Options exercisable at \$0.02 expiring 5 years after issue (estimated to be late 2024)		11,153,846,154	
Noteholder options exercisable at \$0.02 expiring 5 years after issue (estimated to be late 2024)		5,000,000,000	
Options on issue post transaction completion		17,613,846,154	100%

Notes

1. This includes 280,000,000 currently owned by AustSino
2. Total of Initial Placement and Completion Placement and existing shares. The Initial Placement may be taken out of Completion Placement
3. 720,000,000 of these options expire on completion of transaction
4. 100,000,000 options exercisable at \$0.003 expiring 1 December 2022
5. 100,000,000 options vest 1 December 2018 exercisable at \$0.006 expiring 1 December 2023
6. 110,000,000 options exercisable at \$0.006 expiring 8 January 2024
7. 400,000,000 options exercisable at \$0.006 expiring 13 February 2024
8. 30,000,000 options exercisable at \$0.006 expiring 21 February 2024