



SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

www.sundanceresources.com.au

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

29 June 2020

Time of Meeting

10 am (WST)

Place of Meeting

The Celtic Club, 48 Ord Street, West Perth

WESTERN AUSTRALIA 6005

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 in the absence of a superior proposal and subject to the Independent Expert maintaining its conclusion that the effect of the AustSino Transaction is fair and reasonable.

The Independent Expert has determined that the effect of the AustSino Transaction is fair and reasonable to the Shareholders of the Company who are not associated with AustSino or the Noteholders.

This document is important and requires your immediate attention. Carefully read this document in its entirety and consult your stockbroker, legal adviser, accountant, licensed financial adviser or other professional adviser if you are in any doubt as to what to do.

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Extraordinary General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

**Sundance Resources has gone green.
You can vote by proxy online at
www.investorvote.com.au**

SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

IMPORTANT NOTES AND DISCLAIMER

BACKGROUND

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Sundance Resources Limited (ABN 19 055 719 394) (**Company**) will be held at 10 am (WST) on 29 June 2020 at The Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 for the purpose of transacting the following business referred to in this Notice.

The Explanatory Memorandum, Independent Expert's Report and Proxy Form, which accompany, and form part of this Notice describe the matters to be considered at the Extraordinary General Meeting. The Directors recommend Shareholders read the Notice, the accompanying Explanatory Memorandum, Independent Expert's Report and the Proxy Form in full before making any decision in relation to the Resolutions.

MEASURES TO DEAL WITH COVID-19 AND IMPACT ON THE MEETING

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings.

Accordingly, the Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the State and Federal Government's current restrictions for physical gatherings.

The Company strongly encourages all Shareholders to participate in the Meeting by:

- (a) reading this Notice carefully; and
- (b) voting by proxy following the instructions set out in this Notice.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.sundanceresources.com.au/.

DEFINED TERMS

Capitalised terms not otherwise defined in this Notice have the meaning given in the Glossary contained in the Explanatory Memorandum.

DISCLAIMER AS TO FORWARD-LOOKING STATEMENTS

This Notice of Meeting (which includes the Explanatory Memorandum, the Independent Expert's Report and the Proxy Form) contains forward-looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These forward-looking statements are based on, among other things, the assumptions, expectations, estimates, objectives, plans and intentions of the Company (and, to the extent applicable, AustSino).

Forward-looking statements are subject to inherent risks and uncertainties. Although the Company believes that the expectations reflected in any forward-looking statement included in this Notice of Meeting are reasonable, no assurance can be given that such expectations will prove to be correct. Actual events, results or outcomes may differ materially from the events, results or outcomes expressed or implied in any forward-looking statement.

Except as required by applicable law or the Listing Rules, the Company does not undertake to update or revise these forward-looking statements, nor any other statement whether written or oral, that may be made from time to time by or on behalf of the Company, whether as a result of new information, future events or otherwise.

None of the Company (nor any of its officers, employees or advisers) or any other person named in, or involved in the preparation of, this Notice of Meeting, makes any representation or warranty (express or implied) as to the accuracy or likelihood or fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

The forward-looking statements in this Notice of Meeting reflect views held only as at the date of this Notice of Meeting. Forward-looking information is by its nature subject to uncertainties and can be affected by unexpected events, many of which are outside the control of the Directors of the Company. Any variation to the assumptions on which the forward-looking statements have been prepared could be materially positive or negative to the actual performance of the Company.

The Company and the Independent Expert do not in any way guarantee or otherwise warrant the achievability of any outcomes contemplated in any forward-looking information. This type of information is inherently uncertain. Forward-looking information represents predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of the Company and its management. Actual results may be more or less favourable.

NO ACCOUNT OF PERSONAL CIRCUMSTANCES AND NO OFFER OF SECURITIES

This Notice of Meeting does not take into account the individual investment objectives, financial or tax situation or particular needs of any person. You should seek independent legal, financial and taxation advice before making a decision as to whether or not to vote in favour of Resolution 1.

This Notice of Meeting is not an offer, invitation or recommendation to subscribe for or purchase securities in the Company and is not a disclosure document. This Notice of Meeting does not constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision.

EFFECT OF ROUNDING

Certain figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Notice of Meeting may be subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Notice of Meeting.

RISK FACTORS

Shareholders should note that whilst there are many potential benefits to them if the Proposed Transactions proceed, there are also a number of disadvantages and risks that may apply if Resolutions 1, 2 and 3 are passed and the Proposed Transactions proceed. Section 3.2 of the Explanatory Memorandum and paragraph 10.2 of the Independent Expert's Report set out some of these disadvantages and risks.

NOTICE TO PERSONS OUTSIDE AUSTRALIA

This Notice of Meeting has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Notice of Meeting may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Notice of Meeting should inform themselves of, and observe, any such restrictions.

AUTHORISATION

No person is authorised to give any information or make any representation in connection with the AustSino Transaction, as it relates to Resolution 1, which is not contained in this Notice of Meeting. Any information or representation not contained in this Notice of Meeting (other than to the extent that information has been provided by the Company), may not be relied on as having been authorised by the Company or the Board in connection with Resolution 1.

PRIVACY

To assist the Company to conduct the Meeting, the Company may collect personal information including names, contact details and shareholdings of Shareholders and the names of persons appointed by Shareholders to act as proxy at the Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers, advisers and agents of the Company for the purposes of implementing the AustSino Transaction.

Shareholders have certain rights to access their personal information that has been collected. If you would like details of information about you held by the Company, please contact the Company on + 61 8 9220 2300.

RESPONSIBILITY FOR INFORMATION

The information contained in this Notice of Meeting (except for the Independent Expert's Report and information regarding AustSino, its Associates and their intentions) has been prepared by the Company and is the responsibility of the Company. None of AustSino, its Associates or their advisers assumes any responsibility for the accuracy or completeness of that information.

Information concerning AustSino, its Associates and their intentions has been provided by AustSino and is the responsibility of AustSino. None of AustSino, its Associates or its advisers assumes any responsibility for the accuracy or completeness of that information.

Pendragon Capital Limited (ACN 008 963 755 and AFSL No. 237549) (the **Independent Expert** or **Pendragon**) has prepared the Independent Expert's Report. The Independent Expert has consented to the inclusion of the Independent Expert's Report, and references to them, in this Notice of Meeting. The Independent Expert takes responsibility for the Independent Expert's Report, and references to it, but they are not responsible for any other information contained within this Notice of Meeting. Shareholders are urged to read the Independent Expert's Report set out in Attachment A carefully to understand the scope of the reports, the methodology of the assessment, the sources of information and the assumptions made.

ASIC AND ASX INVOLVEMENT

A copy of this Notice of Meeting has been lodged with ASIC pursuant to ASIC Regulatory Guide 74 and with ASX pursuant to the Listing Rules. Neither ASIC, nor ASX, nor any of their officers, take any responsibility for the contents of this Notice of Meeting.

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LETTER FROM THE CHAIRMAN

Dear Shareholders,

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 was a frustrating year 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.

To that end, on behalf of the Directors of Sundance, I am writing to invite you to attend the extraordinary general meeting (**EGM**) of Sundance shareholders to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 at 10 am (WST) on Monday, 29 June 2020.

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 the 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 11,153,846,154 Shares at an issue price of A\$0.0026 per Share (**AustSino Shares**) and 11,153,846,154 Options at an exercise price of A\$0.02 and an expiry date of five years after the date of issue (**AustSino Options**) (**AustSino Transaction**); 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 2,000,000,000 Shares and 5,000,000,000 Options to the Noteholders (**Note Cancellation**). The amount of cash and the number of Shares and Options that each Noteholder will receive under the Note Cancellation is set out in section 2.2 of the Explanatory Memorandum.

If these Proposed Transactions are implemented:

- the Company will extinguish all of its debt under the Note Cancellation;
- AustSino will have voting power of 51.9% in the Company;¹ and
- the Noteholders will have voting power (in aggregate) of approximately 9.02%².

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. Full details of the Proposed Transactions, including the advantages and disadvantages of the Proposed Transactions and the consequences if the Proposed Transactions are not approved by Shareholders, are set out in the Explanatory Memorandum.

Sundance has engaged an independent expert, Pendragon, to consider the issue of Shares to AustSino (including the issue of Shares on exercise of the AustSino Options) (which are the subject of Resolution 1) 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.

The Independent Expert's Report is enclosed at Attachment A, together with the Notice of Meeting and Explanatory Memorandum, a proxy form and a reply paid envelope for lodging your proxy form. Shareholders should read the Independent Expert's Report in its entirety before making a decision in respect of how to vote on the Proposed Transactions.

¹ This is based on the Company's projected undiluted issued capital after completion of the Proposed Transactions. If AustSino exercises its Options but the Company's issued capital is otherwise undiluted, its voting power in the Company will be 67.6%.

² This is based on the Company's projected undiluted issued capital after completion of the Proposed Transactions. Aggregate voting power is provided for Shareholder reference only.

Further, and in recognition of Mr Giulio Casello's tireless efforts over the past couple of years to position the Company to progress the world-class Mbalam-Nabela Iron Ore Project towards development, the Board has resolved, subject to Shareholder approval, to issue 200,000,000 Performance Rights to Mr Giulio Casello. The Company also proposes to issue, subject to Shareholder approval, 100,000,000 Performance Rights to Mr Brett Fraser as appropriate remuneration for his ongoing commitment and contribution to Sundance whilst minimising the expenditure of the Company's cash resources. The Performance Rights will be issued under the Company's Performance Rights Plan and on the terms set out in Attachment E to the Notice.

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 reasons for making this recommendation are set out in more detail in section 3.1 of the Explanatory Memorandum.

I therefore encourage you to carefully read the attached Notice of Meeting, Explanatory Memorandum and Independent Expert's Report, and either attend the EGM in person or lodge your proxy using the enclosed Proxy Form.

Yours faithfully,

David Porter
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Sundance Resources Limited (ABN 19 055 719 394) (**Company**) will be held at 10 am (WST) on 29 June 2020 at The Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 for the purposes of transacting the following business referred to in this Notice of Meeting. The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at the Extraordinary General Meeting.

AGENDA

ITEMS OF BUSINESS

Resolution 1 – Approval of AustSino acquiring a Relevant Interest and voting power greater than 20%

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to and conditional on the passing of Resolutions 2 and 3, for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, Shareholders authorise and approve:

- (a) AustSino Resources Group Limited (**AustSino**) or its nominee being issued 11,153,846,154 Shares by the Company at an issue price of A\$0.0026 per Share under the terms of the New Agreement;*
- (b) the issue of up to 11,153,846,154 Shares to AustSino on the exercise by AustSino or its nominee of any or all of the AustSino Options; and*
- (c) AustSino’s voting power in the Company increasing from 6.3% to a maximum of 67.6%³, as summarised, and on the terms set out, in the Explanatory Memorandum.”*

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of AustSino, a Noteholder or any of their respective Associates.*

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

NOTE REGARDING THE INDEPENDENT EXPERT’S REPORT: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the approval required under section 611 Item 7 of the Corporations Act. The Independent Expert’s Report comments on the fairness and reasonableness of the effect of the transactions contemplated by this Resolution 1 to the Shareholders in the Company who are not associated with AustSino or the Noteholders.

Resolution 2 – Approval of issue of Options to AustSino

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to and conditional on the passing of Resolutions 1 and 3, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 11,153,846,154 Options with an exercise price of A\$0.02 and an expiry date of 5 years from the date of issue to AustSino or its nominee on the terms and conditions set out in the Explanatory Memorandum (including Attachment B to the Explanatory Memorandum).”

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or*
- (b) an Associate of those persons.*

However, this does not apply to a vote cast in favour of the Resolution by:

³ This assumes AustSino exercises the AustSino Options and no other Equity Securities in the Company are issued other than the securities issued under Resolution 3. If each of the Noteholders also exercise their Options issued under Resolution 3 and no other Equity Securities in the Company are issued, then the maximum voting power of AustSino will be 57.9%.

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Approval of issue of Shares and Options to the Noteholders

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of Resolutions 1 and 2, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of:

- (a) 954,751,131 Shares and 2,386,877,828 Options to Wafin Limited or its nominee;
- (b) 476,621,418 Shares and 1,191,553,544 Options to Noble Resources International Pte Ltd or its nominee;
- (c) 283,559,578 Shares and 708,898,944 Options to D.E. Shaw Composite Holdings International Pte Ltd or its nominee;
- (d) 233,785,822 Shares and 584,464,555 Options to Senrigan Master Fund or its nominee; and
- (e) 51,282,051 Shares and 128,205,128 Options to BSOF Master Fund L.P. or its nominee,

in each case with each Share having a deemed issue price of A\$0.004 per Share and with each Option having an exercise price of A\$0.02 and an expiry date of five years after the date of issue, and otherwise on the terms and conditions set out in the Explanatory Memorandum (including Attachment B to the Explanatory Memorandum)."

- Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*
- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
 - (b) an Associate of those persons.
- However, this does not apply to a vote cast in favour of the Resolution by:*
- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
 - (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
 - (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Approval of issue of Performance Rights to Mr Giulio Casello (Managing Director)

To consider and, if thought fit, to pass the following resolution an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 200,000,000 Performance Rights to Mr Giulio Casello or his nominee, under the Company's Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum (including Attachment E to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Approval of issue of Performance Rights to Mr Brett Fraser (Non-Executive Director)

To consider and, if thought fit, to pass the following resolution an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 100,000,000 Performance Rights to Mr Brett Fraser or his nominee, under the Company's Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum (including Attachment E to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 – Employee Share Option Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve the future issue of securities under the employee incentive option scheme for employees and directors known as "Sundance Resources Limited Employee Share Option Plan", as an exception to Listing Rule 7.1 on the terms set out in the Explanatory Memorandum (including Attachment G to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a Director (except one who is ineligible to participate in any employee incentive scheme of the Company); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
- (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
 - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

For the purposes of Resolutions 1 to 6, the definitions contained in the Glossary to the Explanatory Memorandum apply to this Notice.

By order of the Board

Carol Marinkovich
Company Secretary

Dated: 28 May 2020

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Extraordinary General Meeting and by submitting their proxy appointment and voting instructions in person, by post, by facsimile or online.

Voting in person (or by attorney)

- The Board has made the decision that it will hold a physical meeting with the appropriate social gathering and physical distancing measures in place to comply with the State Government and Federal Government's current restrictions for physical gatherings.
- Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.
- Ordinarily, the Company and Board encourage all Shareholders to participate in general meetings such as this Meeting by attending and voting in person at the Meeting venue. This includes a Shareholder that is a corporation that has appointed an individual to act as its representative and vote in person at the Meeting.
- However, due to the current exceptional circumstances, and with the health, wellbeing and best interests of the Company's Shareholders, staff and broader community in mind, the Company and the Board encourage Shareholders to vote using the Proxy Form, following the instructions set out in this Notice and the Proxy Form.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

The Company and the Board strongly encourages all Shareholders to participate and vote in this Meeting by way of proxy. As a result of the evolving COVID-19 circumstances, we strongly encourage Shareholders to carefully consider whom they appoint as their proxy.

If a proxy, other than the Chair, cannot attend or is not admitted to the Meeting, the Chair will become the

proxy. In this circumstance, the Chair will be directed by the voting preferences (if any) provided in the Proxy Form.

Please refer to the Proxy Form for further details.

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10 am (WST) on Saturday, 27 June 2020. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form by post to Computershare Investor Services Pty Limited, GPO Box 2975, Melbourne VIC 3001;
 - by faxing a completed proxy form to (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555; or
 - by recording the proxy appointment and voting instructions via the internet at www.investorvote.com.au. Only registered Shareholders may access this facility and will

need their Holder Identification Number (HIN) or Securityholder Reference Number (SRN).

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10 am (WST) on Saturday, 27 June 2020. If facsimile

transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001*, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10 am (WST) on Saturday, 27 June 2020.

SUNDANCE RESOURCES LIMITED

ABN 19 055 719 394

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Extraordinary General Meeting of Sundance Resources Limited (**Sundance** or the **Company**).

Resolutions 1, 2 and 3 relate to the Proposed Transactions and are inter-conditional, which means that if any of Resolutions 1, 2 and 3 are not approved, then the Company will not be able to complete the Proposed Transactions. Even if Resolutions 1, 2 and 3 are approved by Shareholders at the Meeting, there is no guarantee the Proposed Transactions will be implemented.

Resolutions 4 and 5 relate to the proposed issue of Performance Rights to Mr Giulio Casello and Mr Brett Fraser under the Company's Performance Rights Plan. Resolution 6 relates to the approval of the Company's Employee Share Option Plan. Resolutions 4, 5 and 6 are not conditional on the approval of any other Resolution.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the glossary to this Explanatory Memorandum.

RESOLUTIONS 1, 2 AND 3 – APPROVAL OF THE PROPOSED TRANSACTIONS

1. BACKGROUND

1.1 Mbalam-Nabeba Iron Ore Project

Sundance holds a majority interest in subsidiaries Cam Iron SA and Congo Iron SA whose principal asset is the mining permit application in the Republic of Cameroon and the mining permit in the Republic of Congo, which rights comprise the Mbalam-Nabeba Iron Ore Project (**Project**). The Project straddles the border of the Republics of Cameroon and Congo in Central Africa.

Despite the best and substantial efforts of Sundance, the reinstatement of the Mbalam Convention (or the entry into a new convention on similar terms), which lapsed on 14 September 2018 and which is required to operate and commercialise the Project, has not yet been secured. However, as mentioned in the Chairman's address at the Company's Annual General Meeting on 28 November 2019, there have been many productive discussions between representatives of Sundance, AustSino and the Cameroon Government in relation to the Project. These discussions have reinforced the Company's belief in the likelihood that the Project will move forward in 2020.

Further information on the Project and these discussions is set out in the Company's 2019 Annual Report (released to ASX on 31 October 2019), the Chairman's 2019 Annual General Meeting address (released to ASX on 28 November 2018) and the Company's Quarterly Activities Report for 31 December 2019 (released to ASX on 28 January 2020).

1.2 AustSino

AustSino is a Perth based ASX-listed mineral exploration company focused on the development of its iron ore assets located in the Mid West Region of Western Australia.

AustSino is a substantial shareholder of the Company and, as at 20 May 2020, being the last practicable date before finalisation of this Notice, held voting power of approximately 5.86% in Sundance through its wholly-owned subsidiary Havelock Resources Pty Ltd (**Havelock**).

In addition to its involvement with Sundance and the Mbalam-Nabeba Iron Ore Project (see section 2 below for further information), 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 for that region.

Further information about AustSino can be found at its website, <http://aust-sino.com/>.

2. THE PROPOSED TRANSACTIONS

On 8 July 2019, the Company announced that it had entered into the New Agreement which contemplated transactions which would, subject to the satisfaction or waiver of certain conditions precedent by 30 June 2020,⁴ including obtaining Shareholder approval and a number of other conditions (as described in Sundance's ASX announcement on 8 July 2019), result in the cancellation of the Company's Convertible Notes and the Company receiving additional net cash of A\$4 million.

2.1 AustSino Transaction – Resolutions 1 and 2

Under the New Agreement, Sundance agreed to issue to AustSino:

- 11,153,846,154 Shares at an issue price of A\$0.0026 per Share (**AustSino Shares**); and
- 11,153,846,154 Options at an exercise price of A\$0.02 and an expiry date of five years after the date of issue (**AustSino Options**, together with the AustSino Shares, being the **AustSino Securities**),

subject to the satisfaction or waiver of the conditions precedent mentioned above (**AustSino Transaction**). On completion of the AustSino Transaction, AustSino will have a Relevant Interest in and voting power of 51.9% in Sundance. On exercise of the AustSino Options, AustSino will have a maximum voting power of 67.6% in Sundance.⁵

In consideration for the issue of the AustSino Securities, AustSino will pay A\$29 million to Sundance (**AustSino Consideration**).

These proceeds will be used for the following:

- A\$25 million cash will be paid to the Noteholders as part consideration for the cancellation of their Convertible Notes (**Cash Payment**); and
- the balance will be used for working capital and to progress development of the Project and the transaction costs associated with the New Agreement. It is expected that this will comprise the following (including corresponding estimates of the expenses):
 - (i) working capital, including in relation to salaries, administration and regulatory costs in Australia, Cameroon and Congo (approximately A\$2.5 million);
 - (ii) transaction costs associated with the New Agreement, including the Independent Expert's Report, EGM and legal costs associated with the New Agreement and the Cameroon Convention (approximately A\$0.5 million); and
 - (iii) negotiation and legal costs associated with financing packages and EPC contracts for the Project (approximately A\$1 million).

AustSino will have the right, but not the obligation, to appoint at least two nominees to the board of the Company on completion of the AustSino Transaction.

The material terms of the AustSino Transaction were released to ASX on 8 July 2019.

Under Resolutions 1 and 2, Shareholders are being asked to approve the AustSino Transaction.

2.2 Issue of securities to Noteholders in exchange for cancellation of Convertible Notes – Resolution 3

Subject to completion of the AustSino Transaction and the satisfaction or waiver of certain other conditions precedent (as described in Sundance's ASX announcement on 8 July 2019), in exchange for the cancellation of the Convertible Notes (**Note Cancellation**), and in addition to Sundance making the Cash Payment to the Noteholders, Sundance will issue to the Noteholders (in aggregate):

⁴ On 24 December 2019, the Company confirmed the extension of the end date for the New Agreement from 31 December 2019 to 30 June 2020.

⁵ This assumes no other Equity Securities are issued by Sundance other than the Noteholder Securities under Resolution 3 and no other Equity Securities in the Company are issued. If each of the Noteholders also exercise their Options issued under Resolution 3, then the maximum voting power of AustSino will be 57.9%.

- 2,000,000,000 Shares at a deemed issue price of A\$0.004; and
- 5,000,000,000 Options at an exercise price of A\$0.02 and an expiry date of five years after the date of issue,

(together, the **Noteholder Securities**).⁶

The Note Cancellation, once implemented, will leave Sundance debt free.

The Cash Payment and Noteholder Securities will be allocated amongst the Noteholders in the following proportions:

Noteholder	Redemption value		Cash	Shares	Options
	A\$	% of total	A\$		
Wafin Limited	63,266,760	47.728	11,932,064	954,751,131	2,386,877,828
Noble Resources International Pte Ltd	31,606,200	23.844	5,960,906	476,621,418	1,191,553,544
D.E. Shaw Composite Holdings International Pte Ltd	18,841,620	14.214	3,553,515	283,559,578	708,898,944
Senrigan Master Fund	15,481,620	11.679	2,919,822	233,785,822	584,464,555
BSOF Master Fund L.P.	3,360,000	2.535	633,693	51,282,051	128,205,128
Total	132,556,200	100%	25,000,000	2,000,000,000	5,000,000,000

No Noteholder will acquire a Relevant Interest in or voting power of more than 20% as a result of the Note Cancellation.

Noble Resources International Pte Ltd (**Noble**) will have the right, but not the obligation, to appoint a nominee to the board of the Company on completion of the Note Cancellation, provided Noble continues to hold voting power in the Company of at least 5%.

The material terms of the Note Cancellation were released to ASX on 8 July 2019.

Under Resolution 3, Shareholders are being asked to approve the Note Cancellation.

2.3 Indicative timing for the Proposed Transactions and conditionality

An indicative timetable for the Proposed Transactions is set out below:

Event	Date
Sundance shareholders meeting	29 June 2020

⁶ As announced by the Company on 3 February 2020, Mr Porter converted his Notes on 31 January 2020 in return for the issue of 74,285,714 Shares. Mr Porter is therefore no longer a Noteholder and the New Agreement does not apply to him.

Event	Date
Completion of the Proposed Transactions	By 30 June 2020 ⁷
Last date by which completion of the Proposed Transactions must occur (unless otherwise agreed)	30 June 2020

Please note that each of the dates above are subject to change.

As at 20 May 2020, being the last practicable date prior to finalisation of this Notice, the Proposed Transactions also remained conditional on:

- approval by AustSino's shareholders as required for the purposes of the Listing Rules and Corporations Act in connection with the placement of AustSino shares to fund the A\$29 million payment to Sundance (and an independent expert confirming that transaction is fair and reasonable, or not fair but reasonable, for AustSino's shareholders);
- approval of any relevant legal or regulatory bodies;
- completion of AustSino's placement of shares to fund its subscription for AustSino Securities;
- AustSino and Sundance continuing to take reasonable steps to discuss and advance the development of the Project on an exclusive basis;
- AustSino and Sundance taking all reasonable steps to discuss and advance the Project with the Governments of the Republics of Cameroon and Congo, subject to the AustSino Transaction;
- Sundance not being insolvent prior to completion of the Proposed Transactions;
- AustSino complying with its obligations under the Financial Support Arrangement; and
- no "Event of Default" (as defined in the Existing Term Sheet) having occurred or continuing to subsist.

The Company will announce to ASX if and when these conditions are subsequently satisfied or waived.

Completion of the Proposed Transactions is expected to occur within 10 business days of the satisfaction or waiver of the last condition precedent.

2.4 Termination rights

There are certain termination rights which exist under the New Agreement, which may result in the Proposed Transactions not proceeding, including (without limitation) if one or more of the following events occur:

- Sundance or AustSino commits a breach of its material representations, warranties and does not remedy the breach within 10 business days of the date the breach is notified to the other party;
- Sundance or AustSino commits a material breach of their obligations under the New Agreement; or
- Sundance or AustSino becomes insolvent.

Unless the parties to the New Agreement otherwise agree, if the Proposed Transactions are not completed by 30 June 2020, the New Agreement will automatically terminate (and therefore the Proposed Transactions will not proceed).

2.5 Financial Support Arrangement

Under the New Agreement (as amended), AustSino is providing financial support to Sundance for an amount of A\$300,000 per month until the earlier of completion of the Proposed Transactions and 30 June 2020, for working capital purposes and to progress the Project (**Financial Support Arrangement**). Under the Financial Support Arrangement, on receipt of funds from AustSino, Sundance issues Shares to AustSino at an issue price of A\$0.0045 per Share in respect of A\$100,000 of the A\$300,000 monthly amount received. The A\$200,000 balance of the monthly payment is aggregated to the previous months'

⁷ Subject to the satisfaction or waiver of all conditions precedent to the New Agreement, it is possible that completion of the Proposed Transactions will occur at an earlier date.

payment, and Sundance will not issue Shares to AustSino (also at an issue price of A\$0.0045 per Share) in respect of that aggregated amount unless and until completion of the Proposed Transaction occurs.

2.6 Alternatives to the Proposed Transactions

Existing Term Sheet

Prior to the New Agreement, Sundance signed a legally binding term sheet (**Existing Term Sheet**) with the Noteholders and Mr David Porter on 29 July 2018 to, subject to certain conditions being satisfied or waived, cancel their Convertible Notes in consideration for a combination of equity in Sundance and a capped production royalty.⁸

Under the Existing Term Sheet, each Noteholder was offered an opportunity to cancel its Convertible Notes in exchange for such number of Shares that represents between 30 – 50% of the redemption value of its Convertible Notes, based on a Sundance share price of A\$0.004. The level of equity that a Noteholder elected to receive determined the rate of the proposed production royalty, which ranged from 1.00% to 1.24% of their share of revenue from the sale of the first 517 million tonnes of ore from the Project. The calculation of value to the Noteholders was determined by reference to the long-term iron ore price of US\$69/t CFR China.

If completion of the Proposed Transactions does not occur or if the New Agreement is terminated, the Existing Term Sheet will continue to apply and remain binding until the earlier of (i) 100 days after termination of the New Agreement and (ii) 31 December 2020. Completion under the Existing Term Sheet is subject to certain conditions being satisfied or waived (including, among others, a requirement to seek Shareholder approval)⁹, and there is no guarantee completion under the Existing Term Sheet will occur.

To avoid doubt, the Company is not seeking Shareholder approval for the purposes of the Existing Term Sheet under this Notice.

Current circumstances

The Directors consider that the only alternatives to pursuing the Proposed Transactions are to:

- not undertake such transactions and do nothing; or
- pursue the transactions contemplated by the Existing Term Sheet.

The impact of doing nothing and not proceeding with the Proposed Transactions is set out in section 4.

The Company notes that, under the Financial Support arrangement in the New Agreement, AustSino is providing financial support to Sundance for an amount of A\$300,000 per month until the earlier of completion of the Proposed Transactions and 30 June 2020, for working capital purposes and to progress the Project. If the New Agreement is terminated prior to 30 June 2020, the Company will no longer receive funds under this Financial Support Arrangement. In those circumstances, as the Company currently derives no cash flow from the Project, it is highly likely that the Company will need to raise substantial additional funds in the short term to continue progressing the Project and to ensure it remains solvent. There is a risk that Sundance will be unable to raise such funds when needed or on reasonable terms. Unless Sundance is able to continue to raise funds as required, that failure could delay or suspend the Company's business activities and could have a material adverse effect on the solvency of the Company.

Accordingly, in the context of the Company's financial position and the commercial objectives which the Proposed Transactions seek to achieve, the Directors consider that the Company does not have sufficient cash funds at this stage to feasibly pursue the transactions contemplated by the Existing Term Sheet or other alternatives.

⁸ As announced by the Company on 3 February 2020, Mr Porter converted his Convertible Notes on 31 January 2020 in return for the issue of 74,285,714 Shares. Mr Porter is therefore no longer a Noteholder and the Existing Term Sheet does not apply to him.

⁹ Refer to the Company's announcement dated 30 July 2018 for a summary of the material terms and conditions of the Existing Term Sheet.

2.7 Conversion of Mr David Porter's Convertible Notes

On 3 February 2020, the Company announced that Mr Porter had converted all of his Convertible Notes resulting in Mr Porter being issued 74,285,714 Shares.

Mr Porter is therefore no longer a Noteholder and the terms of the Existing Term Sheet and New Agreement no longer apply to him.

2.8 Resolutions 1, 2 and 3 are inter-conditional

Resolutions 1, 2 and 3 are inter-conditional. This means that if any of Resolutions 1, 2 or 3 is not approved by Shareholders, the Company will not be able to complete the AustSino Transaction or the Note Cancellation.

However, even if Resolutions 1, 2 and 3 are approved by Shareholders at the Meeting, it does not necessarily mean the Proposed Transactions will be implemented.

2.9 Independent Expert's Report

To assist you in deciding how to vote on Resolution 1, the Board engaged Pendragon to prepare the Independent Expert's Report to provide an opinion on whether or not the AustSino Transaction is 'fair and reasonable' to the Shareholders who are not associated with AustSino or the Noteholders.

The Independent Expert's Report prepared by Pendragon concludes that the AustSino Transaction is fair and reasonable to Shareholders not associated with AustSino or the Noteholders.

Shareholders may request a hard copy of the Independent Expert's Report from the Company at no cost by contacting the Company by telephone on +61 8 9220 2300. A complete copy of the Independent Expert's Report is provided in Attachment A to the Notice and is also available on the Company's website, www.sundanceresources.com.au.

Pendragon has consented to the use of its Independent Expert's Report, and the opinion which it contains, in the form and context used in this Notice and Explanatory Memorandum.

2.10 Board recommendation

After carefully considering all aspects of the Proposed Transactions (including the respective advantages and disadvantages set out in section 3 below and the Independent Expert's Report), each of the Directors considers that the Proposed Transactions are in the best interests of Shareholders.

Accordingly, the Board recommends that Shareholders vote **in favour** of Resolutions 1, 2 and 3. The Chair intends to vote undirected proxies in favour of the Resolutions.

3. CONSIDERATIONS RELEVANT TO YOUR VOTE

3.1 Reasons to vote in favour of the Proposed Transactions

(a) Stronger balance sheet and cash position

On completion of the Proposed Transactions:

- the Company will receive approximately A\$4 million in net cash;
- Note Cancellation will result in the Company resolving its net asset deficiency and becoming debt free; and
- the Company's net asset position will improve by approximately A\$136.9 million (before transaction costs).

The Company's cash balance is approximately A\$451,916 as at 20 May 2020, being the last practicable date prior to finalisation of this Notice.

Net cash following the Proposed Transactions will be applied by the Company in the manner described in section 2.1 above.

Further, 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. There is no guarantee all or any of these Options will be exercised.

(b) Simplification of corporate structure

The Board considers that the existence of the Convertible Notes may constitute a potential impediment to attracting further investment and raising additional equity or debt in the future to fund the development of the Project. If Shareholders approve the Proposed Transactions and the Proposed Transactions are subsequently implemented, the Company can proceed with the Note Cancellation, following which it will have a simplified corporate structure with no outstanding Convertible Notes.

(c) Project development

If Shareholders vote to approve the Proposed Transactions and the Proposed Transactions are subsequently implemented, the funds raised from the Proposed Transactions will enable Sundance to further progress the development of the Project, including:

- completing negotiations regarding the reinstatement of the Mbalam Convention or a Convention on similar terms;
- signing binding agreements with consortium partners; and
- ensuring the Company remains a going concern.

In addition, the Company considers that the continued involvement of AustSino as a strategic investor in Sundance is important to developing the Project. In February 2019, Sundance and AustSino brought together and accompanied a significant consortium of Chinese entities to Cameroon, which comprised construction company China Railways Corporation, port owner and operator Yantian Ports, stainless steel producer Tsingshan Steel and steel producer BaoWu. In Cameroon, AustSino, Sundance and these consortium parties signed a non-binding consortium agreement and presented to a number of Government ministers on the best way the consortium considered the Project could be developed.

This meeting was followed by a visit to China in late 2019 by representatives of the Cameroon Government with the consortium partners and reinforced their support of the consortium and the Project development plans. The consortium and the Government of Cameroon were supportive of the role that AustSino has played in bringing all parties together and the steps taken toward completion of the Proposed Transactions.

(d) Resumption of trading in Sundance shares on ASX

Trading in Sundance shares on ASX has been suspended since 7 September 2018. The Company believes that trading in Sundance securities will recommence on completion of the Proposed Transactions. This may result in a more liquid market for trading in Sundance securities.

(e) The AustSino Transaction is fair and reasonable

The Independent Expert has concluded that the AustSino Transaction is fair and reasonable to Shareholders who are not associated with AustSino or the Noteholders.

3.2 Reasons why you may choose to vote against the Proposed Transactions

(a) Dilution of existing interests of Shareholders

If the Proposed Transactions complete:

- AustSino will be issued 11,153,846,154 Shares and 11,153,846,154 Options; and
- the Noteholders will be issued an aggregate of 2,000,000,000 Shares and 5,000,000,000 Options.

This will reduce the voting power of Shareholders not associated with AustSino or the Noteholders:

- from 92.69% to 39.09%, based on the Company's projected undiluted issued capital after completion of the Proposed Transactions; and
- from 92.69% to 24.4%, if all of the Options held by AustSino and the Noteholders are exercised but the Company's issued capital after completion of the Proposed Transactions is otherwise undiluted.

On Completion of the Proposed Transactions, AustSino's voting power in the Company will increase from 6.3% to 51.9%.¹⁰

Further details of the potential changes to the Company's capital structure as a result of the Proposed Transactions and the relevant underlying assumptions, are set out in section 5 below and Attachment C.

(b) Potential impact on Share price

As noted above, under the Proposed Transactions, AustSino will acquire a majority interest in the Company. AustSino's majority interest may dissuade potential acquirers of the Company from making a takeover offer in the future. This may adversely affect the Company's share price and reduce the opportunity for Shareholders to receive a takeover premium in the future. However, as at the date of this Notice, the Company is not engaged in any discussions in relation to any potential takeover proposal. Further, the Company will have a lower free float, which may reduce liquidity and adversely affect the market value of Shares. There is otherwise no guarantee that the Company's Shares will not fall in value as a result of completion of the Proposed Transactions.

(c) No guarantee of Project development

The amount of capital provided to Sundance on completion of the Proposed Transactions is an interim measure to seek to place Sundance in a stronger position to further progress the development of the Project. Shareholders should note that it does not guarantee that the Mblalam Convention will be reinstated or a new convention similar to the Mblalam Convention will be entered into as a result of completion of the Proposed Transactions or the Project will otherwise be further developed by Sundance at all. Shareholders should also note that any additional equity funding may further dilute the interests of current Shareholders in the Company in the future and there is a risk that Sundance may be unable to obtain debt or equity finance required to advance development of the Project on commercially acceptable terms or at all.

(d) Restrictions on resolutions

As AustSino will hold more than 50% of the Company's issued Share capital following completion of the Proposed Transactions, AustSino will be able to pass ordinary resolutions of the Company in its own right. In practice, this means that AustSino may appoint or remove directors, approve the issue of securities or dividends and approve certain capital management activities.

In addition, AustSino's majority interest will restrict the remaining Shareholders' ability to make decisions requiring a special resolution (which requires at least 75% Shareholder approval) without the approval of AustSino.

4. WHAT IF THE PROPOSED TRANSACTIONS ARE NOT APPROVED?

If any of Resolutions 1, 2 or 3 are not approved by Shareholders, the Proposed Transactions will not proceed.

(a) Solvency position

The Company notes that, under the Financial Support Arrangement contained in the New Agreement (as amended), AustSino is providing financial support to Sundance for an amount of A\$300,000 per month until the earlier of completion of the Proposed Transactions and 30 June 2020, for working capital purposes and to progress the Project. If either of Resolutions 1, 2 or 3 are not approved by Shareholders, the Company will no longer receive funds under this Financial Support Arrangement, or the A\$4 million net cash payment from AustSino on completion of the Proposed Transactions.

In those circumstances, as the Company currently derives no cash flow from the Project, it is highly likely that the Company will need to raise substantial additional funds in the short term to continue progressing the Project and to ensure it remains solvent. There is a risk that Sundance will be unable to raise such funds when needed or on reasonable terms. Unless Sundance is able to continue to raise funds as

¹⁰ This is based on the Company's projected undiluted issued capital after completion of the Proposed Transactions. If AustSino exercises its Options but the Company's issued capital is otherwise undiluted, its voting power in the Company will be 67.6%.

required, that failure could delay or suspend the Company's business activities and could have a material adverse effect on the solvency of the Company.

In these circumstances, if Sundance became insolvent, the Noteholders may seek to exercise their right to terminate the Existing Term Sheet. Insolvency is also an event of default under the respective convertible note deeds between Sundance and each Noteholder, a consequence of which is that the Noteholders may seek to declare an "Acceleration Event" and entitle the Noteholder to demand immediate payment of the relevant convertible note redemption amount by Sundance.

(b) Net asset deficiency

Based on its half year report for the financial year ended 31 December 2019, Sundance has a net asset deficiency of A\$132,368,027, comprising predominantly of the redemption value attributable to the Convertible Notes. If the Proposed Transactions do not complete:

- the Convertible Notes will not be cancelled; and
- the Company will not receive A\$4 million in net cash from AustSino.

This will leave Sundance with a significant net asset deficiency, unless an alternate transaction can be pursued and implemented to address that deficiency.

(c) Existing Term Sheet remains in force

If completion under the AustSino Transaction does not occur, the Company will not be able to proceed with Cancellation under the New Agreement and the terms of the Existing Term Sheet relating to cancellation of the Convertible Notes will apply unless it is terminated in accordance with its terms (see section 2.6 for more information).

(d) Ability to progress development of the Project

Following meetings with the Cameroon Government, the Company believes that completion of the Proposed Transactions is critical to the reinstatement of the Mbalam Convention or the entry into of a new convention on similar terms. The Company believes that failing to complete the Proposed Transactions will adversely affect the prospects of the potential reinstatement of the Mbalam Convention and development of the Project.

(e) AustSino may still increase its voting power

If the AustSino Transaction is not implemented, AustSino may still increase its voting power in Sundance in accordance with the Corporations Act and Listing Rules.

(f) Trading in Sundance shares on ASX

If either of Resolutions 1, 2 or 3 are not approved and the New Agreement terminates as a result, trading in Sundance shares on ASX may recommence. This may result in a more liquid market for trading in Sundance securities. However, there is no guarantee that the Company's Shares will not fall in value despite trading recommencing. If trading in Shares on ASX did not recommence following termination of the New Agreement, and trading in Shares remains suspended as at 7 September 2020 (being two years after trading in Shares was suspended), there is a risk Sundance will be delisted by ASX.

5. IMPACT ON CAPITAL STRUCTURE AND LEVEL OF CONTROL

5.1 Impact on control of the Company

As at 20 May 2020, being the last practicable date prior to finalisation of this Notice:

- AustSino held a Relevant Interest in 551,111,112 Shares and voting power of 5.86% of the issued share capital of Sundance;
- Noble held a Relevant Interest of 95,714,286 Shares and has voting power in Sundance of 1.01%; and

- none of the other Noteholders held a Relevant Interest in Shares.

Following completion of the Proposed Transactions, the Company expects that:

- AustSino's voting power in the Company will be 51.9%;¹¹and
- the Noteholders' voting power in the Company will be as follows:¹²
 - Wafin Limited 4.11%;
 - Noble Resources International Pte Ltd 2.46%;
 - D.E. Shaw Composite Holdings International Ltd 1.22%;
 - Senrigan Master Fund 1.01%; and
 - BSOF Master Fund L.P 0.22%.

The table contained in Attachment C sets out the impact of the Proposed Transaction on the Company.

5.2 Capital structure as a result of the Proposed Transactions¹³

If Resolutions 1, 2 and 3 are approved by Shareholders, and the Proposed Transactions are subsequently implemented, the Company's capital structure will change as follows:

Security	Pre-completion	Post-completion	Change
Shares	9,450,021,557	23,239,978,822	13,839,957,265
Options	789,333,334	16,943,179,488	16,153,846,154
Convertible notes	910,000	Nil	(910,000)

5.3 Impact on the Company's financial position

The pro forma financial information set out in Attachment D has been provided for illustrative purposes and is intended to provide Shareholders with an indication of the Company's financial position if the Proposed Transactions are implemented.

Following completion of the Proposed Transactions, Sundance expects its cash balance to increase by approximately \$4 million, with a reduction in liabilities of approximately \$132.6 million.

Overall, under the Proposed Transactions, the net asset position of the Company will improve by approximately \$136.6 million (before transaction costs).

6. CORPORATIONS ACT REQUIREMENTS

6.1 Prohibition under section 606 of the Corporations Act

In general terms, section 606(1) of the Corporations Act requires that a person must not acquire a Relevant Interest in issued voting securities in a listed company if the transaction results in that person's or someone else's voting power increasing:

- from 20% or below to more than 20%; or
- from a starting point that is above 20% to below 90%.

The voting power of a person in a company is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's Associates have a Relevant Interest.

¹¹ This is based on the Company's projected undiluted issued capital after completion of the Proposed Transactions. If AustSino exercises its Options but the Company's issued capital is otherwise undiluted, its voting power in the Company will be 67.6%.

¹² This is based on the Company's project undiluted issued capital after completion of the Proposed Transactions.

¹³ This is based on the Company's projected undiluted issued capital immediately prior to and after completion of the Proposed Transactions. This does not include the 300,000,000 Performance Rights the subject of Resolutions 4 and 5.

Under section 608 of the Corporations Act, a person has a Relevant Interest in securities if they are the holder of the securities, have the power to exercise, or control the exercise of, a right to vote attached to the securities or have power to dispose of, or control the exercise of a power to dispose of, the securities.

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an “Associate” of the other person (**first person**) if:

- the first person is a body corporate and the second person is:
 - a body corporate the first person controls;
 - a body corporate that controls the first person; or
 - a body corporate that is controlled by an entity that controls the first person;
- the second person has entered or proposed to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company’s board or the conduct of the company’s affairs; or
- the second person is a person with whom the first person is acting or has proposed to act, in concert in relation to the company’s affairs.

Members of the corporate groups of each entity having a Relevant Interest will therefore be Associates of the relevant entity (and will therefore acquire voting power equivalent to that held by the relevant entity).

If Resolutions 1, 2 and 3 are approved and the Proposed Transactions are implemented, it will result in AustSino obtaining a Relevant Interest in the AustSino Shares. Consequently, the voting power of AustSino will exceed 20% of the voting shares in the Company, which would breach the prohibition under section 606 of the Corporations Act unless a relevant exception applies.

6.2 Item 7 exception

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition in section 606 of the Corporations Act. The exception provides that a person may acquire a Relevant Interest in a company’s voting shares that would otherwise be a breach of section 606 of the Corporations Act if shareholders of the company approve the transaction.

On completion of the Proposed Transactions, AustSino will have voting power of 51.67% in the Company.¹⁴ Shareholder approval under item 7 of section 611 of the Corporations Act is being sought for both the issue of AustSino Shares and the issue of further Shares on the exercise of AustSino Options because each of those proposed issues will result in AustSino acquiring a Relevant Interest in the Company’s issued share capital in excess of the limits prescribed in section 606 of the Corporations Act as described above.

Accordingly, the Company is seeking the approval of its Shareholders under Resolution 1 to ensure that the Company may issue, in accordance with the terms of the New Agreement, the AustSino Shares and the Shares that may be issued to AustSino on the exercise of AustSino Options, irrespective of whether this will result in an increase in AustSino’s voting power in Sundance above the 20% threshold.

6.3 Information relating to the AustSino Transaction

AustSino has prepared and is responsible for the intentions and other information relating to AustSino in this section. The Company and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of that information.

(a) About AustSino

See section 1.2 above for information on AustSino.

¹⁴ This is based on the Company’s projected undiluted issued capital after completion of the Proposed Transactions. If AustSino exercises its Options but the Company’s issued capital is otherwise undiluted, its voting power in the Company will be 67.5%.

(b) AustSino's intentions regarding Sundance

If the Proposed Transactions are approved by Shareholders and the Company proceeds with the issue of AustSino Securities, AustSino has confirmed that it has no current intention to:

- change the business of the Company;
- inject further capital into the Company;
- make changes to the Company's existing employees;
- transfer any of the Company's assets between the Company and AustSino or its Associates;
- redeploy any of the Company's fixed assets; or
- change the Company's financial or dividend distribution policies.

However, AustSino will continue to monitor the financial position of the Company and reserve the right to inject further capital into the Company should it be required. Further, if the AustSino Securities are issued on completion of the Proposed Transactions, AustSino will have the right, but not the obligation, to appoint at least two nominee directors to the Board of Sundance.

The statements set out above are statements of AustSino's current intention only and may vary as new information becomes available or circumstances change.

AustSino confirms that it is not aware of any additional information (other than as set out in this Explanatory Memorandum, the Independent Expert's Report, or previously disclosed to Shareholders) that would be relevant to Shareholders in deciding how to vote on Resolution 1.

AustSino has provided Sundance with the above information to assist it in meeting its obligations under ASIC Regulatory Guide 74. Sundance takes no responsibility for any omission from, or any error or false or misleading statement in, this section.

(c) Voting power of AustSino and its Associates

AustSino and its Associates held voting power in the Company of 5.86% as at 20 May 2020 (being the last practicable date prior to finalisation of this Notice).

If the Proposed Transactions are approved by Shareholders and subsequently implemented, AustSino or its nominee will be issued:

- 11,153,846,154 Shares and 11,153,846,154 Options following completion of the Proposed Transaction; and
- up to a further 11,153,846,154 Shares on the exercise of AustSino Options, on the terms set out in the New Agreement.

The issue of the AustSino Shares and AustSino Options will increase AustSino's voting power in the Company to approximately 51.9%.¹⁵ However, if all AustSino Options are exercised, AustSino's voting power in the Company may increase up to 67.6%.¹⁶

The maximum percentages set out above are based on several assumptions such that the actual level of voting power that may be obtained by AustSino and its Associates may be lower depending on the prevailing circumstances.

(d) Date of the proposed issue of AustSino Securities

As noted in section 2.3 above, the Proposed Transactions remain subject to the satisfaction or waiver of certain conditions precedent. The Company expects that these conditions will be satisfied or waived prior to the 30 June 2020 end date. The Company will announce to ASX if and when these conditions are subsequently satisfied or waived. Completion of the Proposed Transactions (and the issue of the AustSino Securities) is expected to occur within 10 business days of the satisfaction or waiver of the last condition precedent.

¹⁵ This is based on the Company's projected diluted issued capital after completion of the Proposed Transactions.

¹⁶ This assumes AustSino exercises its Options but the Company's issued capital is otherwise undiluted.

In relation to the issue of Shares on the exercise of AustSino Options, in accordance with the terms of the New Agreement, the Company will issue Shares to AustSino or its nominee immediately and in any event, no later than two business days following the receipt by the Company of a valid exercise notice and payment of the exercise price.

(e) **Other relevant agreements conditional on approval of Resolution 1**

As far as the Directors are aware, there are no agreements or proposed involving the Company that are conditional on, or directly or indirectly dependent on, Shareholder approval under Resolution 1.

6.4 Other information

(a) **Interests of Directors**

As noted in section 2.7 of this Explanatory Memorandum, Mr Porter is no longer a Noteholder. Accordingly, none of the Directors has any interest in the AustSino Transaction (excluding any benefit in their capacity as holders Shares or Options).

Each Director intends to vote any Shares held or controlled by him in favour of Resolution 1.

(b) **No additional approval under Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary shares on issue at the commencement of that 12-month period.

This restriction does not apply in certain circumstances, including in relation to an issue of securities approved for the purpose of item 7 of section 611 of the Corporations Act.

If Shareholders approve the issue the AustSino Shares and the Shares that may be issued to AustSino or its nominee on the exercise of AustSino Options under Resolution 1, then separate approval will not be required under Listing Rule 7.1 given that approval is already being obtained under item 7 of section 611 of the Corporations Act.

Accordingly, the issue of Shares the issue the AustSino Shares and the Shares that may be issued to AustSino or its nominee on the exercise of AustSino Options under Resolution 1 will not count towards the Company's 15% placement capacity.

(c) **No other material information**

Neither the Company nor the Directors are aware of any additional information other than as set out in this Explanatory Memorandum, the Independent Expert's Report, or previously disclosed to Shareholders that would be relevant to Shareholders in deciding how to vote on Resolution 1.

7. LISTING RULE REQUIREMENTS

7.1 Issue of AustSino Options - Resolution 2

(a) **Listing Rule 7.1**

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that the Company can issue without the approval of its Shareholders over any 12-month period to 15% of the Shares it had on issue at the start of that period.

The proposed issue of AustSino Options under Resolution 2 does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Shareholders under Listing Rule 7.1.

Resolution 2 seeks the required Shareholder approval for the proposed issue of AustSino Options under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, subject to the passing of Resolutions 1 and 3, and the satisfaction or waiver of the conditions precedent to the AustSino Transaction, the Company will be able to proceed with the issue of the AustSino Options.

In addition, the AustSino Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to issue the AustSino Options. As Resolution 2 is inter-conditional with Resolutions 1 and 3, if Resolution 2 is not passed the Company will not be able to proceed with the Proposed Transactions.

(b) Information requirements

The following information in relation to the proposed issue of AustSino Options is provided to Shareholders for the purposes of Listing Rule 7.3:

- the AustSino Options will be issued to AustSino or its nominee;
- the Company will issue 11,153,846,154 AustSino Options;
- the terms and conditions of the Options are set out in Attachment B to this Notice;
- the Company will issue the AustSino Options within 10 business days following satisfaction or waiver of the conditions precedent to the AustSino Transaction and in any event no later than three months after the date of the Meeting;
- the Company will receive A\$29 million following the issue of the AustSino Securities, which includes the AustSino Options;
- as noted above in section 2.1, the proceeds received from AustSino on issue of the Shares will be used by the Company for the Cash Payment to Noteholders, progressing the development of the Project, transaction costs associated with the New Agreement and working capital purposes (see the ASX announcement dated 8 July 2019 for full details);
- the funds raised from the exercise of the AustSino Options are intended to be used for progressing the development of the Project and working capital purposes;
- the AustSino Options are being issued pursuant to the New Agreement, the material terms of which are summarised in section 2 of this Explanatory Memorandum and in Sundance's ASX announcement dated 8 July 2019; and
- a voting exclusion applies in respect of this Resolution as set out in the Notice.

7.2 Issue of Noteholder Securities – Resolution 3

(a) Listing Rule 7.1

The proposed issue of Noteholder Securities under Resolution 3 does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 3 seeks the required Shareholder approval for the proposed issue of Noteholder Securities under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, subject to the passing of Resolutions 1 and 2, and the satisfaction or waiver of the conditions precedent to the Note Cancellation, the Company will be able to proceed with the issue of the Noteholder Securities.

In addition, the Noteholder Securities will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to issue the Noteholder Securities. As Resolution 3 is inter-conditional with Resolutions 1 and 2, if Resolution 3 is not passed the Company will not be able to proceed with the Proposed Transactions (including Note Cancellation).

(b) Information requirements

The following information in relation to the proposed issue of Noteholder Securities is provided to Shareholders for the purposes of Listing Rule 7.3:

- the Shares and Options will be issued to the following Noteholders or their respective nominees:
 - Wafin Limited;
 - Noble Resources International Pte Ltd;

- D.E. Shaw Composite Holdings International Ltd;
- Senrigan Master Fund; and
- BSOF Master Fund L.P;
- the Company will issue an aggregate total of 2,000,000,000 Shares and 5,000,000,000 Options to the Noteholders or their respective nominees as follows:

Noteholder	Number of Shares	Number of Options
Wafin Limited	954,751,131	2,386,877,828
Noble Resources International Pte Ltd	476,621,418	1,191,553,544
D.E. Shaw Composite Holdings International Ltd	283,559,578	708,898,944
Senrigan Master Fund	233,785,822	584,464,555
BSOF Master Fund L.P.	51,282,051	128,205,128
Total	2,000,000,000	5,000,000,000

- the Shares will have a deemed issue price of A\$0.004 and rank equally in all respects with the existing Shares on issue;
- the terms and conditions of the Options are set out in Attachment B to this Notice;
- the Company will issue the Noteholder Securities within 10 business days following satisfaction or waiver of the conditions precedent to the Note Cancellation and in any event no later than three months after the date of the Meeting;
- as noted above in section 2.2, Sundance is making the Cash Payment and issuing the Noteholder Securities to the Noteholders in exchange for the cancellation of the Convertible Notes;
- the funds raised from the exercise of the Options issued to the Noteholders are intended to be used for progressing the development of the Project and working capital purposes;
- the Shares and Options are being issued pursuant to the New Agreement, the material terms of which are summarised in section 2 of this Explanatory Memorandum and in Sundance’s ASX announcement dated 8 July 2019; and
- a voting exclusion applies in respect of this Resolution as set out in the Notice.

RESOLUTIONS 4 AND 5 – Approval of issue of Performance Rights to Directors

The Company has agreed, subject to receiving Shareholder approval, to issue Performance Rights to Messrs Giulio Casello and Brett Fraser (or their respective nominees) (**Participating Directors**) under the Company’s Performance Rights Plan on the terms and conditions outlined below and in Attachment E of this Notice.

Details of the Performance Rights proposed to be issued to each Participating Director and the Performance Conditions which attach to those Performance Rights is set out below.

Resolution	Participating Director	Number of Performance Rights	Performance Conditions	Percentage of Performance Rights to Vest	Expiry Date
4	Mr Giulio Casello	200,000,000	Completion of the Proposed Transactions and receipt of the AustSino Consideration	100%	5.00pm (WST) on the date that is 3 years after the date of grant of the Performance Rights (or such other date as

Resolution	Participating Director	Number of Performance Rights	Performance Conditions	Percentage of Performance Rights to Vest	Expiry Date
					determined by the Board)
5	Mr Brett Fraser	100,000,000	Completion of the Proposed Transactions and receipt of the AustSino Consideration	100%	5.00pm (WST) on the date that is 3 years after the date of grant of the Performance Rights (or such other date as determined by the Board)

The Performance Rights will only vest if the corresponding Performance Conditions are met. Upon vesting of the Performance Rights, the Shares will, without payment of consideration by the Participating Directors, automatically be issued to the Participating Directors (or their respective nominees) unless the Company is in a blackout period (as defined in the Company's Securities Trading Policy) or the Company determines in good faith that to issue the Shares may breach the Corporations Act or the Company's Securities Trading Policy in respect of insider trading, in which case the Company will issue the Shares as soon as reasonably practicable thereafter.

Any vested Performance Rights that are not exercised into Shares prior to the expiry date will lapse.

Listing Rule 10.14

Listing Rule 10.14 provides that the Company must not permit a Director to acquire Equity Securities under an incentive scheme unless it obtains the approval of its Shareholders.

The proposed issue of Performance Rights to the Participating Directors pursuant to the Performance Rights Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 4 and 5 seek the required Shareholder approval to the proposed issue of Performance Rights to each of the Participating Directors under and for the purposes of Listing Rule 10.14.

If this Resolution is passed, the Company will issue Performance Rights to the Participating Directors as noted above.

If this Resolution is not passed, the Company will not issue Performance Rights to the Participating Directors. Given the Company's circumstances and cash position, the Board considers the issue of Performance Rights to the Participating Directors is a reasonable and cost-effective means for the Company to provide a reward as an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash consideration.

Further details of each of the Participating Director's total remuneration packages can be found below and in the Company's Remuneration Report for the year ended 30 June 2019.

Information provided under Listing Rule 10.15

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- the Performance Rights will be issued to Mr Casello and Mr Fraser (or their respective nominees), as noted above;
- the proposed issue of Performance Rights the subject of Resolutions 4 and 5 requires Shareholder approval because each of the proposed recipients is a Director and hence a related party of the Company for the purposes of Listing Rule 10.14.1;
- the number and class of Equity Securities proposed to be issued to each of the Participating Directors is as follows:

Resolution	Participating Director	Type of Equity Security	Number
4	Mr Giulio Casello	Performance Rights	200,000,000
5	Mr Brett Fraser	Performance Rights	100,000,000

- the current total remuneration package for the Participating Directors is as follows:

Participating Director	Position	Total Remuneration (FY 2019) A\$
Mr Giulio Casello	Managing Director and CEO	512,628
Mr Brett Fraser	Non-Executive Director	50,370

- Mr Casello is the only person to have received Performance Rights under the Performance Rights Plan, which was last approved by Shareholders on 29 November 2017;
- a summary of the material terms of the Performance Rights is set out in Attachment E to this Notice;
- the incentives intended for the Participating Directors represented by the issue of these Performance Rights are a cost effective and efficient means for the Company to provide a reward as an incentive, as opposed to alternative forms of incentive, such as payment of additional cash consideration;
- the Company's advisers have valued the Performance Rights to be issued to the Participating Directors using the Monte Carlo Model. This valuation was undertaken on 8 May 2020. Based on the assumptions set out below, it is considered that the estimated average value of the Performance Rights to be granted to the Participating Directors is A\$0.00154 per Performance Right.

Assumption	Input
Share price	The share price as valued by the Independent Expert Report prepared by Pendragon on the date of the Proposed Transaction completing of \$0.0016.
Exercise price	The exercise price at which the underlying Shares will be issued. There is no exercise price for the Performance Rights.
Risk free interest rate	The Australian Government 3 year bond rate of 0.25% as at the date of valuation of the Performance Rights has been used.
Volatility	As Sundance has been suspended from quotation on the ASX since 5 September 2018, for the purposes of the valuation, a future estimated volatility for Sundance of 171.50% has been used in the pricing model, calculated using Hoadley's volatility calculator for 1 and 2 year periods prior to the suspension.
Time (years to expiry)	An estimated life of the Performance Rights has been used for the purposes of the valuation. The minimum life of the Performance Rights is the length of any vesting period. The maximum life is based on the expiry date. The life of the

Assumption	Input
	Performance Rights the subject of Resolutions 4 and 5 is 3 years.

Any change in the in the assumptions applied in the Monte Carlo calculation between the date of the valuation and the date the Performance Rights are granted would have an impact on their value.

- the Performance Rights will be issued to each of the Participating Directors on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- the Performance Rights will be issued to each of the Participating Directors for no consideration;
- no consideration is payable for the exercise of the Performance Rights into Shares;
- a summary of the material terms of the Performance Rights Plan is set out in Attachment F to this Notice;
- details of any securities issued under the Performance Rights Plan will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after either Resolutions 4 and 5 are approved and who were not named in this Notice will not participate until approval is obtained under that rule; and
- a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Participating Directors is a related party of the Company.

In relation to Resolution 4, the Board (excluding Mr Casello) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights as the issue, which forms part of the remuneration package for Mr Casello, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

In relation to Resolution 5, the Board (excluding Mr Fraser) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights as the issue, which forms part of the remuneration package for Mr Fraser, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

RESOLUTION 6 – Employee Share Option Plan

The Directors considered that it was desirable to renew the established Employee Share Option Plan under which employees may be offered the opportunity to subscribe for Options in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and accordingly adopted the “Sundance Resources Limited Employee Share Option Plan” on 10 October 2007.

The Employee Share Option Plan is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the

Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Employee Share Option Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Listing Rule 7.2 (Exception 13(b))

Shareholder approval is required if any issue of Options pursuant to the Employee Share Option Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without shareholder approval.

Accordingly, shareholder approval is sought for the purposes of Listing Rule 7.2 (Exception 13(b)) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

The following information is provided to Shareholder for the purposes of Listing Rule 7.2 (Exception 13(b)):

- a summary of the terms of the Employee Share Option Plan is set out in Attachment G to this Notice;
- the Employee Share Option Plan was last renewed and approved by Shareholders on 17 February 2017 and, since this date, a total of 200,000,000 Options have been issued under the Employee Share Option Plan;
- the maximum number of Equity Securities proposed to be issued under the Employee Share Option Plan following approval is not expected to exceed 5% of the issued and outstanding share capital in Sundance in the next three years (but disregarding any offer made, Option acquired or Share issued by way of or as a result of: (i) an offer to a person situated at the time of receipt of the offer outside Australia; (ii) an offer that did not need disclosure to investors because section 708 of the Corporations Act; or (iii) an offer made under a disclosure document); and
- a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

Prior shareholder approval will be required before any Director or related party of the Company can participate in the Employee Share Option Plan.

A copy of the rules for the Employee Share Option Plan, which sets out the full terms and conditions of the Employee Share Option Plan, is available from the Company's website at www.sundanceresources.com.au, or the Company will send a copy free to a shareholder on request.

Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

GLOSSARY

Accounting Standards has the meaning given to that term in the Corporations Act.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

AustSino means AustSino Resources Group Limited (ABN 12 009 076 242).

AustSino Consideration means A\$29 million to be paid by AustSino to Sundance on completion of the AustSino Transaction.

AustSino Options means the Options proposed to be issued to AustSino under Resolution 2.

AustSino Securities has the meaning given in section 2.1 of the Explanatory Memorandum.

AustSino Shares means the Shares proposed to be issued to AustSino under Resolution 1.

AustSino Transaction has the meaning given in section 2.1.

Board means the board of Directors of the Company.

Cancellation means the cancellation of the Convertible Notes.

Cash Payment has the meaning given in section 2.1 of the Explanatory Memorandum.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company or Sundance means Sundance Resources Limited (ABN 19 055 719 394).

Constitution means the constitution of the Company.

Convertible Notes means the then existing convertible notes in Sundance held by the Noteholders, which may or may not include the convertible notes previously on issue to Mr David Porter, as the context requires.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Dollar and \$ means the lawful currency of Australia.

Eligible Employee has the meaning given to it in Attachment G to the Notice.

Eligible Person has the meaning given to it in Attachment F to the Notice.

Employee Share Option Plan or **ESOP** means the “Sundance Resources Limited Employee Share Option Plan”.

Equity Securities has the meaning given in the Listing Rules.

Exercise Notice has the meaning set out in Attachment B to the Notice.

Existing Term Sheet means the legally binding term sheet dated 29 July 2018 between Sundance and the Noteholders, as described in section 2.6 of the Explanatory Memorandum.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice.

Financial Support Arrangement has the meaning given in section 2.5 of the Explanatory Memorandum.

Havelock means Havelock Resources Pty Ltd, a wholly-owned subsidiary of AustSino.

Independent Expert means the independent expert appointed by the Company to prepare the Independent Expert’s Report, being Pendragon.

Independent Expert's Report means the report to be prepared and issued by the Independent Expert in connection the transactions contemplated by Resolution 1 and annexed to this Notice of Meeting as Attachment A.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the Listing Rules of the ASX.

Meeting or Extraordinary General Meeting means the extraordinary general meeting the subject of the Notice.

New Agreement means the agreement dated 5 July 2019 between Sundance, AustSino and the Noteholders, the material terms of which are set out in section 2 of the Explanatory Memorandum.

Noble means Noble Resources International Pte Ltd.

Note Cancellation has the meaning given in section 2.2 of the Explanatory Memorandum.

Noteholder Securities has the meaning given in section 2.2 of the Explanatory Memorandum.

Noteholders means the noteholders of the Company, being Wafin Limited, Noble Resources International Pte Ltd, D.E. Shaw Composite Holdings International Ltd, Senrigan Master Fund and BSOF Master Fund L.P. and including or excluding Mr David Porter, as the context requires, and **Noteholder** means any one of them.

Notice or Notice of Meeting means the notice of extraordinary general meeting which accompanies this Explanatory Memorandum.

Option means an option to acquire a Share.

Optionholder means a holder of Options.

Participating Directors means Mr Giulio Casello and Mr Brett Fraser.

Pendragon means Pendragon Capital Limited (ACN 008 963 755 and AFSL No. 237549).

Performance Condition means a condition relating to the performance of the Company or the Eligible Person for the purposes of determining the number of Performance Rights that will vest and are exercisable for Shares.

Performance Rights means a right to acquire a Share, subject to the satisfaction of the applicable Performance Conditions.

Performance Rights Plan means the "Sundance Resources Limited Performance Rights Plan."

Project means the Mbalam-Nabeba Iron Ore Project in the Republics of Cameroon and Congo.

Proposed Transactions means the AustSino Transaction and the Note Cancellation.

Prospectus Trigger has the meaning set out in Attachment B to this Notice.

Proxy Form means the proxy form accompanying the Notice.

Relevant Interest has the meaning given to it in section 608 of the Corporations Act.

Resolution means a resolution proposed pursuant to the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Specified Reason has the meaning given to it in Attachment F (in relation to Performance Rights) and Attachment G (in relation to Options) to the Notice.

WST means Australian Western Standard Time.

Attachment A – Independent Expert’s Report

Independent Expert Report Sundance Resources Limited

**Prepared by Pendragon Capital Limited
Australian Financial Services Licence 237549**

21 May 2020



ABN 17 008 963 755

Australian Financial Services
Licence Number 237 549

FINANCIAL SERVICES GUIDE

Date prepared: 21 May 2020

Pendragon Capital Limited (ABN 17 008 963 755) (“Pendragon” or “we,” “us” or “our”) has been engaged by Sundance Resources Limited to provide an Independent Expert’s Report on whether the proposed issue of 11,153,846,154 shares and up to 11,153,846,154 Shares following the exercise of 11,153,846,154 unlisted options in Sundance Resources Limited (“Sundance”) to AustSino Resources Group Limited (“AustSino”) in exchange for \$29 million is fair and reasonable to shareholders who are not associated with AustSino or the Noteholders. A copy of our report will be provided because you are a shareholder of Sundance.

Financial Services Guide

This Financial Services Guide (“FSG”) has been prepared to assist retail investors:

- to decide whether the general financial product advice in our Report is appropriate to them; and
- to provide important information about us, the financial services we offer, how we are remunerated and our dispute resolution process.

Financial services we offer

Pendragon Capital Limited is the holder of Australian Financial Services Licence (“AFSL”) number 237549. The current AFSL conditions authorise Pendragon Capital Limited to, amongst other things, provide general financial product advice relating to securities to retail and wholesale investors.

General Financial Product Advice

In our Report we only provide general financial product advice and do not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the Report with respect to your own objectives, financial situation and needs before you act on the advice in the Report. Accordingly, it is up to you to determine whether you require any additional financial advice to satisfy your objectives, financial situation or needs.

We are engaged to provide a report in connection with a financial product of another person. Our report will include who has engaged us and a description of the nature of our engagement. Although you have not engaged us, you will be provided with a copy of our report as a retail investor because of your connection to the matters on which we have been engaged to report.

Remuneration and other benefits for our services

You have the right to be told of any remuneration, benefits or other interests Pendragon Capital Limited and your Adviser will receive which may influence the financial services provided.

We charge fees for providing reports. These fees have been agreed with, and will be paid by, the person who engages us to provide the report. Our fees are agreed and charged on an hourly basis or fixed fee basis depending on the engagement. Our fee has been fixed at \$30,000 (exclusive of GST) for this Report. This fee is not related in any way to the opinion we express in our Report.

Except for the fee disclosed above, Pendragon, including any of its directors, employees or associated entities will not receive any other fees or benefits, directly or indirectly, for or in connection with the provision of this Report.

Complaints process

As the holder of an AFSL, we are required to have a system for handling complaints from persons to whom we provide financial services.

If you have any complaints about the service provided to you, you should take the following steps:

- a. Contact your Adviser to discuss your complaint.
- b. If your complaint is not satisfactorily resolved within 3 days, please contact the Compliance Manager of Pendragon Capital Limited, on (08) 9426 0666 or put your complaint in writing and send it to PO Box 1288, Subiaco, WA 6904. The Compliance Manager will try to resolve your complaint quickly and fairly.
- c. If, within 28 days of notifying the Compliance Manager, you are not satisfied with the outcome, then you have the right to refer the matter to:

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678
Fax: (03) 9613 6399
Email: info@afca.org.au

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21 May 2020

The Directors
Sundance Resources Limited
PO Box 497
West Perth WA 6872

Dear Directors

INDEPENDENT EXPERT'S REPORT TO SHAREHOLDERS IN SUNDANCE RESOURCES LIMITED

1. INTRODUCTION

You have requested Pendragon Capital Limited ("Pendragon") prepare an Independent Expert's Report ("**Report**") to advise the non-associated shareholders of Sundance Resources Limited ("**Sundance**" or the "**Company**") whether the proposed issue of:

- 11,153,846,154 Shares at \$0.0026 per Share to raise \$29 million ("**AustSino Shares**"); and
- up to 11,153,846,154 Shares following the exercise of 11,153,846,154 unlisted options

in Sundance to AustSino Resources Group Limited ("**AustSino**") ("**Equity Placement**") is fair and reasonable to Shareholders who are not associated with AustSino or Senrigan Master Fund, Noble Resources International Pte Ltd, D. E. Shaw Composite Holdings International Ltd, Wafin Limited, BSOF Master Fund L.P (together the "**Noteholders**") ("**Non-associated Shareholders**").

The Equity Placement is one part of the proposed transaction between Sundance, AustSino and the Noteholders. The proposed transaction includes the issue of:

- AustSino Shares;
- 11,153,846,154 unlisted options in Sundance to AustSino at an exercise price of \$0.02 each and an expiry of 5 years after the date of issue; and
- 2,000,000,000 Shares and 5,000,000,000 unlisted options by Sundance along with the cash payment of \$25 million to the Noteholders in exchange for cancellation of the convertible notes in Sundance

(Together the "**Proposed Transaction**".)

Sundance is a public company listed on the Australian Securities Exchange ("**ASX**"). On 7 September 2018, Sundance went into voluntary suspension subject to an announcement. As at the date of the Report Sundance remains suspended from quotation on the ASX.

The principal activity of Sundance is the continued evaluation and de-risking of its Mbalam Nabeba Iron Ore Project (“**Project**”) in the Republic of Cameroon (“**Cameroon**”) and the Republic of Congo (“**Congo**”) and the evaluation of various development scenarios for the Project. Sundance holds its exploration assets located in Congo in its 85% owned subsidiary Congo Iron S.A. (“**Congo Iron**”) and its exploration assets located in Cameroon in its 90% owned subsidiary Cam Iron S.A. (“**Cam Iron**”).

On 24 September 2018, Sundance entered into an agreement with AustSino, the Noteholders and Mr David Porter excluding Wafin Limited (“**Initial Agreement**”). The Initial Agreement was subject to a number of conditions including the Mbalam Convention being extended to 14 September 2020 or a new convention on substantially similar terms being entered and Wafin Limited agreeing to the transaction contemplated by the Initial Agreement.

On 1 October 2018, Wafin Limited agreed to be bound by the terms of the Initial Agreement.

Sundance announced on 3 April 2019 that the Initial Agreement had been extended until 30 June 2019. As the Mbalam Convention was not reinstated by 30 June 2019, the Initial Agreement lapsed.

On 5 July 2019, Sundance entered into a new agreement with AustSino and the Noteholders and Mr David Porter (“**New Agreement**”). Under the New Agreement, Sundance has agreed to raise \$29 million by the issue to AustSino of 11,153,846,154 Shares at an issue price of \$0.0026 per Share and 11,153,846,154 unlisted options at an exercise price of \$0.02 each and an expiry of 5 years after the date of issue. The New Agreement is subject to a number of conditions precedent to be satisfied or waived by 31 December 2019, unless otherwise agreed.

The funds raised through the placement must be used by Sundance for the following:

- \$25 million will be paid to the Noteholders (“**Cash Payment**”); and
- The balance to be used for the development of the Project, working capital purposes and to fund the transaction contemplated by the New Agreement.

Under the New Agreement the Noteholders have agreed to the cancellation of the existing convertible notes in exchange for the following:

- Cash Payment;
- 2,000,000,000 Shares issued by Sundance at a deemed issue price of \$0.004 per Share; and
- 5,000,000,000 unlisted options issued by Sundance at an exercise price of \$0.02 each and an expiry date of five years after the date of issue.

Cancellation of the convertible notes will leave Sundance debt free.

On 22 October 2019, Sundance announced that a letter agreement was entered into between Sundance, AustSino and the Noteholders to extend the end date for completion of the New Agreement to 30 June 2020 (“**Letter Agreement**”).

As consideration for Sundance agreeing to extend the end date of the New Agreement, AustSino issued 107,692,308 Shares to Sundance at a deemed issue price of \$0.013 per Share at no cost to Sundance.

On 31 January 2020, the noteholder Mr David Porter converted his convertible note to Shares in Sundance. Mr David Porter is no longer a party to the New Agreement or the Letter Agreement.

The result of the Proposed Transaction would be to increase AustSino’s holding from 6.30% prior to the Proposed Transaction to a maximum 51.90% on an undiluted basis or 57.92% on a fully diluted basis (assuming all option holders (including AustSino and the Noteholders) exercise 100% of their options which are converted into Shares in the Company). The AustSino holding percentage is based on the assumption that completion of the Proposed Transaction occurs on 30 June 2020.

The potential issue of Shares on completion under the New Agreement and following the exercise of the options issued on completion of the New Agreement pursuant to the Equity Placement is subject to Shareholder approval. Shareholder approval is to be sought as required under Section 611 (item 7) of the Corporations Act. The Company has requested an Independent Expert’s Report to inform Shareholders of Sundance whether, in the Expert’s opinion, the Equity Placement is fair and reasonable for Non-associated Shareholders in accordance with Regulatory Guide 74 (“RG 74”) and Regulatory Guide 111 (“RG 111”).

Terms used in this Report that are not defined in this Report have the same meaning as corresponding terms in the Notice of Meeting.

2. SUMMARY AND OPINION

2.1 Opinion

Based on our analysis, as outlined further in this Report, we have concluded that the Equity Placement is **fair and reasonable to Non-associated Shareholders of Sundance**.

This section is a summary of our opinion and does not substitute for a complete reading of this Report.

We recommend that Shareholders carefully read all relevant documentation including any explanatory notes, contact their own professional advisors and consider their own specific circumstances before voting for or against the Proposed Transaction.

There are benefits and risks associated with implementing or not implementing the Proposed Transaction, the outcomes of which may not suit all Shareholders.

2.2 Fairness

In section 9.1 of this Report, we determined the value of a Sundance Share prior to the Proposed Transaction on a control basis compared to the value of a Sundance Share following the Proposed Transaction on a minority basis, as detailed below:

Undiluted Basis	Low Value \$	Preferred Value \$	High Value \$
Pro-forma NAV per Share prior to Proposed Transaction (undiluted control basis)	0.0000	0.0000	0.0000
Pro-forma Transaction NAV per Share following the Proposed Transaction (undiluted minority basis)	0.0011	0.0016	0.0021
Increase in value per Share (undiluted)	0.0011	0.0016	0.0021

Fully Diluted Basis	Low Value \$	Preferred Value \$	High Value \$
Pro-forma NAV per Share prior to Proposed Transaction (diluted control basis)	0.0000	0.0000	0.0000
Pro-forma Transaction NAV per Share following the Proposed Transaction (diluted minority basis)	0.0067	0.0072	0.0078
Increase in value per Share (diluted)	0.0067	0.0072	0.0078

In the absence of any other relevant information, we have assessed the terms of the Equity Placement in accordance with RG 111 and have determined that it is **fair** to the Non-associated Shareholders.

2.3 Reasonableness

If the Equity Placement is fair it is by definition **reasonable**.

In our analysis outlined in section 10 of this Report, we detail the advantages and disadvantages of the Equity Placement.

A summary of our advantages and disadvantages considered are as follows:

Advantages	Disadvantages
Cancellation of the Convertible Notes will assist with the Company's continuation as a going concern and remove the risk of the Noteholders requesting immediate repayment of the full face value of the convertible notes.	Dilution of existing Shareholder's interests.
Net asset position will be strengthened.	AustSino's ownership will be 51.90% on an undiluted and 57.92% on a fully diluted basis which means AustSino will have control over the Company and ability to block special and ordinary resolutions.
Receiving \$4 million in cash allows the Company to continue working towards developing the Project in Congo and Cameroon.	
Shares likely to be re quoted on ASX.	
AustSino introduced world class consortium to the Project.	

3. SCOPE OF THE REPORT

3.1 Scope

An independent expert must, in certain circumstances, be appointed to meet the requirements of the Corporations Act 2001 ("the Act"), the ASX Listing Rules and the regulatory guides published by the Australian Securities and Investments Commission ("**ASIC**").

The matters to be considered at the annual general meeting and additional information regarding those matters are set out in detail in the Notice of Meeting. These documents are important and should be read in conjunction with this Report and any other information provided to the Shareholders by Sundance regarding the Proposed Transaction.

This Report is general financial product advice only and has been prepared without taking into account the objectives, risk profile, financial situation or needs of each individual Shareholder. Before acting in relation to their investment, Shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs.

Approval or rejection of the Proposed Transaction is a matter for individual Shareholders. Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their own professional advisor.

3.2 Purpose of the Report

The Directors of the Company have engaged Pendragon to prepare an Independent Expert's Report, in relation to Resolution 1 of the Notice of Meeting, to assess whether the Equity Placement is fair and reasonable to Non-associated Shareholders of the Company.

The sole purpose of this Report is to express Pendragon's opinion as to whether, for the purpose of Section 611 (item 7) of the Corporations Act, the Equity Placement is fair and reasonable to Non-associated Shareholders. This Report cannot be used by any other person for any other reason or for any other purpose. A copy of this Report will accompany the Notice of Meeting to be sent to Shareholders.

3.3 Increase in ownership interest

Under section 606(1) of the Act, a person must not acquire a relevant interest in issued voting shares in a listed company if, as a result of the transaction, that person's or someone else's voting power in the company increases:

- from below 20% to more than 20%; or
- from a starting point that is above 20% and below 90%

However, the relevant interest can be acquired under the exceptions set out in Section 611 of the Act.

An exception set out in Section 611 (Item 7) of the Act permits an allotment or purchase of shares approved by a resolution of shareholders. It recognises that the shareholders of a company may choose to give up one of their basic rights, namely an equal opportunity to participate in any benefits accruing to other shareholders, where the acquisition or allotment may change the control of the company.

Under ASIC RG 74 and RG 76, a company is required to commission an expert report (or a directors' report to the same standard) to discharge the requirement to disclose all material information on how to vote on the resolution.

Accordingly the Directors of Sundance believe that it is appropriate to provide an independent expert's report to Shareholders and to seek Shareholder approval for the Equity Placement.

3.4 Regulatory guidance

In determining whether the transaction is "fair and reasonable", we have considered ASIC RG 111 – Content of Expert Reports, which sets out how experts should analyse a proposed transaction, the different valuation methodologies used by experts and the treatment of assumptions.

3.5 Fair and Reasonable

The term fair and reasonable does not have a legal definition. However the ASIC RG 111 establishes certain guidelines in respect of the preparation of experts' reports.

What is fair and reasonable for Non-associated Shareholders should be judged in all circumstances of the proposal. The report must compare the likely advantages and disadvantages for Non-associated Shareholders if the Proposed Transaction is agreed to and if it is not.

An offer is fair if the post-transaction value of a Share on a minority basis is equal to or greater than the value of a Share prior to the transaction on a control basis.

By definition, an offer is reasonable if it is fair. However, where an offer is not fair, it can be reasonable if, after considering other significant factors, the interests of the Shareholders are reasonably balanced.

4. PROPOSED TRANSACTION

4.1 Existing Term Sheet

On 29 July 2018, Sundance signed a legally binding term sheet with the Noteholders and Mr David Porter to cancel their convertible notes in consideration for a combination of equity in Sundance and a capped production royalty ("**Existing Term Sheet**").

Completion of this agreement will ensure the Company is free of \$133m of debt and is in a position where it can progress the process of securing partners to join Sundance to advance the Project.

On signing the New Agreement and later the Letter Agreement, the Existing Term Sheet has been suspended and the end date has extended to the earlier of 100 days after the termination of the New Agreement and 31 December 2020.

The major terms of the Existing Term Sheet are detailed below.

4.1.1 Production Royalty

The rate of the royalty to be granted to a noteholder depends on the percentage at which that the noteholder has elected to convert its convertible notes into Shares ("**Conversion Percentage**"). The Conversion Percentage and corresponding rate of the royalty offered to the Noteholders is set out below:

Conversion Percentage	Royalty Rate
30%	1.24%
40%	1.12%
50%	1.00%

The Noteholders and Mr David Porter have agreed to cancel their respective convertible notes at the following Conversion Percentage and royalty rates:

Noteholder	Redemption Value (\$M)	Conversion Percentage	No of Shares issued (M)	Royalty %
Senrigan	15.48	40	1,548	1.12
Noble	31.61	50	3,951	1.00
D.E Shaw	18.84	50	2,355	1.00
Wafin	63.27	40	6,327	1.12
BSOF	3.36	40	336	1.12
David Porter ¹	0.3	40	31	1.12
Total	132.86		14,548	

Note 1: Mr Porter converted his convertible notes on 31 January 2020 in exchange for 74,285,714 Shares and is no longer a beneficiary of the Existing Term Sheet.

This would result in a total of approximately 14,548,000,000 Shares being issued by the Company to the Noteholders and Mr David Porter at an issue price of \$0.004 per Share.

Based on the Noteholders elected Conversion Percentage, each Noteholder has agreed to receive the relevant corresponding royalty of the gross revenue generated from the sale of the first 517 million tonnes of ore from Cam Iron and/or Congo Iron of the Project, in accordance with the following formula:

$$\text{Royalty} = \text{QR} \times \text{NP} \times \text{RR}$$

Where:

QR is the revenue received by Cam Iron and/or Congo Iron from ore sales from the royalty area for the relevant quarter

NP is the Noteholders' redemption value of the convertible notes it holds as a proportion to the total redemption value of the convertible notes on issue, in each case immediately prior to the restructure.

RR is the applicable royalty rate specified against each Noteholder's name.

4.1.2 Conditions Precedent

Completion of the Existing Term Sheet is subject to the following conditions:

- Approval of any noteholders that are not party to the Existing Term Sheet;
- Approval by Shareholders of the Company as required for the purposes of the ASX Listing Rules and Corporation Act;
- Approval of any relevant legal or regulatory bodies;
- The independent expert confirming that the Existing Term Sheet is fair and reasonable, or not fair but reasonable to Non-associated Shareholders of the Company;
- Execution of definitive agreements;
- The Company not being insolvent at or prior to completion; and
- Disclosure of certain excluded information to the Noteholders at least two business days prior to completion and each Noteholder electing to proceed to completion notwithstanding that information and any announcements since the date of the Existing Term Sheet that were not contemplated in the Existing Term Sheet.

The parties must satisfy or waive the conditions mentioned above on or before 31 October 2018.

On execution of the New Agreement, the Existing Term Sheet has been suspended and the end date has extended to the earlier of 100 days after the termination of the New Agreement and 30 June 2020.

4.2 Initial Agreement

On 24 September 2018, Sundance entered into an agreement with AustSino, the Noteholders and Mr David Porter excluding Wafin Limited. On 1 October 2018, Wafin Limited agreed to be bound by the terms of the Initial Agreement.

Under the agreement AustSino agreed to the following Share placements:

- An initial placement of 62,500,000 Sundance Shares at an issue price of \$0.004 per Share to raise \$250,000 within 15 days of the date of the Initial Agreement ("**First Placement**"); and

- A second placement of 10,545,454,545 Shares at an issue price of \$0.0055 per Share and issue of 10,545,454,545 unlisted options at an exercise price of \$0.02 each and an expiry date of five years after the date of issue, which were subject to a number of conditions precedent to be satisfied or waived by 31 December 2018 (“**Second Placement**”). The Share issue would result in Sundance receiving cash consideration of \$58 million.

Sundance received the proceeds from the First Placement on 16 October 2018.

The proceeds from the Second Placement were to be used for the following:

- \$50 million cash to be paid to the Noteholders; and
- The remainder to be used for development of the Project, working capital purposes and to fund the transaction contemplated by the Initial Agreement.

The Second Placement was subject to a number of conditions including the Mbalam convention being extended to 14 September 2020 or a new convention on substantially similar terms being entered into.

On 3 April 2019 Sundance announced that the Initial Agreement had been extended until 30 June 2019. The parties of the Initial Agreement agreed that unless the Mbalam convention could be reinstated by 30 June 2019, the Initial Agreement would come to an end. As the Mbalam convention was not reinstated by 30 June 2019, the Initial Agreement lapsed.

4.3 New Agreement

On 5 July 2019, Sundance entered into a new agreement with AustSino and the Noteholders and Mr David Porter (“**New Agreement**”).

Under the New Agreement Sundance agreed to issue to AustSino 11,153,846,154 ordinary Shares at an issue price of \$0.0026 per Share and 11,153,846,154 unlisted options at an exercise price of \$0.02 each and an expiry of five years after the date of issue. The New Agreement is subject to a number of conditions precedent to be satisfied or waived by 31 December 2019 or another date agreed by the parties (“**Placement Completion**”). The Share issue will result in Sundance receiving cash consideration of \$29 million.

The proceeds from the Placement Completion must be used for the following:

- \$25 million to be paid to the Noteholders (“**Cash Payment**”); and
- The balance to be used for working capital and to progress development of the Project and the transaction costs associated with the New Agreement.

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 issue to the Noteholders:

- 2,000,000,000 Shares at a deemed issue price of \$0.004; and
- 5,000,000,000 unlisted options at an exercise price of \$0.02 each and an expiry date of five years after the date of issue.

Cancellation of the Convertible Notes will leave Sundance debt free.

The Cash Payment, Shares and options will be allocated amongst the Noteholders in proportion to their redemption value or as otherwise agreed between the Noteholders.

On 31 January 2020, the Company announced that 74,285,714 Shares had been issued to Mr David Porter as a result of the conversion of his existing convertible note which had a face value of \$260,000 and an agreed conversion price of \$0.0035 per Share. As a result David Porter is no longer a beneficiary of the New Agreement. The allocation of the Cash Payment, Shares and options will be proportioned to the Noteholders.

The Cash Payment, Shares and options will be allocated to the Noteholders as follows:

Noteholder	Redemption value		Cash \$m	Shares m	Options m
	\$m	% of total			
Wafin Limited	63.3	47.7%	11.93	954.75	2,386.88
Noble Resources International Pte Ltd	31.6	23.8%	5.96	476.62	1,191.55
D.E. Shaw Composite Holdings International Pte Ltd	18.8	14.2%	3.54	283.56	708.90
Senrigan Master Fund	15.5	11.7%	2.92	233.79	584.46
BSOF Master Fund L.P.	3.4	2.6%	0.64	51.28	128.21
Total	132.6	100%	25	2,000	5,000

The key terms of the New Agreement are as follows:

4.3.1 Financial Support

AustSino will subscribe \$200,000 and Sundance will issue 53,333,333 Shares to AustSino at an issue price of \$0.00375 per Share by 13 July 2019 (“**Initial Placement**”).

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 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**”).

Sundance will use the proceeds from the Financial Support Arrangement for the development of the Project, working capital purposes and to fund the transaction contemplated under the New Agreement.

The Financial Support Arrangement has since been amended by the parties as described in section 4.4.1 of this Report.

4.3.2 Placement Completion

AustSino will pay \$29 million to Sundance (“**Completion Payment**”) and Sundance will:

- Issue to AustSino 11,153,846,154 Shares at an issue price of \$0.0026 per Share; and
- Grant AustSino 11,153,846,154 unlisted options at an exercise price of \$0.02 each, with an expiry date of five years after the date of issue. These options are transferable to persons who do not require disclosure document and are otherwise on terms consistent with existing Noteholder options.

Sundance must use \$25 million of the Completion Payment as consideration for the cancellation of the Convertible Notes, with the remaining funds to be used for development of the Project, working capital purposes and to fund the transactions contemplated by the New Agreement.

4.3.3 Conditions for Placement Completion

Completion of the Placement Completion is subject to the following conditions:

- Any Noteholder that is not party to the New Agreement agreeing to cancel its Convertible Notes and the other transactions involving the Noteholders as contemplated under the New Agreement on the terms contemplated by the New Agreement (this condition has been satisfied).

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;
- 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;
- An independent expert confirming that the relevant transactions are fair and reasonable, or not fair but reasonable for AustSino 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 Project on an exclusive basis; and
- AustSino and Sundance taking all reasonable steps to discuss and advance the Project with the Governments of Cameroon and Congo.

In relation to the investment in Sundance and the issue of securities by Sundance;

- Approval of Sundance's Shareholders; and
- An independent expert's report confirming that the relevant transactions are fair and reasonable, or not fair but reasonable, for Sundance's Shareholders.

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

4.3.4 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 \$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 \$0.004 per Share; and
- 5,000,000,000 unlisted options at an exercise price of \$0.02 each, which have an expiry date of 5 years from the date of issue

4.3.5 Allocation to Noteholders

The Cash Payment, Shares and options will be allocated amongst the Noteholders in proportion to their redemption value or as otherwise agreed between the Noteholders.

4.3.6 Existing Term Sheet

The Existing Term Sheet dated 29 July 2018 will continue to apply and remain binding on the Noteholders and Sundance until Cancellation Completion when it will terminate.

Sundance and the Noteholders have acknowledged and agreed that on and from the date of the New Agreement, the end date in the Existing Term Sheet will be extended to the earlier of 100 days after the termination of the New Agreement and 30 June 2020.

4.3.7 Board Appointment

AustSino has the right to appoint at least two directors to the Board of Sundance on and from Placement Completion.

Noble has the right, for so long as it holds 5% of the voting power in Sundance, to appoint a nominee as a non-executive director of Sundance.

4.3.8 Lapse of Existing Options

On Placement Completion, the existing options held by those Noteholders under the relevant note deeds will lapse in accordance with their terms.

4.4 Letter Agreement

On 22 October 2019 a letter agreement was entered into between Sundance, AustSino and the Noteholders and Mr David Porter to extend the end date for completion of the New Agreement to 30 June 2020 ("**Letter Agreement**").

As consideration for Sundance and the Noteholders agreeing to extend the end date to completion of the New Agreement, AustSino issued 107,692,308 fully paid ordinary AustSino Shares to Sundance at a deemed issue price of \$0.013 per Share at no cost to Sundance.

The major terms of the Letter Agreement are detailed below:

4.4.1 Financial Support Arrangement

The existing Financial Support Arrangement in the New Agreement will continue until Placement Completion. AustSino will continue to pay \$100,000 per month to Sundance in return for the issue of Shares in Sundance at an issue price of \$0.0045 per Share. If Placement Completion does not occur until 30 June 2020 the total payments to Sundance would be \$1.3 million.

AustSino agreed to pay an additional \$200,000 per month to Sundance starting on 1 December 2019 in return for the issue of Shares in Sundance at an issue price of \$0.0045 per Share. If Placement Completion does not occur until 30 June 2020 the total additional payments to Sundance would be \$1.4 million.

Under the Financial Support Arrangement, on receipt of funds from AustSino, Sundance will issue Shares to AustSino at an issue price of \$0.0045 per Share in respect of \$100,000 of the \$300,000 monthly amount. The \$200,000 balance of the monthly payment is aggregated to the previous months' payment, and Sundance will not issue Shares to AustSino in respect of that aggregated amount unless and until completion of the Proposed Transaction occurs.

4.4.2 Release

Sundance and AustSino agreed to release each other from any claims or liabilities arising prior to 22 October 2019 under or in connection with the New Agreement or the Project.

4.4.3 Conditions Precedent

The Letter Agreement is conditional on the following:

- Written agreement of the Noteholders and Mr David Porter to the Letter Agreement by 31 December 2019; and
- AustSino and Western Australia Port Rail Construction (Shanghai) Ltd (“WAPRC”), being parties to an agreement dated on or about 24 September 2018 pursuant to which WAPRC will subscribe \$100 million for shares in AustSino (“WAPRC Agreement”), agreeing to extend by 1 December 2019 the deadline for completing all conditions precedent under the WAPRC Agreement from 31 December 2019 to 30 June 2020.
- On 2 December 2019, the Company received the written agreement from the Noteholders and Mr David Porter. AustSino informed Sundance that the WAPRC Agreement has been extended to 30 June 2020. The Letter Agreement is now unconditional.

4.5 Capital Structure

Following the Proposed Transaction, the potential changes in shareholding are summarised in the table below. All Share numbers in this report are on a post consolidation basis:

Shares on issue	Existing Shareholders	AustSino	WAPRC	Comprador	Noteholders	Total
Shares on issue as at date of this Report	8,458,751,714	551,111,112¹	300,000,000²	-	95,714,286³	9,405,577,112
% Shareholding held	89.93%	5.86%	3.19%	-	1.02%	
Shares issued to AustSino for Financial Support	-	44,444,445 ⁴	-	-	-	44,444,445
Shares on issue prior to the Proposed Transaction	8,458,751,714	595,555,557	300,000,000	-	95,714,286	9,450,021,557
% Shareholding held	89.51%	6.30%	3.17%	0.00%	1.01%	
Shares issued to AustSino for Financial Support	-	311,111,111 ⁴	-	-	-	311,111,111
Shares issued to Comprador	-	-	-	325,000,000 ⁵	-	325,000,000
Shares issued under the Proposed Transaction	-	11,153,846,154	-	-	2,000,000,000	13,153,846,154
Shares on issue following the Proposed Transaction	8,458,751,714	12,060,512,822	300,000,000	325,000,000	2,095,714,286	23,239,978,822
% Shareholding after Proposed Transaction (undiluted)	36.40%	51.90%	1.29%	1.40%	9.02%	
Options on issue as at the date of this Report	729,333,334	60,000,000	-	-	-	789,333,334
Options issued under the Proposed Transaction	-	11,153,846,154	-	-	5,000,000,000	16,153,846,154
Shares on issue following the Proposed Transaction (fully diluted)⁶	9,188,085,048	23,274,358,976	300,000,000	325,000,000	7,095,714,286	40,183,158,310
% Shareholding after Proposed Transaction (fully diluted)	22.87%	57.92%	0.75%	0.81%	17.66%	

Note 1: As at the date of the report Havelock Resources Pty Ltd held 551,111,112 Shares in Sundance. Havelock Resources Pty Ltd is a 100% owned subsidiary of AustSino.

Note 2: As at the date of the report Easero Logistics (Hong Kong) Co Limited held 300,000,000 Shares in Sundance. Easero Logistics (Hong Kong) Co Limited is a related party of WAPRC. WAPRC and AustSino entered into a binding but conditional placement agreement in order for AustSino to raise \$100 million. It is expected that this transaction will be completed at on or before Placement Completion. Once completed, WAPRC will have a controlling interest in AustSino.

Note 3: As at the date of the report Maylion Pty Ltd held 95,714,286 Shares in Sundance. Mylion Pty Ltd is a related party of Noble Resources International Pte Ltd, a noteholder in Sundance.

Note 4: As per the Letter Agreement, the New Agreement has been extended until 30 June 2020. The Letter Agreement details the Financial Support Arrangement under which Sundance will receive \$300,000 per month from AustSino in exchange for the issue of 66,666,667 Shares at an issue price of \$0.0045 per Share. As the New Agreement has been extended to 30 June 2020, we have included financial support payments up to 30 June 2020.

Note 5: Comprador Limited will receive 325,000,000 shares at an issue price of \$0.004 as consideration for advisory in connection with the Existing Term Sheet and New Agreement. The shares will be issued on Placement Completion.

Note 6: Fully diluted is based on the assumption that all options that are on issue post Proposed Transaction are exercised.

5. PROFILE OF SUNDANCE

5.1 Background

Sundance was incorporated on 15 April 1992 and listed on the ASX on 24 November 1993. Since 7 September 2018 Sundance Shares have been suspended from quotation on the ASX. The principal activity of Sundance is the continued evaluation and de-risking of its Project in the Cameroon and Congo and the evaluation of various development scenarios for the Project.

Sundance changed its name from St Francis Group Limited on 15 December 2003.

Former names of the Company:

Former Names	From	To
Sundance Resources Limited	15 Dec 2003	Current
St Francis Group Limited	2 Jun 2000	15 Dec 2003
St Francis Mining Limited	12 Oct 1999	2 Jun 2000
St Francis Mining NL	15 Apr 1992	12 Oct 1999

Sundance holds 90% of the shares in Cam Iron SA ("**Cam Iron**") (whose principal asset is the mining permit application in Cameroon) and 85% of the shares in Congo Iron SA ("**Congo Iron**") (whose principal asset is the granted mining permit and research permit in Congo).

The principal assets in Cam Iron and Congo Iron together comprise the Mbalam-Nabeba Iron Ore Project. The Mbalam-Nabeba Iron Ore Project straddles the border of Cameroon and Congo in Central Africa.

5.1.1 Mbalam Convention

Cam Iron is a 90% owned subsidiary of Sundance. Cam Iron was granted the Exploration Permit EP92 in September 2005 by the Government of Cameroon. EP92 was issued to Cam Iron for an initial maximum period of three years, renewable up to four times for a maximum period of two years each. On 24 July 2017 the exploration permit EP92 expired.

On 17 December 2009, Cam Iron submitted the Mbalam mining permit application for an area covered by the previous Exploration Permit EP 92 which had expired due to having reached the maximum number of extensions possible. Cam Iron has completed all exploration work required to progress to a Mining Permit for the area which includes the Mbarga mining area.

Cam Iron signed and executed a convention on 30 November 2012 (“**Mbalam Convention**”) with Government of Cameroon which was later amended on 5 June 2014. One of the conditions for granting the Mbalam mining permit was obtaining the financing for the development of the Project. On 27 July 2015, Sundance announced that a transition agreement for the restructuring of the Mbalam Project between the interested parties and Cameroon had been executed on 30 June 2015. The last transition agreement and extension for the Mbalam Convention expired on 14 September 2018 as financing conditions had not been met. Cam Iron and the Government of Cameroon are having active discussions regarding the renewal of the Mbalam Convention.

5.2 Board of Directors

5.2.1 Mr. David Porter – Chairman & Non-Executive Director

Mr. Porter is a professional geologist and Fellow of the Australasian Institute of Mining and Metallurgy with over 40 years’ experience in the mining industry, including most facets of exploration and mining. For the past 16 years he has focused his activities in Africa and was the founding Chairman of Cam Iron SA and Congo Iron SA. Mr. Porter was also instrumental in the development of two coal projects in the Waterberg region of South Africa which are at development stage. Prior to Mr. Porter’s project activities in Africa, he was Managing Director of three ASX listed exploration companies, all of which developed gold and base metal projects. Mr. Porter has worked for many international mining companies, with small ASX listed companies and as an independent consultant on gold, base metal, iron ore and coal projects.

5.2.2 Mr. Giulio Casello – Managing Director & Chief Executive Officer

Mr. Casello is a highly experienced executive with national and global exposure in manufacturing environments for blue chip organisations. Backed by almost 40 years of experience, he has a track record of success with operations, business development and corporate strategy. He has previously worked at Sinosteel Midwest as Chief Operating Officer, Century Aluminium Company in the United States of America where, as Senior Vice President Business Development, he was responsible for developing and implementing a growth plan in aluminum, alumina and critical raw material and managing new projects across the globe. He has also held a number of significant positions in Alcoa including Director of WA Operations, General Manager of Alcoa’s World Chemicals and Location Manager of the Kwinana Alumina Refinery.

5.2.3 Brett Fraser – Non-Executive Director

Mr. Fraser is an experienced ASX company director; has worked in the finance and securities industry for over 30 years’ and has started, owned and operated businesses across wine, health, finance, media and mining. Mr. Fraser provides consultancy across sell side transactions, business acquisitions, business strategy and restructuring, initial public offers, capital raisings and corporate governance. In addition, Mr. Fraser is a Fellow of Certified Practising Accountants; Fellow of the Financial Services Institute of Australasia; Grad Dip Finance, Securities Institute of Australia; Bachelor of Business (Accounting); International Marketing Institute –AGSM Sydney and Fellow of the Governance Institute of Australia. Mr. Fraser is also a former director of Drake Resources Limited, Doray Minerals Limited and Gage Roads Limited.

5.3 Major Corporate Events

On 30 November 2012, Sundance announced that the Government of Cameroon signed the Mbalam Convention. The convention was signed between Cam Iron and the Government of Cameroon outlining the fiscal and legal terms and conditions to be satisfied by Cam Iron for the development and management of the Mbalam Iron Ore Project. The convention provided the pathway to the mining permit being issued and commencement of construction.

On 25 July 2014, Sundance announced that the Congo Government signed the Nabeba mining convention. Signing of the convention follows the issuing of the Nabeba mining permit which was approved by the Ministerial Council for the Congo on 28 December 2012. A Presidential Decree confirming the grant of the mining permit was issued to Congo Iron on 6 February 2013. The convention outlines the fiscal and legal terms and conditions to be satisfied by Congo Iron for the development and management of the Nabeba Iron Ore Project.

On 30 June 2015, Sundance announced that significant progress had been made in seeking financing for the Project located in Cameroon and Congo. The Government of Cameroon agreed to seek to fund 100% of the capital requirements for the rail and port infrastructure in Cameroon via a loan from China and possibly other friendly countries.

A transition agreement with the Government of Cameroon was signed on 30 June 2015 incorporating the following key items:

- Exploration Permit 92 (“**EP**”) was extended to 24 July 2017;
- The Mbalam Convention long stop date was extended to 26 July 2015 and, subject to satisfaction of the condition’s precedent to the transaction agreement, will be extended to 24 July 2017;
- The Government of Cameroon will own 98% of the rail and port infrastructure entities and Cam Iron will obtain a 2% free carried interest in these entities until the date of first commercial production;
- Sundance subsidiaries, Cam Iron and Congo Iron will enter into take or pay agreements incorporating a commercial tariff for each tonne transported and lodged using the infrastructure; and
- Sundance is required to achieve a financing commitment for the mines no later than 9 months after the Government of Cameroon achieves its financing commitment for the infrastructure.

On 7 July 2015, Sundance announced that all conditions precedent had been satisfied and the transition agreement was unconditional. As a consequence:

- The Mbalam Convention long stop date was extended to 24 July 2017; and
- EP92 was extended to 24 July 2017.

On 23 May 2016, Sundance announced that the Nabeba Mining Convention passed into law by the Government of the Republic of Congo.

On 31 July 2017, Sundance announced that it had reached an agreement with the Government of Cameroon to initially extend the Mbalam Convention long stop date by 6 months to 26 January 2018. A further 6 month extension will be given by the Government of Cameroon if Sundance can show progress on funding the project either by itself or with a creditable partner.

On 24 July 2017, EP 92 expired as it reached the maximum number of extensions possible under the Cameroon Mining Code. With the extension of the Mbalam Convention and with Cam Iron's mining permit application over the land covered by the previous EP92, Cam Iron believes it has priority over that area for the purposes of having the mining permit granted to it.

On 19 March 2018, Sundance announced that the Government of Cameroon had granted a 6 month extension to the Mbalam Convention to 14 September 2018.

On 29 July 2018 Sundance signed the Existing Term Sheet with the Noteholders and Mr David Porter to cancel their Convertible Notes in consideration for a combination of equity in Sundance and a capped production royalty. The cancellation would allow Sundance to become debt free. See section 4.1 for further details.

On 2 August 2018, the Company announced that it signed a placement agreement with AustSino to take a \$750,000 placement of Sundance shares. Sundance and AustSino also agreed to discuss and advance the development of the iron ore projects on an exclusive basis until 31 August 2018.

On 7 September 2018, the Company went into voluntary suspension subject to an announcement.

On 25 September 2018, the Company announced that Sundance entered into the Initial Agreement with AustSino, the Noteholders and Mr David Porter excluding Wafin Limited. The Initial Agreement was subject to Wafin Limited agreeing to the transaction contemplated by the Initial Agreement. See section 4.2 for further details.

The Initial Agreement suspended the Existing Term Sheet announced on 30 July 2018 between Sundance, the Noteholders and Mr David Porter and the Existing Term Sheet will terminate upon completion of the agreement. If completion under the Initial Agreement does not occur then the Existing Term Sheet will remain on foot.

On 1 October 2018, the Company announced that Wafin Limited a noteholder of Sundance agreed to be bound by the terms of the Initial Agreement.

On 16 October 2018, the Company announced that AustSino had paid \$250,000 and Sundance had issued 62,500,000 Shares to AustSino at an issue price of \$0.004 per Share as per the Initial Agreement.

On 30 November 2018, the Company announced that despite a number of positive developments the conditions in the Initial Agreement would not be met by the 31 December 2018 and AustSino and Sundance had reached an agreement with all Noteholders to extend the end date to 31 March 2019.

On 10 January 2019, the Company announced that Sundance received \$100,000 from Sea Honour Ltd. Sundance issued 25,000,000 Shares to Sea Honour Ltd at an issue price of \$0.004 per Share. Sea Honour Ltd also received 50,000,000 bonus options at an exercise price of \$0.006 each, and with an expiry date 5 years after issue.

AustSino also agreed to further fund Sundance via a placement. Sundance received \$120,000 from AustSino and Sundance issued 30,000,000 Shares at an issue price of \$0.004 per Share. AustSino also received 60,000,000 bonus options at an exercise price of \$0.006 each and with an expiry date 5 years after issue.

On 15 February 2019, the Company announced that it received further funding from sophisticated investors totalling \$800,000 to be used for working capital and to progress the Initial Agreement. Sundance issued 200,000,000 Shares at an issue price of \$0.004 per Share and the investors also received 400,000,000 bonus options at an exercise price of \$0.006 each, and a expiry date 5 years after issue.

On 3 April 2019, the Company announced that in response to the progress in Cameroon, Sundance reached an agreement with all of the Noteholders, Mr David Porter and AustSino to further extend the end date of the Initial Agreement to 30 June 2019.

As consideration for the extension of the end date of the Initial Agreement to 30 June 2019, the Company agreed to issue 300,000,000 Shares to Western Australian Port Rail Condition (Shanghai) Ltd (“**WAPRC**”) at a issue price of \$0.005 each.

The term of the Existing Term Sheet previously signed with the Noteholders and Mr David Porter and announced by Sundance on 30 July 2018, in which the Company announced a restructure of its balance sheet and the elimination of the convertible notes, was extended to 30 September 2019.

On 8 July 2019, the Company announced that despite the best and substantial efforts the reinstatement Mbalam Convention had not been secured. Sundance confirmed that the Initial Agreement had come to an end due to the Mbalam Convention not being restated by 30 June 2019.

The Company also announced the New Agreement between Sundance, AustSino, the Noteholders and Mr David Porter. Details of the New Agreement are included in Section 4.3.

The Company issued the following Shares to AustSino under the Financial Support Arrangement clause of the New Agreement at a deemed issue price of \$0.00375 per Share:

- 12 July 2019 – 53,333,333 to raise \$200,000;
- 6 August 2019 – 26,666,667 to raise \$100,000;
- 5 September 2019 – 26,666,667 to raise \$100,000;
- 14 October 2019 – 26,666,667 to raise \$100,000; and
- 16 December 2019 – 26,666,667 to raise \$100,000.

On 5 September 2019, the Company issued 26,666,667 Shares to a sophisticated investor at \$0.00375 per Share to raise \$100,000.

On 24 September 2019, the Company issued 22,666,667 Shares to a sophisticated investor at \$0.00375 per Share to raise \$85,000.

On 22 October 2019, the Company announced that the Letter Agreement had been signed to extend the end date for completion of the New Agreement to 30 June 2020. Details of the Letter Agreement are included in Section 4.2.

The Company issued the following Shares to AustSino under the Financial Support Arrangement clause of the New Agreement and Letter Agreement at a deemed issue price of \$0.0045:

- 16 December 2019 – 66,666,667 to raise \$300,000
- 10 March 2020 – 22,222,222 to raise \$100,000
- 2 April 2020 – 22,222,222 to raise \$100,000

On 14 January 2020, the Company issued 65,000,000 Shares at a deemed price of \$0.005 per Share to staff as backpay for salary reductions.

On 31 January 2020, the Company announced that 74,285,714 Shares had been issued to David Porter as a result of the conversion of convertible notes which had a face value of \$260,000 and an agreed issue price of \$0.0035 per Share.

5.4 Historical Statement of Financial Position

Statement of Financial Position	Reviewed Half Year Report 31/12/19 \$	Audited Annual Report 30/06/19 \$
Current Assets		
Cash and cash equivalents	169,630	139,095
Trade and other receivables	34,418	45,624
Other current assets	101,554	164,704
Inventory	204	466
Total Current Assets	305,806	349,889
Non-Current Assets		
Mine development assets	-	-
Investment in other entities	1,400,000	-
Total Non-Current Assets	1,400,000	-
Total Assets	1,705,806	349,889
Current Liabilities		
Borrowings	132,868,198	127,454,455
Trade and other payables	987,436	925,862
Provisions	175,836	140,578
Total Current Liabilities	134,031,470	128,520,895
Non-Current Liabilities		
Borrowings	-	-
Provisions	42,363	14,226
Total Non-Current Liabilities	42,363	14,226
Total Liabilities	134,073,833	128,535,121
Net Assets/(Liabilities)	(132,368,027)	(128,185,232)
Equity		
Issued capital	431,064,810	429,979,810
Reserves	78,329,960	78,658,598
Retained Earnings/ (Accumulated losses)	(582,420,058)	(578,551,649)
Equity attributable to owners of the Company	(73,025,288)	(69,913,241)
Non-controlling interests	(59,342,739)	(58,271,991)
Total Equity	(132,368,027)	(128,185,232)

Source: 31 December 2019 Half-Year Financial Report and 2019 Annual Report of Sundance

5.5 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Reviewed Half Year Report 31/12/19 \$	Audited Annual Report 30/06/19 \$
Continuing Operations		
Other income	346	4,123,768
Gain on revaluation of derivative – Convertible Notes	316,136	-
Shares acquired at nil consideration	1,400,000	-
Administration expense	(180,035)	(145,179)
Consultants fees expensed	(81,833)	(314,019)
Employee and director benefits expense	(512,192)	(1,183,256)
Exchange rate losses	(631)	554
Legal fees	(105,736)	(443,923)
Listing and registry fees	(35,294)	(119,789)
Occupancy costs	(58,758)	(136,497)
Professional fees	(119,149)	(203,076)
Personnel travel expenses	(8,271)	(105,953)
Finance charges on Convertible Notes	(5,729,880)	(17,544,057)
Finance cost on issue of shares	-	(1,500,000)
Project impairment	-	(187,542,141)
Rail project public utility expense	(15,325)	(503,981)
Other expenses	(125,237)	(183,307)
Profit/(Loss) from continuing operations before tax	(5,255,859)	(205,800,856)
Income tax expense	-	-
Profit/(Loss) for the period	(5,255,859)	(205,800,856)
Loss attributable to:		
Owners of the parent	(3,868,409)	(175,760,902)
Non-controlling interests	(1,387,450)	(30,039,954)
Net loss attributable to members	(5,255,859)	(205,800,856)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Other comprehensive income for the period	(11,936)	6,654,915
Total comprehensive income for the year	(5,267,795)	(199,145,941)
Total comprehensive income attributable to:		
Owners of the parent	(4,197,047)	(170,262,045)
Non-controlling interest	(1,070,748)	(28,883,896)
Total comprehensive income attributable to members	(5,267,795)	(199,145,941)
Loss per share from continuing operations		
Basic (cents per share)	(0.043)	(2.065)

Source: 31 December 2019 Half-Year Financial Report and 2019 Annual Report of Sundance

5.5.1 Commentary on Historical Financial Reports

The Notes to the Financial Statements in the Company's Financial Report for the half-year ended 31 December 2019 included the following:

Note 1. General Information **Going concern**

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

At 31 December 2019, the Consolidated Entity had a working capital deficiency of \$133.7 million (30 June 2019: \$128.2 million). The increase in working capital deficiency is substantially due to the full unwinding of the Convertible Note debt to its face value. This liability is expected to be extinguished either through:

- the New Agreement (refer 1. below) between Sundance, AustSino and the Noteholders in which the debt will be extinguished via a cash payment of \$25 million, shares and options, or*
- if the completion conditions in the New Agreement do not complete, then by the Existing Term Sheet between Sundance and the Noteholders in which the debt will convert to equity and a right to future production royalty.*

During the period the Consolidated Entity incurred a net loss of \$5.3 million and incurred net cash outflows from operating activities of \$1.1 million for the year ended 31 December 2019.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that the Consolidate Entity will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate. The ability of the Consolidated Entity to continue as a going concern is dependent on:

- 1. As announced on 8 July 2019 a binding condition new agreement ("**New Agreement**") was entered into by the Company, AustSino and Sundance Noteholders. This resulted in an initial placement ("**Initial Placement**") of \$200,000 from AustSino to Sundance on 10 July 2019. The New Agreement also included a financing support package of \$100,000 per month up to a maximum funding of \$600,000 (including the Initial Placement) ("**Financial Support**"). At the date of the report \$600,000 has been received from AustSino.*
- 2. It was further announced on 22 October 2019 that a Letter Agreement had been signed resulting in the New Agreement being extended to 30 June 2020. It was also agreed that Sundance would receive \$300,000 per month (being \$100,000 per month with 22,222,222 Sundance shares being issued monthly at a price of \$0.0045/share and an additional \$200,000 per month with 44,444,444 Sundance shares being issued when the New Agreement completes) commencing 1 December 2019 from AustSino until the earlier of the date of the New Agreement completes or by 30 June 2020. At the date of this report \$1,200,000 has been received from AustSino.*
- 3. During the period ended 31 December 2019 and prior to the New Agreement replacing the previous agreement with AustSino and the Sundance Noteholders (which was announced on 25 September 2018) placements of \$1,265,000 have been received from AustSino (\$120,000) and other sophisticated investors (\$1,145,000).*
- 4. On 24 December 2019 as consideration for Sundance agreeing to extend the end date to completion of the New Agreement, AustSino issued 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. This has a current value of \$1.4m.*

5. *Once the conditions to the New Agreement are completed a Completion Placement of \$29 million from AustSino to Sundance of which \$25 million cash, together with a combination of shares and option in Sundance, will be used to cancel the existing convertible notes and a minimum of \$3.2 million will be retained by Sundance to fund working capital and to continue project plans. The Completion Placement is dependent on the following Conditions Precedent being achieved or waived.*

In relation 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 Corporation Act 2001 (Cth);*
- 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 Completion Placement; and*
- an independent expert confirming that the relevant transactions are fair and reasonable, or not fair but reasonable, for AustSino's shareholders.*

In relation to the investment of 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;*
- an independent expert confirming that the relevant transactions are fair and reasonable, or not fair but reasonable for Sundance's shareholders; and*
- Sundance and AustSino not being insolvent at or prior to the Completion Placement.*

6. *If the New Agreement does not complete, then the legal binding term sheet of 30 July 2018 with the Noteholders (subject to certain conditions being satisfied or waived), cancels their Convertible Notes in consideration for a combination of equity in Sundance and a capped production royalty remains in place until June 2020 allowing Sundance to raise further funds from the market whilst being debt free. Which at the date of this report the directors have reasonable belief they would be able to achieve.*

Should the Consolidated Entity be unable to achieve the matters set out above, a material uncertainty would exist as to whether the Consolidated Entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

5.6 Pro-forma Statement of Financial Position Pre and Post Proposed Transaction

Statement of Financial Position	Reviewed 31/12/19	Pro-forma Pre Proposed Transaction	Pro-forma Post Proposed Transaction
	\$	\$	\$
Current Assets			
Cash and cash equivalents	169,630	169,630	4,169,630
Trade and other receivables	34,418	34,418	34,418
Other current assets	101,554	101,554	101,554
Inventory	204	204	204
Total Current Assets	305,806	305,806	4,305,806
Non-Current Assets			
Investment in other entities	1,400,000	1,400,000	1,400,000
Exploration assets	-	-	-
Total Non-Current Assets	1,400,000	1,400,000	1,400,000
Total Assets	1,705,806	1,705,806	5,705,806
Current Liabilities			
Borrowings	132,868,198	132,608,198	-
Trade and other payables	987,436	987,436	987,436
Provisions	175,836	175,836	175,836
Total Current Liabilities	134,031,470	133,771,470	1,163,272
Non-Current Liabilities			
Borrowings	-	-	-
Provisions	42,363	42,363	42,363
Total Non-Current Liabilities	42,363	42,363	42,363
Total Liabilities	134,073,833	133,813,833	1,205,635
Net Assets/(Liabilities)	(132,368,027)	(132,108,027)	4,500,171
Equity			
Issued capital	431,064,810	432,049,810	470,449,810
Reserves	78,329,960	78,329,960	88,419,219
Retained Earnings/ (Accumulated losses)	(582,420,058)	(583,145,058)	(495,026,119)
Equity attributable to owners of the Company	(73,025,288)	(72,765,288)	63,842,910
Non-controlling interests	(59,342,739)	(59,342,739)	(59,342,739)
Total Equity	(132,368,027)	(132,108,027)	4,500,171

5.6.1 Unaudited Pro-Forma Balance Sheet prior to the Proposed Transaction

There have been material transactions that have occurred since 30 June 2019 annual report. We have therefore prepared a proforma to restate the balance sheet immediately prior to the Proposed Transaction that takes into account the following:

1. Financial Support Arrangement payments from AustSino, assuming the transaction occurs on 30 June 2020, as follows:
 - a. Issue of 22,222,222 Shares per month at \$0.0045 per Share to raise \$100,000 per month for the period between 1 March 2020 to 30 June 2020 to raise a maximum of \$400,000 (note that these numbers will be lower if Placement Completion occurs before 30 June 2020). The Financial Support Arrangement payments for January and February, of \$100,000 per month, were received by Sundance in December 2019. Sundance issued the shares for these payments in December 2019.

2. Conversion of convertible notes held by Mr David Porter with a face value of \$260,000 in consideration for the issue of 74,285,714 Shares at \$0.0035 per Share on 31 January 2019.
3. The following options expired on 23 September 2019:
 - a. 260,000,000 Consortium options exercisable at \$0.0695 each
 - b. 200,000,000 Noble options exercisable at \$0.0695 each
 - c. 260,000,000 Wafin options exercisable at \$0.0695 each.

5.6.2 Unaudited Pro-Forma Balance Sheet Post Proposed Transaction

1. Issue of 11,153,846,154 Shares and 11,153,846,154 options to AustSino at an issue price of \$0.0026 per Share to raise \$29,000,000 as per the New Agreement.
2. Cancellation of the existing convertible notes. In exchange for the cancellation of the convertible notes the Noteholders will receive the following:
 - a. \$25,000,000 cash payment;
 - b. 2,000,000,000 Shares at a deemed issue price of \$0.004 per Share; and
 - c. 5,000,000,000 unlisted options at an exercise price of \$0.02 each and an expiry date of five years after the date of issue.
3. Financial Support Arrangement payments from AustSino, assuming the transaction occurs on 30 June 2020, as follows:
 - a. Issue of 44,444,444 Shares per month at \$0.0045 per Share to raise \$200,000 per month for the period between 1 December 2019 to 30 June 2020 to raise a maximum of \$1,400,000 (note that these numbers will be lower if Placement Completion occurs before 30 June 2020).

5.7 Capital Structure

The Shares on issue by Sundance as at 8 May 2020 is outlined below:

	Number
Total Shares on issue	9,361,132,668
Top 20 Shareholders	5,603,122,906
Top 20 Shareholders - % of Shares on issue	59.86%
Total remaining Shareholders balance	3,758,007,262
Total remaining Shareholders balance - % of Shares on issue	40.14%

The Shares held by the top 20 Shareholders as at 8 May 2020 are detailed below:

Rank	Name	Shares	Percentage of Shares held (%)
1	MR DAVID JAMES PORTER	1,735,542,986	18.45
2	HANLONG (AFRICA) MINING INVESTMENT LIMITED	1,532,832,350	16.30
3	HAVELOCK RESOURCES PTY LTD ¹	551,111,112	5.86
4	EASERO LOGISTICS (HONG KONG) CO LIMITED ²	300,000,000	3.19
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	230,220,006	2.45
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	223,788,850	2.38
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	202,927,636	2.16
8	WESTRALIA RESOURCES PTY LTD	150,000,000	1.59
9	CITICORP NOMINEES PTY LIMITED	119,399,464	1.27
10	MAYLION PTY LIMITED ³	95,714,286	1.02
11	MR SERGE E ASSO'O MENDOMO	80,000,000	0.85
12	MR CLEMENT LEUNG	64,741,354	0.69
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	64,438,793	0.69
14	AIME EMMANUEL YOKA	55,975,826	0.60
15	MS WINNIE CHI WONG	52,000,000	0.55
16	MR JISI LIU	50,000,000	0.53
17	MR FRANK FAVORITO + MS HONGBING WU	43,060,486	0.46
18	MR FRANKIE CHI CHOY MA	41,888,888	0.54

Rank	Name	Shares	Percentage of Shares held (%)
19	MS YEN LEE	27,258,646	0.29
20	POMEROL HOLDINGS SDN BHD\IC	26,666,667	0.28
Total Shares held by significant Shareholders		5,647,567,350	60.04

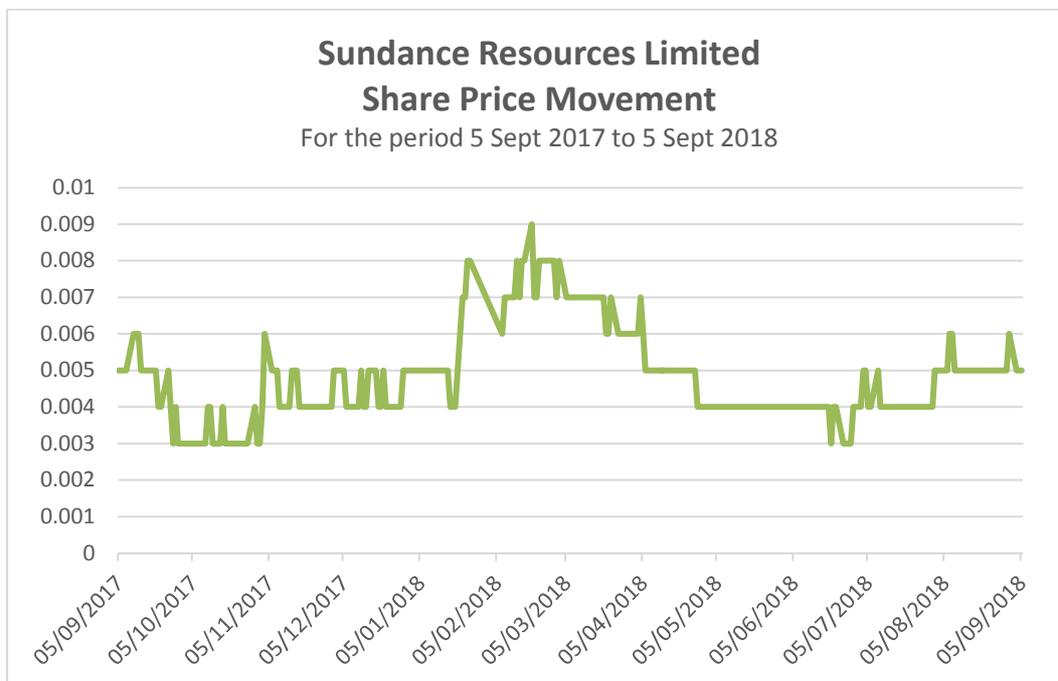
Note 1: Havelock Resources Pty Ltd is a 100% owned subsidiary of AustSino.

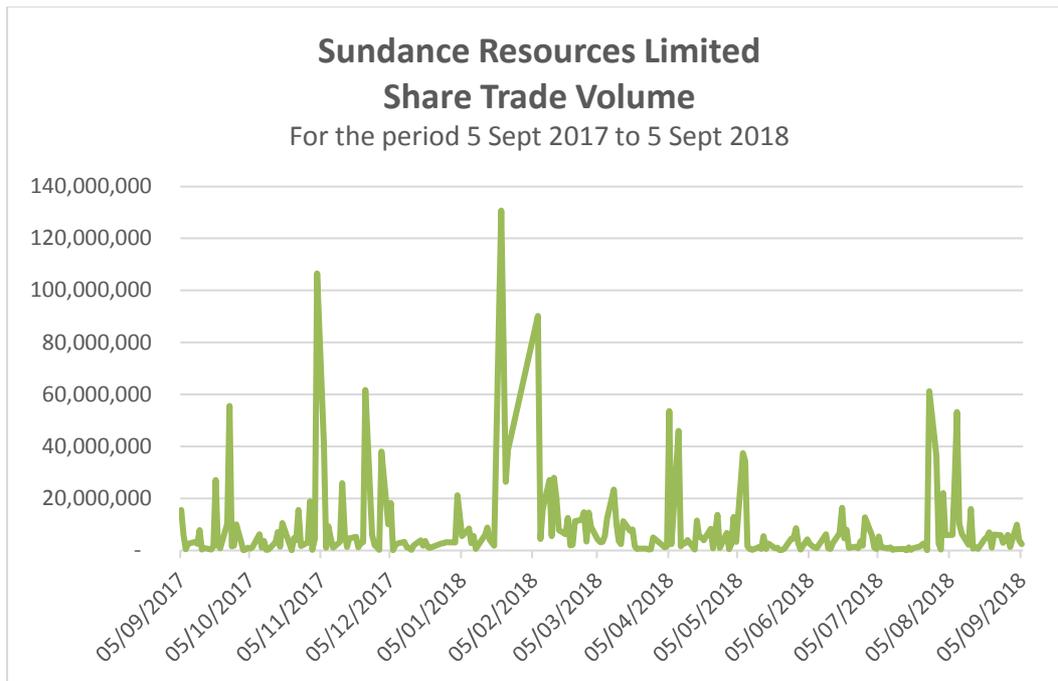
Note 2: Easero Logistics (Hong Kong) Co Limited is a related party of WAPRC. WAPRC and AustSino entered into a binding but conditional placement agreement in order for AustSino to raise \$100 million. It is expected that this transaction will be completed on or before the Placement Completion. Once completed WAPRC will have a controlling interest in AustSino.

Note 3: Mylion Pty Ltd is a related party of Noble Resources International Pte Ltd, a Noteholder in Sundance.

5.8 Share Market Performance of Sundance

Sundance Shares are listed on the ASX. The charts below show Sundance 12-month Share price movements and Share trading volumes for the year (5 Sept 2017 to 5 Sept 2018) prior to voluntary suspension.





6. VALUATION METHODOLOGY

To estimate the fair market value of Sundance before and after the Proposed Transaction we have considered common market practice and the valuation methodologies recommended in Regulatory Guide 111 issued by ASIC. Each of these methods is appropriate in certain circumstances and often more than one approach is applied. Per RG 111, an expert should, when possible, use more than one valuation methodology.

The choice of methods depends on factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of the required information.

There are a number of methods that can be used to value an entity including:

6.1 Discounted Cash Flow Method

This method values an entity by discounting the future net cash flows to their present day value using an appropriate discount rate. The discount rate is representative of the opportunity cost of capital being the expected rate of return that could be obtained by investing in equivalent risk investments. This method is generally appropriate where future cash flows can be projected with a reasonable degree of confidence.

6.2 Market Based Methods

6.2.1 Capitalisation of Maintainable Earnings

This method places a value on the entity by estimating the likely future maintainable earnings capitalised at a rate which reflects business outlook, business risk, investor expectations, future growth prospects and other factors specific to the entity. Use of this method relies on the availability and analysis of comparable market data.

6.2.2 Industry Specific Methods

Use industry specific assumptions and comparisons to form a valuation.

6.2.3 Availability of Alternative Offers

Where there are other similar offers, a comparison between offers can be used to determine the market value of the entity.

6.2.4 Quoted Market Price Basis (Market Value)

Where there is a ready market for securities such as the ASX through which shares are traded, recent prices at which shares are bought and sold may be taken as the market value of a security. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a share displays regular trading, in a liquid market.

This method relies on the efficient market hypothesis which states in general terms that the market price at any point in time should fully reflect available information given willing buyers and willing sellers.

6.3 Asset Based Methods

6.3.1 Liquidation of Assets Method

This method values a company based on the net value of its assets should they be sold in a distressed scenario.

6.3.2 Orderly Realisation of Assets Method

This method values an entity based on the net value of its assets should the assets be put to market and held out for a fair value sale price given the market and condition of the assets.

6.3.3 Net Tangible Asset Value on a Going Concern Basis (“NTA”)

NTA is appropriate where the majority of assets consist of cash or passive investments. The combined market value of the entity’s assets and liabilities is used to value the entity.

6.4 Selection of Valuation Methodologies

In selecting an appropriate valuation methodology to value Sundance Shares prior to the Proposed Transaction we have considered the following factors:

- Sundance is an ASX listed company;
- A quoted market basis relies on a regulated and observable market where shares can be traded;
- Sundance’s main asset is the Mbalam-Nabeba Iron Ore Project;
- Sundance currently does not have any operating business generating cash flows. As such, capitalisation of earnings and discounted cash flows are inappropriate methods; and
- A quoted market basis relies on a regulated and observable market where shares can be traded. Although Sundance is listed on the ASX, it is noted that Sundance Shares have been suspended from quotation since 5 September 2018. The Company’s Shares have not traded on the ASX since this date, so the quoted market basis is not relevant to consider. Additionally, we do not consider the pre-suspension price to be a valid indication of the value of a Sundance Share due to the passing of time and the change in project developments.

Based on the above factors, we believe that the appropriate valuation method to is the net asset valuation methodology. All assets and liabilities of the entity are valued at market value under this methodology and this combined market value forms the basis for the entity's valuation.

7. VALUATION OF A SUNDANCE SHARE PRIOR TO THE PROPOSED TRANSACTION

7.1 Quoted Market Basis

The most recent share trading history can normally provide evidence of the fair market value of the shares in a company where it is publicly listed. As Sundance is listed on the ASX, a possible method for valuation of Sundance is the quoted market price basis of valuation.

Market value is influenced by the market's perception of many factors including the value of assets, profitability, the industry within which the company operates, managerial skills within the company and future expectations for the company. These market perceptions can change significantly over a short period of time. Share price is also influenced by the supply and demand for the shares.

To provide further analysis of the market prices for Sundance Shares, we have considered the volume weighted average market price ("VWAP") on a 20, 29, 40, 50 and 60 day period to 5 September 2018. Sundance Shares have been suspended from quotation on ASX since 5 September 2018.

Days	Low \$	High \$	Cumulative Volume Traded	As a % of Issued Shares	VWAP \$
20	0.005	0.006	54,509,232	0.58%	0.0050
30	0.005	0.006	176,591,659	1.89%	0.0055
40	0.004	0.006	304,804,929	3.26%	0.0049
50	0.004	0.006	313,681,213	3.35%	0.0049
61	0.004	0.006	317,825,460	3.40%	0.0047

The VWAP indicates a low of \$0.0047 and a high of \$0.0055.

7.1.1 Sundance Share Price

Between the periods 5 September 2017 and 5 September 2018, Sundance Shares traded at a high of \$0.008 and a low of \$0.003.

7.1.2 Control Premium

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Per RG 111.25, when considering the value of a company's shares the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due the advantages they will receive should they obtain 100% control of another company.

A control premium is an amount that a buyer is usually willing to pay over the current market price of a publicly traded company in order to acquire a controlling share in that company.

Control premium is industry-specific and amounts between 10-50% can be applied. It is appropriate to consider all factors when deciding on a control premium that is to be applied.

Under the Corporations Act, control may be deemed to occur when a shareholder or group of associated shareholders control more than 20% of the issued capital of a company.

In accordance with RG 111, when assessing fairness, the expert should calculate the value of a company's shares as if 100% control were being obtained. The expert can then consider an allottee's practical level of control when considering reasonableness.

7.1.3 Liquidity of Shares

Sundance Shares has been suspended from quotation on ASX since 5 September 2018. Using Share information before the suspension, as outlined in the table above, indicates that Sundance Shares displayed a low level of liquidity, with 3.40% of the Company's current issued capital being traded over a 60 day period between 6 July 2018 and 5 September 2018.

Per Regulatory Guide 111.69, an expert is to consider the quoted market price for listed securities, when there is a deep and liquid market.

We consider the characteristics of a deep and liquid market to be:

- an active market which always has willing buyers when sellers choose to sell;
- securities can be sold without materially affecting the market price;
- there is regular trading in a company's securities;
- a minimum of approximately 1% of the company's securities are traded on a weekly basis; and
- there are no significant but unexplained movements in the security's price.

We consider there was not a deep market for Sundance Shares prior to the Company's Shares being suspended from quotation on 5 September 2018.

Hence, we consider the quoted market price is not the most appropriate methodology for the valuation of Sundance.

7.2 Net Assets Valuation of Sundance Prior to Proposed Transaction

The net asset value methodology estimates the market value of an entity's securities based on the realisable value of its identifiable net assets. There are three net asset value methods:

- Liquidation of assets method;
- Orderly realisation of assets method; and
- Net assets on a going concern method.

The asset based method that we believe is appropriate to value the net assets of Sundance is the net asset on a going concern method. The assets and liabilities are valued at market value and the resulting value of the net assets forms the basis for the entity's valuation.

The asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise any value of intangible assets. We believe due to the nature of the assets in Sundance that the net asset method is the most appropriate.

The estimated net value of Sundance assets on a going concern basis prior to the Proposed Transaction is reflected below:

	Note	Pro-Forma prior to Proposed Transaction \$	Low	Preferred	High
Current assets					
Cash and cash equivalents		169,630	169,630	169,630	169,630
Trade and other receivables		34,418	34,418	34,418	34,418
Other current assets		101,554	101,554	101,554	101,554
Inventory		204	204	204	204
Total current assets		305,806	305,806	305,806	305,806
Non-current assets					
Investment in other entities		1,400,000	1,400,000	1,400,000	1,400,000
Exploration assets	1	-	36,103,330	51,198,257	67,693,744
Total non-current assets		1,400,000	37,503,330	52,598,257	69,093,744
Total Assets		1,705,806	37,809,136	52,904,063	69,399,550
Current liabilities					
Borrowings		132,608,198	132,608,198	132,608,198	132,608,198
Trade payables and accruals		987,436	987,436	987,436	987,436
Provisions		175,836	175,836	175,836	175,836
Total current liabilities		133,771,470	133,771,470	133,771,470	133,771,470
Non-current liabilities					
Provisions		42,363	42,363	42,363	42,363
Total non-current liabilities		42,363	42,363	42,363	42,363
Total Liabilities		133,813,833	133,813,833	133,813,833	133,813,833
Net Asset Value prior to the Proposed Transaction (100% control basis)					
		(132,108,027)	(96,004,697)	(80,909,770)	(64,414,283)
Less: Pro-forma non-controlling assets					
Congo Iron – 15% Net Asset		12,828	12,828	12,828	12,828
Cam Iron – 10% Net Asset		32,989	32,989	32,989	32,989
Congo Iron – 15% Exploration Assets		-	(4,201,680)	(6,069,095)	(8,169,934)
Cam Iron – 10% Exploration Assets		-	(1,089,325)	(1,478,369)	(1,867,414)
Net Assets Owned by the Company	2	(132,029,210)	(101,249,885)	(88,411,417)	(74,405,814)

Note 1: Valuation adjustment for exploration asset

	Low	Preferred	High
Valuation of Exploration asset as per SRK Valuation Report (Ref to 7.2.1)	25,000,000	35,500,000	47,000,000
Exchange Rate as at 7 May 2020	0.6426	0.6426	0.6426
AUD Valuation of Exploration asset	38,904,451	55,244,320	73,140,367
Less: 10% Government Free Carry – Congo Iron	(2,801,121)	(4,046,063)	(5,446,623)
AUD Valuation of Sundance Exploration asset	36,103,330	51,198,257	67,693,744

Note 2: Net assets owned by the Company only takes into account 90% of the net assets of Cam Iron SA and 85% of the net assets of Congo Iron SA.

7.2.1 Independent Valuation of Exploration Assets

We instructed SRK Consulting (Australasia) Pty Ltd (“**SRK**”) to provide an independent market valuation of the Mbalam-Nabeba Iron Ore Project in accordance with the Valmin Code. The project comprises three adjacent permits which straddle the country border between Cameroon and Congo. The permits are made up of the following:

- granted mining permit –Congo
- research permit – Congo
- mining permit application – Cameroon

The Mbalam convention has not been extended as at the date of the Notice of Meeting. This factor has been taken into account by SRK when valuing the project.

SRK estimated that the value of Mbalam-Nabeba Iron Ore Project within a range of US\$28 million to US\$45 million with a preferred value of US\$36 million.

The range of values as assessed by SRK is set out below on a 100% equity basis:

Tenure	Valuation Method	Low (US\$ million)	High (US\$ million)	Preferred (US\$ million)
Mbalam	Comparable Transactions	8	16	12
	Peer analysis	6	8	7
	Yardstick	9	11	10
	Selected	7	12	9.5
Nabeba-Bamegod	Comparable Transactions	18	35	26
	Peer analysis	20	23	22
	Yardstick	50	61	55
	Selected	18	35	26
Ibanga	No value assigned	0	0	0
Project Total		25	47	35.5

Source: Independent Specialist Report – Mbalam-Nabeba Iron Ore Project, Republic of Congo and Republic of Cameroon

SRK’s full report can be found at Appendix 2.

7.2.2 Net Asset Valuation – Undiluted

Valuation prior to the Proposed Transaction – Undiluted	Low	Preferred	High
Net Asset Deficiency (100% Control basis)	(101,249,885)	(88,411,417)	(74,405,814)
Total Shares	9,450,021,557	9,450,021,557	9,450,021,557
Net Asset Value Deficiency per Share prior to the Proposed Transaction	(\$0.0107)	(\$0.0094)	(\$0.0079)

In accordance with RG 111.31, the table above indicates that the value obtained under the net asset methodology on a control basis (*refer to 7.1.2 - control premium*) is \$0.0000 per Share on a undiluted basis due to the total net asset value being less than zero.

7.2.3 Net Asset Valuation – Diluted

Valuation prior to the Proposed Transaction – Diluted	Low	Preferred	High
Net Asset Deficiency	(101,249,885)	(88,411,417)	(74,405,814)
Cash raised from options exercised (note 1)	4,436,000	4,436,000	4,436,000
Net Asset Deficiency (100% Control basis)	(96,813,885)	(83,975,417)	(69,969,814)
Total Shares	10,239,354,891	10,239,354,891	10,239,354,891
Net Asset Value Deficiency per Share prior to the Proposed Transaction	(\$0.0095)	(\$0.0082)	(\$0.0068)

Note 1: The cash raised from the exercise of options on issue at the date of the Proposed Transaction is shown below:

	Number of Options	Exercise Price	Number
Employee Options	100,000,000	\$0.003	300,000
Employee Options	100,000,000	\$0.006	600,000
AustSino Options	60,000,000	\$0.006	360,000
Sophisticated Investor Options	529,333,334	\$0.006	3,176,000
Total cash raised from the exercise of options on issue at the date of the Proposed Transaction			4,436,000

In accordance with RG 111.31, the table above indicates that the value obtained under the net asset methodology on a control basis (*refer to 7.1.2 - control premium*) is \$0.0000 per Share on a diluted basis due to the total net asset value being less than zero.

7.3 Conclusion as to the Value of Sundance Shares – Prior to Proposed Transaction

As detailed in section 7.2, we believe the appropriate method of valuation is net asset value. As the Company has a negative net asset value, we have assessed the value of Sundance Shares pre Proposed Transaction to be \$0.0000 per Share on an undiluted and diluted basis.

8. VALUATION OF A SUNDANCE SHARE FOLLOWING THE PROPOSED TRANSACTION

The value of a Sundance Share on a minority basis following the Proposed Transaction has been determined using a sum-of-the-parts methodology in the following tables.

8.1 Sum of Parts Valuation – Undiluted

The table below indicates that the value of a Sundance Share following the Proposed Transaction on a minority basis is between \$0.0011 and \$0.0021, with a preferred value of \$0.0016.

	Note	Low value \$	Preferred value \$	High value \$
Net Asset Value Deficiency of Sundance prior to the Proposed Transaction	1	(101,249,885)	(88,411,417)	(74,405,814)
Cash raised from AustSino Share issue	2	29,000,000	29,000,000	29,000,000
Cash payment to Noteholders	3	(25,000,000)	(25,000,000)	(25,000,000)
Cancellation of Convertible Notes	3	132,608,200	132,608,200	132,608,200
Net Asset Value of Sundance following the Proposed Transaction (control basis)		35,358,315	48,196,783	62,202,386
Discount for minority interest	4	26%	23%	20%
Net Asset Value of Sundance following the Proposed Transaction (minority basis) (undiluted)		26,191,344	37,074,449	49,761,908
Number of Shares on issue post Proposed Transaction (undiluted)	5	23,239,978,822	23,239,978,822	23,239,978,822
Value of a Sundance Share following the Proposed Transaction (undiluted)	6	\$0.0011	\$0.0016	\$0.0021

Note 1: This figure is taken from section 7.2, as the net asset valuation of Sundance prior to the Proposed Transaction.

Note 2: As per the New Agreement Sundance has agreed to issue AustSino 11,153,846,154 Shares at an issue price of \$0.0026 per Share, together with the grant of 11,153,846,154 unlisted options. The issue of Shares and options will raise cash consideration of \$29,000,000.

Note 3: As per the New Agreement the Noteholders will cancel the Convertible Notes in exchange for the following:

- \$25,000,000 Cash Payment;
- 2,000,000,000 Shares at a deemed issue price of \$0.004 per Share; and
- 5,000,000,000 unlisted options with an exercise price of \$0.02 each and an expiry date five years after the date of issue.

Note 4: The value of a Sundance Share following the Proposed Transaction derived under the sum-of-the-parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the Company that allows them to have individual influence in the operations and value of the Company. However, if the Proposed Transaction is approved, Non-associated Shareholders will hold minority interests in Sundance, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of the Company.

Based on this we have adjusted our sum-of-the-parts value of a Sundance Share following the Proposed Transaction to reflect a minority interest holding.

A minority interest is the inverse of a premium for control and is calculated using the formula $1 - (1 / (1 + \text{Control Premium}))$.

In determining a control premium most appropriate for Sundance, we have reviewed the control premiums paid by acquirers of companies listed on the ASX in recent years. The control premiums reviewed ranged from 20% to 40% (noting that in each transaction the control premium can vary due to the relevant circumstances of the transaction and company).

Based on our review of control premiums paid by acquirers we have taken a midpoint of 30% with a low point of 25% and a high point of 35%.

Using the formula above to calculate the minority interest, we obtain a discount between 20% and 26% with a midpoint of 23%.

Note 5: The number of Shares on issue following the Proposed Transaction is shown below:

	Number
Number of Shares on issue prior to the Proposed Transaction	9,450,021,557
Shares issued to AustSino per the Financial Support Arrangements	311,111,111
Shares issued to Comprador	325,000,000
Shares issued to AustSino	11,153,846,154
Shares issued to Noteholders	2,000,000,000
Number of shares on issue following the Proposed Transaction	23,239,978,822

Note 6: The net asset value per share is based on the assumption that all options that are on issue prior to the Proposed Transaction are exercised.

8.2 Sum of Parts Valuation – Diluted

The table below indicates that the value of a Sundance Share following the Proposed Transaction on a minority basis is between \$0.0067 and \$0.0078, with a preferred value of \$0.0072.

	Note	Low value \$	Preferred value \$	High value \$
Net Asset Value of Sundance following the Proposed Transaction undiluted	1	35,358,315	48,196,783	62,202,386
Cash raised from the exercise of options on issue at the date of the Proposed Transaction	2	4,436,000	4,436,000	4,436,000
Cash raised from the exercise of options issued as part of the Proposed Transaction	3	323,076,923	323,076,923	323,076,923
Net Asset Value of Sundance following the Proposed Transaction (control basis)		326,871,238	375,709,706	389,715,309
Discount for minority interest	4	26%	23%	20%
Net Asset Value of Sundance following the Proposed Transaction (minority basis)		268,793,509	289,007,466	311,772,247
Number of Shares on issue post Proposed Transaction (diluted)	5	40,183,158,310	40,183,158,310	40,183,158,310
Value of a Sundance Share following the Proposed Transaction (diluted)	6	\$0.0067	\$0.0072	\$0.0078

Note 1: This figure is taken from section 8.1, as the net asset valuation of Sundance prior to the Proposed Transaction.

Note 2: The cash raised from the exercise of options on issue at the date of the Proposed Transaction is shown below:

	Number of Options	Exercise Price	Number
Employee Options	100,000,000	\$0.003	300,000
Employee Options	100,000,000	\$0.006	600,000
AustSino Options	60,000,000	\$0.006	360,000
Sophisticated Investor Options	529,333,334	\$0.006	3,176,000
Total cash raised from the exercise of options on issue at the date of the Proposed Transaction			4,436,000

Note 3: The cash raised from the exercise of options issued as part of the Proposed Transaction is shown below:

	Number of Options	Exercise Price	Number
AustSino Options	11,153,846,154	\$0.02	223,076,923
Noteholder Options	5,000,000,000	\$0.02	100,000,000
Total cash raised from the exercise of options on issue at the date of the Proposed Transaction			323,076,923

Note 4: The value of a Sundance Share following the Proposed Transaction derived under the sum-of-the-parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the Company that allows them to have individual influence in the operations and value of the Company. However, if the Proposed Transaction is approved, Non-associated Shareholders will hold minority interests in Sundance, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of the Company.

Based on this we have adjusted our sum-of-the-parts value of a Sundance Share following the Proposed Transaction to reflect a minority interest holding.

A minority interest is the inverse of a premium for control and is calculated using the formula $1 - (1 / (1 + \text{Control Premium}))$.

In determining a control premium most appropriate for Sundance, we have reviewed the control premiums paid by acquirers of companies listed on the ASX in recent years. The control premiums reviewed ranged from 20% to 40% (noting that in each transaction the control premium can vary due to the relevant circumstances of the transaction and company).

Based on our review of control premiums paid by acquirers we have taken a midpoint of 30% with a low point of 25% and a high point of 35%.

Using the formula above to calculate the minority interest, we obtain a discount between 20% and 26% with a midpoint of 23%.

Note 5: The number of Shares on issue following the Proposed Transaction is shown below:

	Number
Number of Shares on issue following the Proposed Transaction	23,239,978,822
Options on issue as at date of the report	789,333,334
Options issued to AustSino	11,153,846,154
Options issued to Noteholders	5,000,000,000
Number of Shares on issue following the Proposed Transaction (diluted)	40,183,158,310

Note 6: The net asset value per share is based on the assumption that all options that are on issue post Proposed Transaction are exercised.

9. ASSESSMENT OF FAIRNESS

9.1 Valuation Price

An offer is fair if the post-transaction value of a Share on a minority basis is equal to or greater than the pre-transaction value of a Share on a control basis.

We determined that the value of a Sundance Share prior to the Proposed Transaction on a control basis compared to the value of an Sundance Share following the Proposed Transaction on a minority basis, as detailed below:

Undiluted Basis	Low Value	Preferred Value	High Value
	\$	\$	\$
Pro-forma NAV per Share prior to Proposed Transaction (undiluted control basis)	0.0000	0.0000	0.0000
Pro-forma Transaction NAV per Share following the Proposed Transaction (undiluted minority basis)	0.0011	0.0016	0.0021
Increase in value per Share (undiluted)	0.0011	0.0016	0.0021

Fully Diluted Basis	Low Value \$	Preferred Value \$	High Value \$
Pro-forma NAV per Share prior to Proposed Transaction (diluted control basis)	0.0000	0.0000	0.0000
Pro-forma Transaction NAV per Share following the Proposed Transaction (diluted minority basis)	0.0067	0.0072	0.0078
Increase in value per Share (diluted)	0.0067	0.0072	0.0078

The above values indicates that, in the absence of any other relevant information, we have assessed the terms of the Equity Placement in accordance with RG 111 and have determined that it is **fair to the Non-associated Shareholders**.

10. ASSESSMENT OF REASONABLENESS

As the Equity Placement is fair, ASIC Regulatory Guide 111 states that it is by definition also **reasonable**.

In assessing whether the Equity Placement is reasonable, we have considered the following:

10.1 Advantages of Approving the Equity Placement

We have considered the following advantages when assessing whether the Equity Placement is reasonable:

- Cancelling \$132,608,200 in convertible notes will assist the Company in continuing as a going concern and will remove the risk of Noteholders requesting immediate repayment of the full face value of the Convertible Notes;
- Receiving \$4 million in cash allows the Company to continue working towards developing the Project in Congo and Cameroon;
- Strengthening the balance sheet by producing a positive net asset position;
- Shares are likely to be requoted on the ASX; and
- AustSino has introduced a world class consortium to the Project and the governments of Cameroon and Congo.

10.2 Disadvantages of Approving the Equity Placement

If the Equity Placement is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

- The issue of new securities under the Equity Placement will have a dilutionary effect on existing Shareholders of Sundance. Existing Non-associated Shareholders will be diluted to less than 22.87% of the Company; and
- AustSino's ownership shall be 51.90% on an undiluted and 57.92% on an fully diluted basis following the Equity Transaction which means AustSino will have the ability to block ordinary and special resolutions.

After consideration of the advantages and disadvantages of the Equity Placement, it is our opinion that the transaction is **reasonable to the Non-associated Shareholders**.

11. CONCLUSION

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that the Equity Placement is **fair and reasonable to the non-associated Shareholders of Sundance**.

12. SOURCES OF INFORMATION

This Report has been based on the following information:

- Notice of Meeting dated on or around 26 May 2020;
- Audited Annual Report for Sundance Resources Limited as at 30 June 2019;
- Reviewed Financial Report for the Half-Year ended 31 December 2019 for Sundance Resources Limited;
- Existing Term Sheet dated 29 July 2018 between Sundance and the Noteholders;
- Initial Agreement dated 24 September 2018 between Sundance, AustSino and the Noteholders;
- New Agreement dated 5 July 2019 between Sundance, AustSino and the Noteholders;
- Letter Agreement dated 22 October 2019 between Sundance, AustSino and the Noteholders;
- Independent Specialist Report on the Mbalam-Nabeba Iron Ore Project prepared by SRK Consulting (Australasia) Pty Ltd;
- ASIC current company extracts;
- IBIS World and other financial databases and subscription services;
- Information in the public domain; and
- Discussions with directors and management of Sundance.

13. INDEPENDENCE

Pendragon Capital Limited is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, Pendragon Capital Limited has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Pendragon Capital Limited has been indemnified by Sundance in respect of any claim arising from Pendragon Capital Limited's reliance on information provided by Sundance, including the non-provision of material information, in relation to the preparation of this Report.

Prior to accepting this engagement Pendragon Capital Limited has considered its independence with respect to Sundance and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In Pendragon Capital Limited's opinion it is independent of Sundance and their respective associates.

A draft of this Report was provided to Sundance and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this Report as a result of this review.

14. INDEMNITY

Pendragon has been provided with an indemnity from Sundance in the following form:

"Sundance indemnifies Pendragon and any employees or associates from any claims arising out of any omission or any misstatement in relation to any material provided (or which, being relevant, is not provided) by Sundance".

15. QUALIFICATIONS

Pendragon holds Australian Financial Services Licence number 237549 issued by ASIC. Pendragon has experience in the provision of corporate finance advice. Mr Keith Platel, the director responsible for and signing this Report, is a Fellow of the Institute of Chartered Accountants and has many years experience in company valuations and reports.

The Financial Services Guide from Pendragon is available to investors upon request.

16. DISCLAIMERS AND CONSENTS

This Report has been prepared at the request of Sundance to be forwarded to Shareholders in relation to the Proposed Transaction.

This Report has been prepared for the Directors of Sundance to forward to Shareholders and apart from such use, neither the whole nor any part of this Report may be used for any other purpose.

In providing our opinion, we have relied on information provided by Directors of Sundance and the Independent Specialist Report prepared by SRK. Where financial forecasts have been provided, it should be noted that there are likely to be differences to actual results due to various and unpredictable commercial and external factors.

Pendragon has not independently verified the information supplied to us and it has not conducted anything in the nature of an audit of Sundance. Pendragon has no reason to believe that any information relied on by us is incorrect or incomplete. The opinions and statements in this Report are given in good faith and in the reasonable belief they are not false, misleading or incomplete.

Yours sincerely



Keith Platel
Director

PENDRAGON CAPITAL LIMITED

APPENDIX 1 – GLOSSARY OF TERMS

Reference	Definition
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
The Company	Sundance Resources Limited
Cam Iron	Cam Iron SA
Cameroon	Republic of Cameroon
Congo Iron	Congo Iron SA
Congo	Republic of Congo
Corporations Act	The Corporations Act 2001 Cth
FOS	Financial Ombudsman Service
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Initial Agreement	Agreement between Sundance Resources Limited, AustSino Resources Group Limited and the Noteholders dated 24 September 2018.
New Agreement	Agreement between Sundance Resources Limited, AustSino Resources Group Limited and the Noteholders dated 5 July 2019.
Letter Agreement	Letter agreement between Sundance Resources Limited, AustSino Resources Group Limited and the Noteholders on 22 October 2019.
Existing Term Sheet	Legally binding term sheet between Sundance and the Noteholders dated 29 July 2018.
AustSino	AustSino Resources Group Limited
SRK	SRK Consulting (Australasia) Pty Ltd
RBA	Reserve Bank of Australia
Noteholders	Senrigan Master Fund, Noble Resources International Pte Ltd, D.E. Shaw Composite Holdings International Ltd, BSOF Master Fund L.P. and Wafin Limited .
Our Report	This Independent Expert's Report prepared by Pendragon Capital Limited
Sundance	Sundance Resources Limited
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Sundance not associated with AustSino or Noteholders
Sum-of-parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.

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Australia

Independent Specialist Report – Mbalam-Nabeba Iron Ore Project, Republic of the Congo and Republic of Cameroon

Report Prepared for

Sundance Resources Limited



Report Prepared by

 **srk** consulting

SRK Consulting (Australasia) Pty Ltd

SND001

May 2020

Independent Specialist Report – Mbalam-Nabeba Iron Ore Project, Republic of the Congo and Republic of Cameroon

Sundance Resources Limited

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SRK Project Number: SND001

May 2020

Compiled by

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Peer Reviewed by

Jeames McKibben
Principal Consultant

Executive Summary

Sundance Resources Limited (Sundance) has entered into a conditional binding agreement with the Noteholders of Sundance (Noteholders) and AustSino Resources Group Ltd (AustSino), which contemplates an investment in Sundance by AustSino and the cancellation of the notes held by the Noteholders in exchange for a cash, shares and options package (Proposed Transaction).

Pendragon Capital Pty Ltd (Pendragon) has been appointed by Sundance to provide an Independent Expert Report (IER) for inclusion in documentation associated with the Proposed Transaction. SRK Consulting (Australasia) Pty Ltd (SRK), as Technical Specialist, has been appointed and commissioned by Pendragon to provide an Independent Specialist Report (Report) to inform the IER, and SRK understands that its Report is to be included as an appendix to Pendragon's IER.

This Report provides an independent assessment of the techno-economic assumptions that would likely be considered by the market as part of a potential investment or transaction process involving the Mbalam-Nabeba Iron Ore Project (Project) and presents SRK's opinion on the market value of the Project. It does not comment on the fairness or reasonableness of any transaction which considers the Project, Sundance or AustSino.

The Project comprises three contiguous permits (Permits) which straddle the country border between the Republic of Cameroon (Cameroon) and the Republic of the Congo (Congo) – one granted Mining Permit and one Research Permit application in the Congo, and one Mining Permit application in Cameroon (Figure ES-1).

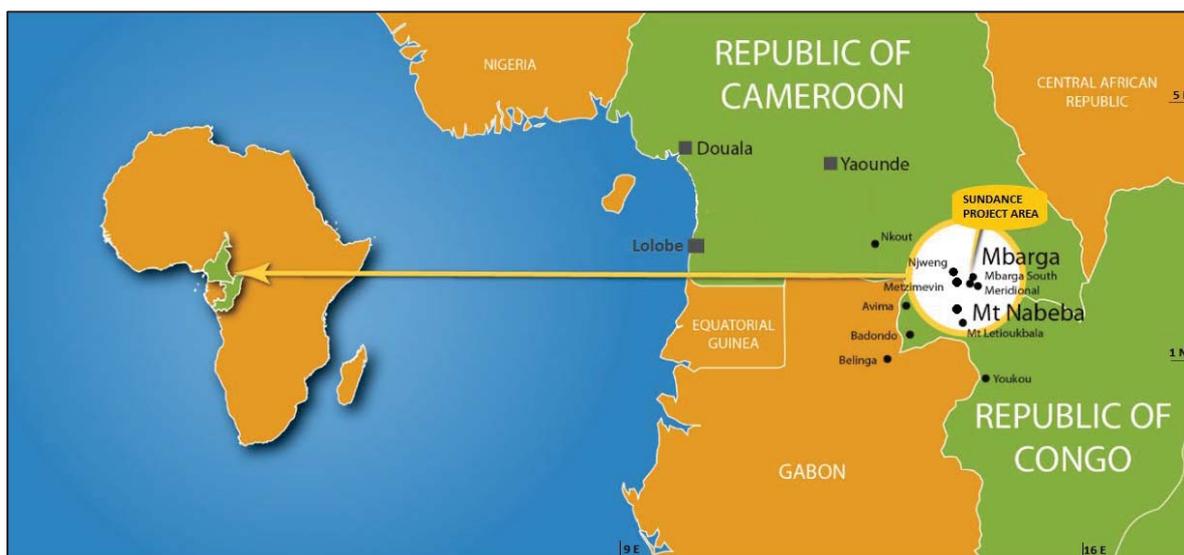


Figure ES-1: Project location

Source: Sundance

The Project has a long history of exploration and technical feasibility work. In 2011, Sundance reported the results of a Definitive Feasibility Study (DFS) on the Project and undertook Front End Engineering Design (FEED) work. The DFS and FEED work contemplated a proposed two-stage development involving two open pit mining areas and the construction of conventional processing facilities and other supporting infrastructure. The Ore Reserve estimate informing the DFS placed reliance upon the development and utilisation of a proposed rail infrastructure corridor enabling material destined for export markets to be transported via rail to a proposed deepwater port at Lolabé, near Kribi on the west coast of Cameroon (approximately 510 km from the Project).

In 2015, the Ore Reserve was updated to account for an increased production rate and larger Mineral

Resource.

SRK has completed a review and assessment of the technical work at the Project to determine its reasonableness. Since 2015, there have been significant changes to the tenure (permitting), iron ore price, operating and capital cost estimates, geopolitical and contractual basis supporting the Ore Reserve estimates. Further, the proposed rail infrastructure corridor remains undeveloped. SRK therefore considers that the Ore Reserve estimates do not have a reasonable basis, and as such should not be used for valuation purposes.

In SRK's opinion, the Mineral Resource estimates (5,638 Mt at a grade of 33.4% Fe) for the Project have been prepared to a sufficient quality standard and reported in accordance with the guidelines of the JORC Code (2012) and are considered to provide reasonable estimates. SRK has not performed, nor does it accept the responsibilities of a Competent Person as defined by the JORC Code (2012) for the Mineral Resources estimates.

Based on its assessment of the previous technical work, SRK has classified the Project as an Advanced Exploration Project. When valuing the advanced exploration assets, SRK has considered methods commonly used to value mineral assets at this stage of development. These methods are outlined in this Report. SRK has produced a Market Value as defined by the VALMIN Code (2015), which is summarised in Table ES-1.

In selecting its overall value ranges, SRK has adopted the average of the values implied by comparable transaction analysis and peer analysis. SRK's preferred value overall represents the midpoint of the value range, as SRK has no preference to either end of the value range.

Table ES-1: Valuation summary as at 7 May 2020 (on a 100% equity basis)

Project	Valuation method	Low (US\$ million)	High (US\$ million)	Preferred (US\$ million)
Mbalam	Comparable transactions	8	16	12
	Peer analysis	6	8	7
	Yardstick	9	11	10
	Selected	7	12	9.5
Nabeba	Comparable transactions	18	35	26
	Peer analysis	20	23	22
	Yardstick	50	61	55
	Selected	18	35	26
Project Total		25	47	35.5

On a net attributable basis, SRK values Sundance's 90% interest in the Mbalam tenure at between US\$6.3 million and US\$10.0 million, with a preferred value of US\$8.6 million.

On a net attributable basis, SRK values Sundance's 85% interest in the Nabeba-Bamegod tenure at between US\$15.3 million and US\$29.8million, with a preferred value of US\$22.1million.

All monetary figures used in this Report are expressed in United States dollar (US\$) terms unless otherwise stated. The final valuation is presented in United States dollars.

This Report has adopted an effective Valuation Date of 7 May 2020.

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Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Sundance Resources Limited (Sundance). The opinions in this Report are provided in response to a specific request from Sundance to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

List of Abbreviations

AIG	Australian Institute of Geoscientists
Al ₂ O ₃	aluminium oxide
ASL	above sea level
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BIF	banded iron formation
Bt	billion tonnes
CaO	calcium oxide
CFCO	Le Chemin de Fer Congo-Océan
CIMVAL	Special Committee on Valuation of Mineral Properties
DCF	discounted cashflow
DFS	Definitive Feasibility Study
DSO	direct shipping ore
EBI	Ease of Doing Business Index
ESIA	Environment and Social Impact Assessment
EV	enterprise value
Fe	chemical symbol for iron
FEED	Front End Engineering Design
GDP	gross domestic product
GW	gigawatts
GWh	gigawatt hours
ICT	information and communications technology
IER	Independent Expert Report
IMF	International Monetary Fund
IVSC	International Valuation Standards Committee
JORC	Joint Ore Reserves Committee
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
K ₂ O	potassium oxide
kWh	kilowatt hours
LOI	loss on ignition
LOM	Life of Mine
MgO	magnesium oxide
MnO	manganese oxide
mRL	metres reduced level
Mt	million tonnes

Mtpa	million tonnes per annum
Na ₂ O	sodium oxide
P	phosphorous
PFS	Pre-feasibility Study
RICS	Royal Institution of Chartered Surveyors
S	chemical symbol for sulphur
S&P	Standard and Poor's
SiO ₂	silica dioxide
SRK	SRK Consulting (Australasia) Pty Ltd
t/m ³	tonnes per cubic metre
TiO ₂	titanium oxide
UNDP	United Nations Development Programme
US\$	United States dollar
VALMIN Code	The Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
Zn	chemical symbol for zinc

1 Introduction

Sundance Resources Limited (Sundance) has entered into a conditional binding agreement with the Noteholders of Sundance (Noteholders) and AustSino Resources Group Limited (AustSino), which contemplates an investment in Sundance by AustSino and the cancellation of the notes held by the Noteholders in exchange for a cash, share and option package (Proposed Transaction).

The basic terms of the Proposed Transaction are summarised in Table 1-1.

Table 1-1: Proposed Transaction Summary

Sundance Resources Limited	AustSino Resources Group Ltd
<ul style="list-style-type: none"> • Receipt of approximately A\$29 million in cash from AustSino • Payment of approximately A\$25 million in cash, the issue of 2 billion Sundance shares at a deemed issue price of A\$0.004 per share, and the issue of 5 billion unlisted Sundance options at an exercise price of A\$0.02 per share with an expiry date of 5 years after issue to Noteholders to cancel the existing convertible notes 	<ul style="list-style-type: none"> • Receipt of approximately 11.2 billion Sundance shares at an issue price of A\$0.0026 per share • Receipt of approximately 11.2 billion unlisted Sundance options at an exercise price of A\$0.02 per share with an expiry date of 5 years after issue

Pendragon Capital Ltd (Pendragon) has been appointed by Sundance to provide an Independent Expert Report (IER) which comments on the fairness and reasonableness of the Proposed Transaction. SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed and commissioned by Pendragon to provide an Independent Specialist Report (Report) incorporating a technical assessment and valuation of the Mbalam-Nabeba Project (the Project) held by Sundance to accompany its IER. SRK understands that its Report is to be included as an appendix to Pendragon's IER.

The Project comprises three contiguous mineral permits (the Permits), which straddle the national border between the Republic of Cameroon (Cameroon) and the Republic of the Congo (the Congo), and comprise one granted Mining Permit and one Research Permit application in the Congo, and one Mining Permit application in Cameroon. Further details of the Permits are provided in Section 2.1 of this Report.

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For the purposes of this valuation, the Project (and its associated Permits) were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-feasibility Study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

Based on its assessment, SRK considers the Mbalam-Nabeba Iron Ore Project is best represented as an Advanced Exploration project as per the VALMIN Code (2015) definitions.

1.1 Reporting standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment and Valuation Report under the guidelines of the VALMIN Code (2015). The authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC codes.

For the avoidance of doubt, this report has been prepared according to:

- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- The 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

For the purposes of this Report, value is defined as 'market value', being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion. SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between the owners of the Projects and any other parties.

An author of the valuation contained within this Report, Mr Jeames McKibben, is a Registered Valuer and Chartered Valuation Surveyor with the Royal Institution of Chartered Surveyors (RICS). As a result, this Report may be subject to monitoring by RICS under the Institution's Conduct and Disciplinary Regulations. This Report does not comply with the RICS 2017 Valuation Standards, otherwise known as the 'Red Book', as SRK is required to provide a valuation range that reflects the highest and lowest likely Market Values of the subject mineralisation in accordance with SRK's mandate. As such, it is noted that this Report is a departure from the Red Book standard.

1.2 Work program

SRK's work program commenced with a review of publicly available data and other information sourced by SRK from literature, as well as subscription databases such as S&P Global Market Intelligence and Thomson Reuters Connect 4 database services. Company information was uploaded to an online data room and SRK consultants worked through the datasets, completed reasonableness

assessments, and researched comparable market transaction data.

SRK notes that Section 11.1 of the VALMIN Code (2015) recommends that a site inspection be completed should it be 'likely to reveal information or data that is material to the report'. No work has been undertaken at the Project since 2013. Given the study status of the Project, SRK does not consider any material information would be revealed by a site inspection.

1.3 Legal matters

SRK has not been engaged to comment on any legal matters.

SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

1.4 Effective date

The conclusions expressed in this report are appropriate as at 7 May 2020. The valuation is only appropriate for this date and may change in time in response to variations in economic, market, legal or political factors, in addition to ongoing exploration results. All monetary values outlined in this assessment are expressed in United States dollars (US\$), unless otherwise stated.

1.5 Project team

This Report has been prepared by a team of consultants from SRK's offices in Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below and summarised in Table 1-2.

Karen Lloyd, Associate Principal Consultant (Project Evaluation), MBA, BSc (Hons), FAusIMM

Karen has 24 years' international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe.

Karen is a Fellow of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) codes, respectively.

Jeames McKibben, Principal Consultant (Project Evaluation), BSc(Hons), MBA, FAusIMM(CP), MAIG, MRICS

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 25 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent Technical Reports for equity transactions and in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy), industrial minerals and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames has experience in the

geological evaluation and valuation of mineral projects worldwide.

Jeames is a Fellow of the AusIMM, a Member of the AIG, and a Member of the RICS. He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) codes, respectively.

Table 1-2: Details of the qualifications and experience of the SRK team

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Karen Lloyd	Associate Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Peer review	24 years; 6 years in consulting, 3 years in funds management, 7 years in strategic planning 8 years in operations	None	MBA, BSc (Hons), FAusIMM
Jeames McKibben	Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Technical Assessment and Valuation	25 years; 15 years in valuation and corporate advisory, 2 years as an analyst and 8 years in exploration and project management roles	None	MBA, BSc (Hons) FAusIMM (CP), MAIG, MRICS

1.6 Limitations, reliance on information, declaration and consent

1.6.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by Sundance, throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such information as provided by Sundance was taken in good faith by SRK. SRK has not independently verified Mineral Resource estimates by means of recalculation.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided by Sundance was complete and not incorrect, misleading or irrelevant in any material aspect. Sundance has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by Sundance was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

1.6.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK.

Neither SRK, nor any authors of this Report, have any prior association with Sundance regarding the mineral assets that are the subject of this Report. SRK has no beneficial interest in the outcome of the technical assessment capable of affecting its independence.

1.6.3 Indemnities

As recommended by the VALMIN Code (2015), Sundance has provided SRK with an indemnity under which SRK is to be compensated for any liability and/ or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Sundance or Sundance not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

1.6.4 Consent

SRK consents to this Report being included, in full, in Sundance's documents in the form and context in which the technical assessment and valuation is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessment and valuation expressed in the Executive Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

1.6.5 Practitioner Consent

The information in this report that relates to the Technical Assessment and Valuation of the Exploration Results and Mineral Resources is based on and fairly reflects information compiled and conclusions derived by Ms Leesa Collin, who is a Competent Person and Member of the AusIMM. Ms Collin is an independent consultant employed by SRK, an independent mining consultancy. Ms Collin has sufficient experience that is relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration, the style of mineralisation and the types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the VALMIN Code 2015 and as a Competent Person as defined in the JORC Code 2012.

Ms Collin consents to the inclusion in Pentagon's IER of the matters based on the information in the form and context in which it appears.

1.6.6 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$47,000. The payment of this professional fee is not contingent on the outcome of this Report.

2 Mbalam-Nabeba Iron Ore Project

2.1 Tenure status

The Project comprises three contiguous mineral permits (Permits), which straddle the national border between Cameroon and the Congo and comprise one granted Mining Permit and one Research Permit application in the Congo, and one Mining Permit application in Cameroon (Figure 2-1 and Table 2-1).

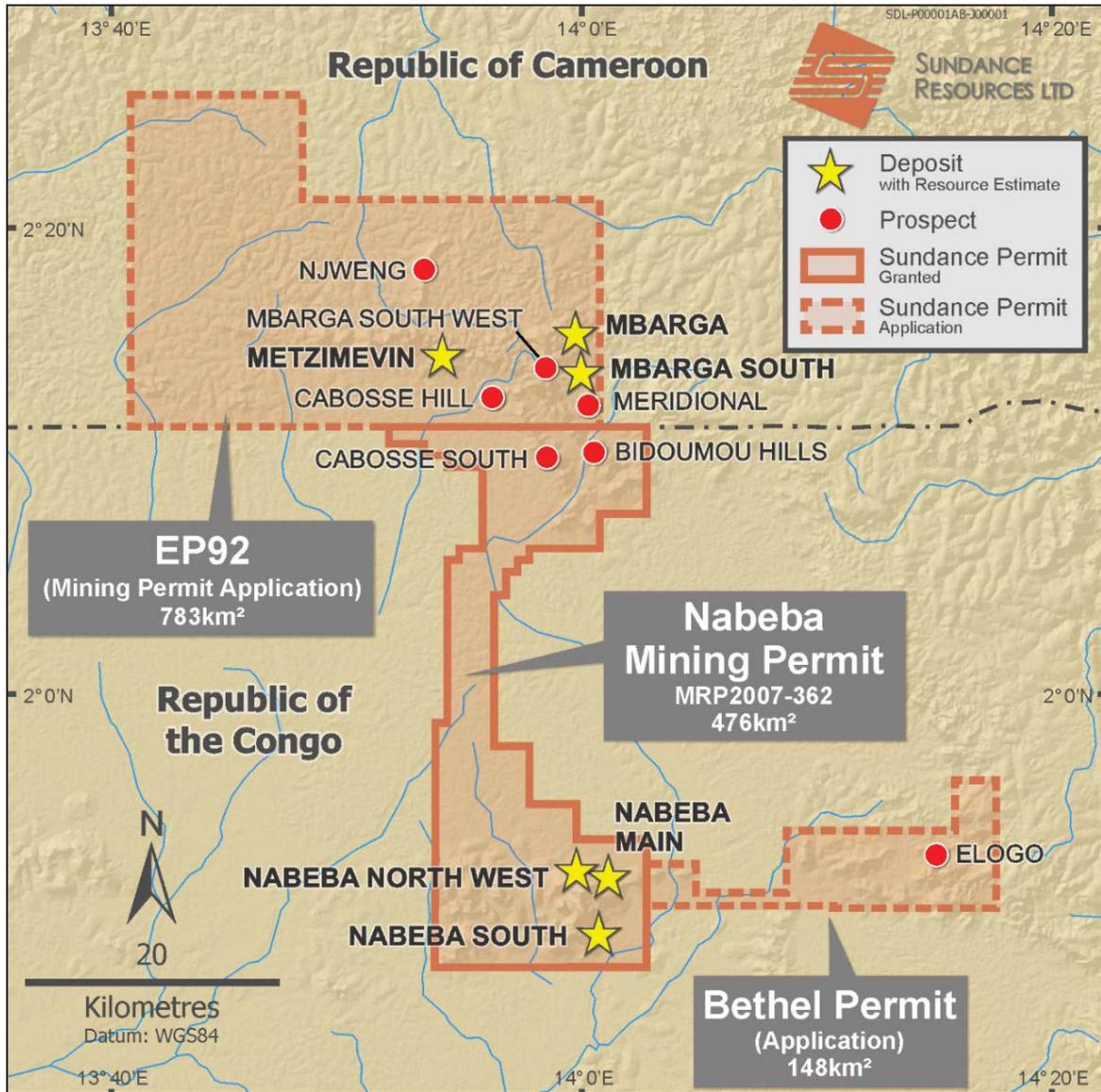


Figure 2-1: Location of tenure

Table 2-1: Tenement schedule

Tenement	Registered holder/applicant	Sundance's beneficial interest	Grant date	Expiry date	Commodities permitted	Area (km ²)	Current bond	Minimum expenditure ^{#1}	Encumbrances and contract	Third party claims
Exploration Permit No. EP92 Decree No. 005162	Cam Iron SA	90%	28/09/2005	26/07/2017 ^{#2}	Iron Ore If other commodities are discovered, they will be subject to a new convention which will be negotiated between the Government and Cam Iron SA.	783.4	Nil	5.4 million FCFA per annum	Noble Resources International Pte Ltd off-take agreement dated 25/03/2014	Nil
Mining Permit No. MRP2007-362 Decree No. 2013-45	Congo Iron SA	76.5%	06/02/2013	05/02/2038	Iron Ore If other commodities are discovered, they will be subject to a royalty which will be negotiated between Congo Iron SA and the Government.	432	Nil	9.6 million FCFA per annum	Noble Resources International Pte Ltd off-take agreement dated 25/03/2014 Mining Convention of iron ore deposits of Mt Nabeba dated 24/07/2014 Sundance is required to pay ongoing production-based compensation to Hold Co SARL, Cam Iron SA's minority shareholder, pursuant to a compensation deed. The obligation to pay this compensation is based on iron ore sold by Congo Iron SA and is calculated at the rate of US\$0.10/t for iron ore sold at the price of US\$80/t and is subject to a rise and fall of US\$0.005/t for every US\$10 movement in the price (i.e. at US\$90/t, the rate is US\$0.105).	Nil
Bethel Research Permit application ^{#3}	Congo Iron SA	76.5%	Application		Iron Ore If other commodities are discovered, they will be subject to a royalty which will be negotiated between Congo Iron SA and the Government.	147.8	Nil	3.28 million FCFA per annum once issued; nil currently.		Nil

1. FCFA – Central African Franc
2. Mining Permit application (MPA) was lodged on 9 October 2009 and is discussed below.
3. Included for completeness; *not to be* assessed or valued by SRK.

EP92 Exploration Permit (90% Sundance) – Cameroon

Sundance holds a 90% beneficial interest in Cam Iron SA, a Cameroonian registered company. Cam Iron SA was granted Exploration Permit EP92 in September 2005 by the Government of Cameroon under Decision No. 161/MINIMIDT/SG/DMG/SDAM. Pursuant to Decision No. 45/MINIMDT/DNG/SDAM issued on 22 May 2007, the area over which EP92 was granted was extended to the Congolese border.

Cam Iron SA has the right to:

- 1 enter and occupy the area of EP92
- 2 extract, remove and dispose of rocks, earth, soil or mineral substances in quantities allowed by the approved schedule
- 3 take and use water situated on or flowing through the land for any purpose pertaining to the exploration activity, in accordance with the laws in force
- 4 carry out any other works necessary for exploration on the land.

In accordance with the *Cameroon Mining Code*, EP92 was issued to Cam Iron SA for an initial maximum period of three years, renewable up to four times for a maximum period of two years each (i.e. a total renewal period of eight years). EP92 expired on 26 July 2017.

Cam Iron SA submitted the Mbalam Mining Permit application (MPA) on 17 December 2009 over an area covered by the previous Exploration Permit EP92 (which had expired due to having reached the maximum number of extensions possible under the *Cameroon Mining Code*). The application was amended on 17 December 2009. Cam Iron SA has completed all exploration work required to progress to a Mining Permit for the area which includes the Mbarga mining area.

Additionally, Cam Iron SA signed and executed a convention, known as the Mbalam Convention (Convention), with the Republic of Cameroon which was later amended on several occasions. One of the conditions for the granting of the Mbalam Mining Permit was obtaining the financing for the development of the Project. Sundance reported to the Australian Securities Exchange (ASX) on 27 July 2015 that a transition agreement for the restructuring of the Mbalam Project (Transition Agreement) between the interested parties and the Republic of Cameroon had been executed on 30 June 2015. The last extension for satisfying the conditions precedent to the Convention expired on 14 September 2018, as the financing conditions had not been met. Since that time, Cam Iron SA and the Cameroon Government have maintained active discussions regarding the renewal of the Convention.

SRK has sighted documentation provided by Cabinet Nyemb, an independent legal firm in Douala, Cameroon, that provides a legal opinion on the status of the MPA lodged over the area of EP92 while EP92 was still current. Additionally, SRK sighted documentation, dated 1 October 2018, provided to Sundance by law firm, Gilbert + Tobin, which expresses Gilbert + Tobin's view on Cabinet Nyemb's legal opinion. As noted previously, SRK is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. Based on the legal opinion of Cabinet Nyemb, Gilbert + Tobin expressed a view by way of observations that Cam Iron SA 'merely holds a right, not tenure' over the area of EP92. Gilbert + Tobin's view did acknowledge that Cabinet Nyemb was of the opinion that, based on the Cameroon Mining Code operating at the time of MPA lodgement, the MPA is already granted but a decree has yet to be issued.

SRK has made all reasonable enquiries into this status as at the date of this Report.

Nabeba MRP2007-362 Mining Permit (76.5% Sundance) – Congo

Currently Sundance holds an 85% beneficial interest in the assets within the Nabeba tenure. This is based on Sundance owning 85% of Congo Iron SA, a Congolese registered company. In August

2007, Congo Iron SA was granted the MRP2007-362 Exploration Permit for a period of three years. After several extensions, Mining Permit MRP2007-362 (Nabeba Permit) was granted by Presidential Decree in February 2013 over the area covered by the Exploration Permit. SRK notes that the Government of Congo has a right to a 10% non-dilutory interest in Congo Iron SA pursuant to the Congo Mining Code, which it had not exercised as at 7 May 2020.

On 25 July 2014, Sundance reported to the ASX that the Government of Congo had signed the Nabeba Mining Convention outlining the fiscal and legal terms and conditions to be satisfied by Congo Iron SA for the development and management of the Nabeba iron ore deposit, part of the broader Mbalam-Nabeba Iron Ore Project. Sundance has confirmed in writing to SRK that Congo Iron SA has the legal rights to the minerals in MRP2007-362 as noted in Table 2-1. SRK has made all reasonable enquiries into this status as at the date of this Report.

Bethel Research Permit (application only) – Congo

In August 2015, Congo Iron SA applied for a Research Permit covering an area to the east of the Nabeba Mining Permit (Bethel Research Permit). No determination from the Congo Government has been made to Congo Iron SA regarding the Bethel Research Permit as at the date of this Report.

2.2 Location, access, climate and infrastructure

EP92 (Mbarga Permit) is located near the village of Mbalam in the Ngoila sub-division of the district of Lomié in the southeastern region of Cameroon, some 480 km from Yaoundé, the capital city of Cameroon. The site is accessed by approximately 300 km of unsealed road from the regional town of Sangmelima. The road is generally in poor condition and subject to severe rutting, limited drainage and flooding in parts. MRP2007-362 (Nabeba Permit) is located approximately 45 km south of Mbarga and accessed via an unsealed road. The road between the Mbarga and Nabeba permits is maintained by Cam Iron SA and is accessible year-round. A dedicated border control point between the villages of Ntem and Cabose is operated for crossing between Cameroon and Congo.

The remoteness of the Project means that there is limited existing infrastructure or services. There is a light aircraft airstrip at Yangadou on the floodplains to the west of the Nabeba Permit. There is an exploration camp near the airstrip with access to the Nabeba Permit via exploration tracks.

The closest access to the national power grid is at Sangmelima 200 km to the north of the Project.

The Project area is typical of the Congo Basin – very low to low undulating hills, with occasional large hills and small streams and rivers in the valleys. The Mbarga Permit is located on high ground at an altitude of about 700 m above sea level (m ASL). The surrounding terrain is generally at an altitude of about 600 m ASL, sloping to the northwest, east and south. The Nabeba Permit is situated on a range of hills with an east–west orientation at an elevation 800 m ASL or higher, surrounded by relatively flat lower ground at 500 m ASL. Drainage is well developed within the hilly topography of the region. Creeks carry torrential flows during the wet season but are reduced to a few waterholes during the dry season.

The Project is situated in the equatorial forest belt and is characterised by a humid equatorial climate but lacks the traditional wet and dry seasons. There is a long dry season from December to May, a light wet season from May to June, a short dry season from July to October and a heavy wet season from October to November. The Project area experiences high temperature, with mean daily temperatures averaging between 27°C and 33°C and nights varying between 21°C and 22°C. Despite the existence of two dry seasons, rainfall occurs throughout the year. The average annual rainfall is approximately 1,597 mm but may range from 1,169 mm to 2,243 mm. Relative humidity averages more than 80%; it often exceeds 95% and rarely drops below 55%. Maximum relative humidity is generally observed in the early morning and lower values are observed around noon. The region has

a high proportion of cloudy days, with less than 1,750 hours of effective sunshine each year.

2.3 Exploration and technical study history

The Project has a long history of exploration and technical feasibility work. Between 1976 and 1984, iron mineralisation exploration activities in the Project area were funded by the United Nations Development Programme (UNDP) and conducted by the UNDP and the Canadian International Development Agency (CIDA), supported with photogeological studies by Bureau de Recherche Géologique et Minières (BRGM, France) and an aeromagnetic geophysical survey carried out by Paterson Grant and Watson Ltd, Consulting Geophysicists (PGW). During this period, exploration identified several occurrences of iron mineralisation within the Mbalam and Mbarga Permit areas. Based on this work program, the UNDP estimated an initial (now historical) Inferred Mineral Resource of 800 Mt of iron mineralisation at Mbarga. The historical estimate included approximately 218 Mt of direct shipping ore (DSO) hematite (greater than 60% Fe) and 587 Mt of itabirite hematite (29.5% Fe). A second occurrence of hematite mineralisation at the Metzimevin prospect was also identified during this period. The mineralisation at Metzimevin was hosted within a 36.5 km long banded iron formation (BIF).

In July 2006, Sundance reported the completion of a scoping study (Scoping Study) and the commencement of a Pre-feasibility Study (PFS) on a DSO hematite project in the Mbarga Permit area. The Scoping Study contemplated the production of 35 Mtpa of DSO hematite based on a conceptual Ore Reserve estimate of 700 Mt, and the development of private rail and port infrastructure. Also, in July 2006, Sundance commissioned New Resolution Geophysics (NRG) to complete a detailed airborne magnetic and radiometric geophysical survey over the Mbalam Permit area.

Between 2007 and 2009, multiple updates to the Mineral Resource estimates were made and in May 2009 Sundance reported an updated DSO hematite Mineral Resource of 215.1 Mt at a grade of 60.2% Fe, which included 168.7 Mt at a grade of 60.5% Fe of Indicated Mineral Resources at the Mbarga Permit. The classification of the itabirite hematite Mineral Resources was also upgraded to include 1.431 Bt of Indicated Mineral Resources grading at 38.0% Fe.

During 2009, Sundance undertook iterative metallurgical testwork campaigns and mine planning scenario analyses. In October 2009, Sundance reported that it had submitted a Feasibility Study and environmental and social impact assessment for the Project to the Government of Cameroon.

In April 2011 Sundance reported that it had completed a Definitive Feasibility Study (2011 DFS) for a Stage 1 Project (35 Mtpa DSO for 10 years) and Prefeasibility Study for a Stage 2 (2011 PFS) at the Project (expansion phase). Sundance also reported maiden Probable Ore Reserve estimate for a DSO product of 251.5 Mt at 63.57% Fe. The capital cost estimate for the Stage 1 Project was US\$4.6 billion and included the development of a 510 km long railway and deepwater port facility.

In November 2011, Sundance reported an update to the Probable Ore Reserves to 352 Mt at a grade of 62.4% Fe.

In June 2012, Sundance reported updated DSO hematite Mineral Resources estimates (775.4 Mt at a grade of 57.2% Fe) and a maiden itabirite hematite Mineral Resource (1.4 Bt grading at 35.1% Fe).

In May 2015, Sundance announced an increase in the Mineral Resources for the Project:

- DSO hematite Mineral Resource increased by 4% to 805.7 Mt at a grade of 57.3% Fe
- Itabirite hematite Mineral Resource increased by 39% to 5.6 Bt at a grade of 33.4% Fe.

At the same time, Sundance announced a 18.5% increase in the hematite Probable Ore Reserves for the Project to 517 Mt grading at 62.2% Fe. Since 2015, Sundance has continued the evaluation of the Project. In September 2018, the Mbalam Mining Convention expired.

2.4 Geology and mineralisation

2.4.1 Local geology

The Project lies within poorly exposed and structurally complex narrow greenstone belts. The rocks exposed in the area comprise metamorphosed haematitic BIF (itabirite), micaceous and chloritic schist, amphibolite, mafic to intermediate volcanic flows and quartzite. The area has been metamorphosed to Amphibolite Facies grade. The greenstone belts lie within gneissic rocks to the south of the Metzimevin locality. In the Mbalam area, intrusive rocks are represented by biotite-granodiorite and a single occurrence of serpentinite at Metzimevin. The remnant greenstone belts have a high magnetic response (coloured red) as illustrated in Figure 2-2.

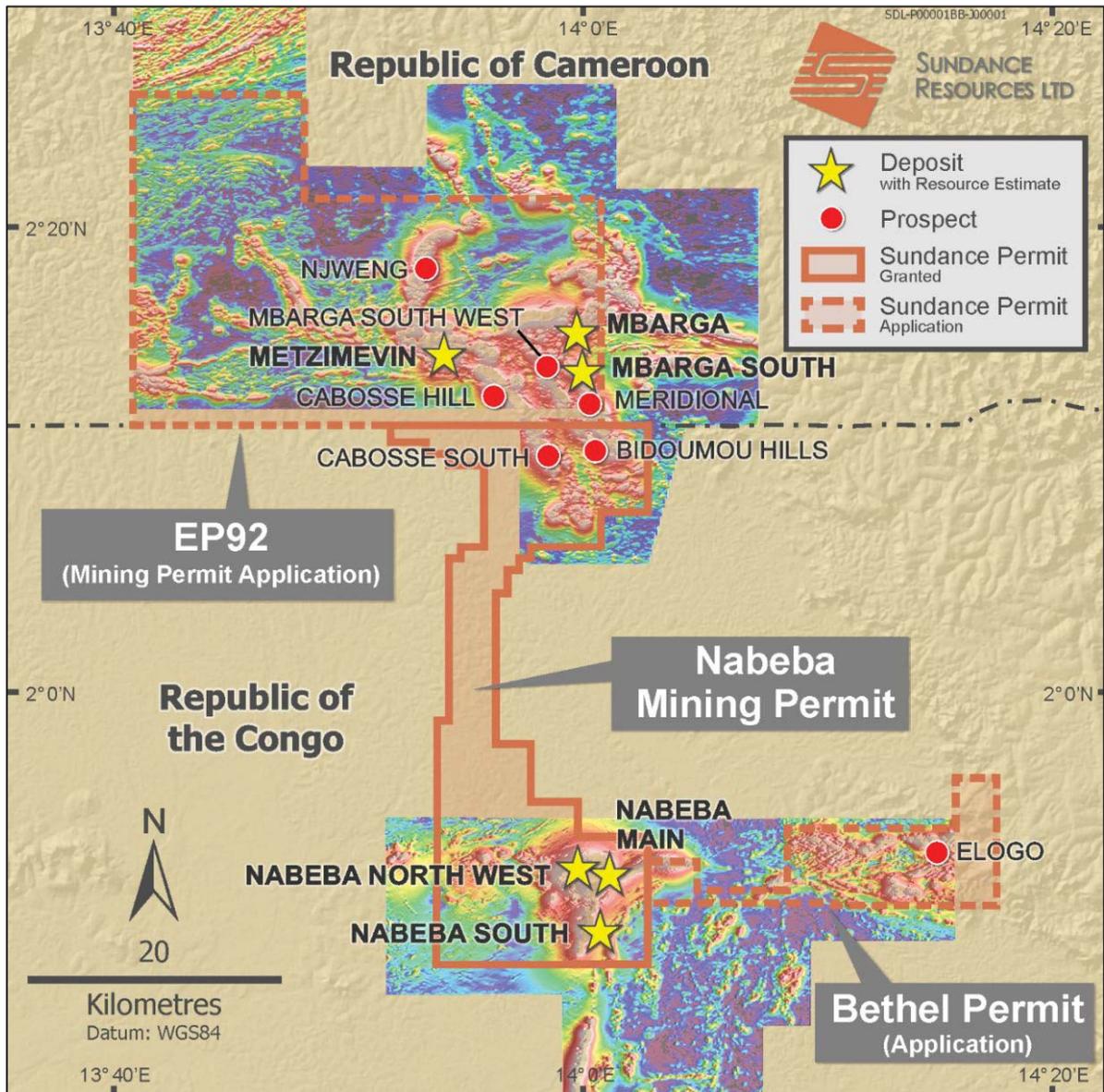


Figure 2-2: Regional aeromagnetic survey highlighting greenstone belts in the Project area

Source: Sundance

Mineralisation at the Project is hosted by the Itabirite Formation which is part of the Archaean Mbalam Group (Figure 2-3).

Age	Group	Formation	Remarks
Palaeoproterozoic	Dja Group	Sandstone Formation	Breccia – conglomerate (with hematite and Itabirite clasts) and ferruginous sandstone beds near base (Mbarga are). Clean well-bedded fine-medium grained sandstone. The “Sandstone Formation” may be an outlier of Mesozoic sandstone of the Congo Basin.
-----Major Unconformity-----			
Archaean	Biotite Granodiorite		Inferred to be intrusive
	Metzimevin Serpentinite		Assumed to be intrusive
	Mbalam Group	Upper Formation	Schist and metavolcanic rocks – visible in road cut west of Mbalam camp and other rare outcrops.
		Itabirite Formation	Thickness and character highly variable due to structural complications. Magnetite-amphibolite-carbonate bearing itabirite noted near the margins.
		Lower Formation	Amygdaloidal mafic flows, grading into amphibolite were highly deformed intermediate volcanic rocks (some dacitic?). Sericitic and other schists. Structurally beneath itabirite on the east side of Mbarga (e.g. in MB0025D).
Basement Complex		Gneiss south of Metzimevin (UNDP) identified by U-Th signature	

Figure 2-3: Stratigraphic table for the Mbalam Project area

Source: Sundance Management Information

Complex multi-phase folding with significant fault displacement has been identified within the Itabirite Formation (Figure 2-4).



Figure 2-4: Itabirite outcrop showing complex deformation

Source: Sundance Management Information

According to Dorling (2011), two main phases of deformation are recognised at Mbarga – thrusting associated with metamorphism preceding refolding of thrusts; and shear zones which formed during early intense deformation (Figure 2-5). The itabirite shows ductile isoclinal folding with shearing of fold limbs as well as more open folding with axial plane fracture cleavage. Brittle features have allowed generation of open spaces and infiltration of late, oxidising iron-rich fluids which have deposited hematite, forming the hypogene style of mineralisation within the itabirite.

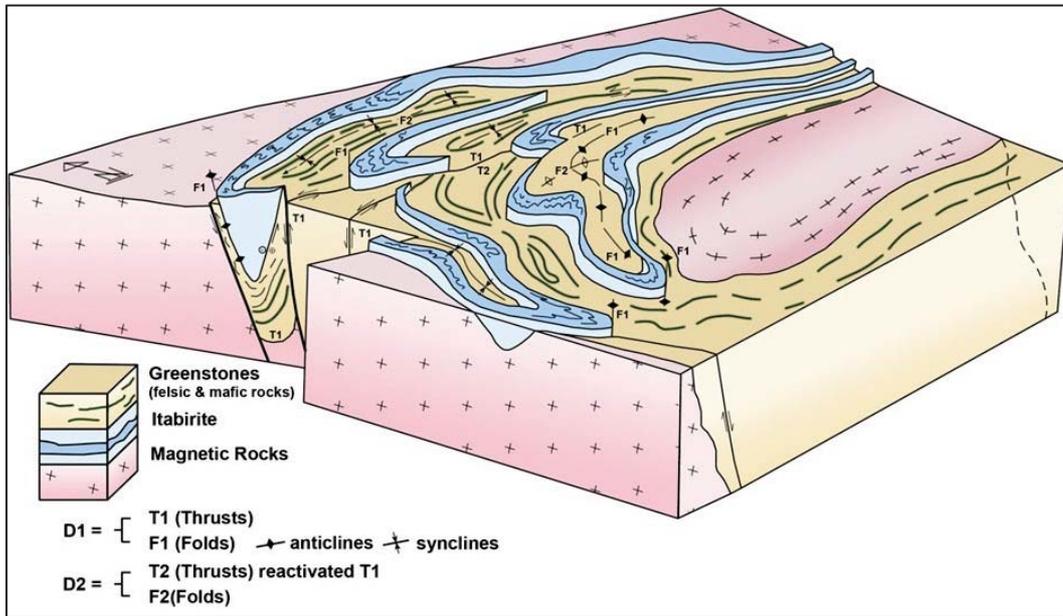


Figure 2-5: Structural interpretation of the Mbarga area

Source: Sundance 2011 DFS

The Nabeba area is interpreted to represent a structurally dismembered, fan-shaped set of convex northeast striking imbricate thrusts or reverse faults, coalescing into an east–west trending regional shear zone to the north of the deposit (Figure 2-6). The itabirite is characterised by upright, tight to isoclinal, large-scale folds with flat plunges to the northeast and southwest. Centimetre- to decimetre-scale parasitic folds mimic the larger-scale fold geometry.

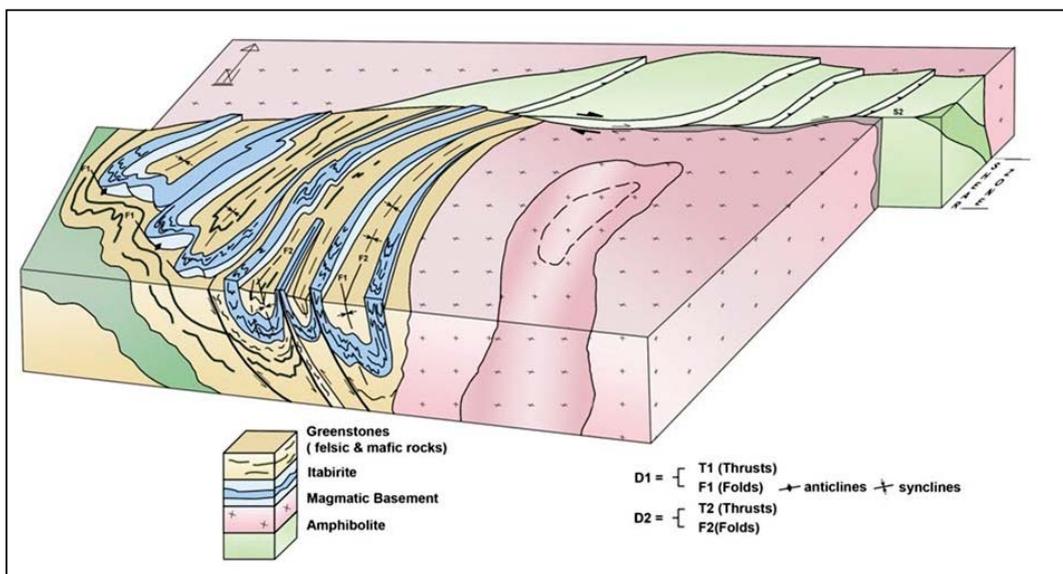


Figure 2-6: Structural interpretation of the Nabeba region

Source: Sundance 2011 DFS

Longley (2013) summarised the 2013 fluid inclusion investigations, by Hagemann, of a small set of iron oxide samples from both Mbarga and Nabeba to try to determine the possible conditions in which iron deposits form. These samples contained fluid inclusions in hydrothermal quartz. Most of the inclusions were liquid-rich, two-phase aqueous fluid inclusions with either a simple NaCl-KCl salt or complex $\text{CaCl}_2\text{-MgCl}_2\text{-NaCl-KCl}$ salt mixtures. Rare liquid-rich, two-phase aqueous-carbonic inclusions were also observed. Microthermometric investigations revealed that most of the inclusions are either liquid-rich, low salinity inclusions that homogenised into liquid at $225^\circ \pm 35^\circ\text{C}$ or, liquid-rich, high salinity inclusions that homogenised into liquid at $130^\circ \pm 20^\circ\text{C}$.

Hagemann concluded that the hydrothermal fluids trapped in the fluid inclusions are likely to be hypogene in nature, with minimum trapping temperatures between 130°C and 140°C . Taking overburden into consideration, true trapping temperatures of 187°C and 181°C were proposed for the simple and complex salt aqueous inclusions, respectively. These hydrothermal fluids are likely to be related to ancient, heated, meteoric water (low salinity inclusions) and basinal brines or modified magmatic fluids (high salinity inclusions). Rare aqueous-carbonic fluid inclusions are substantially hotter (209°C to 325°C for two inclusions measured) and are likely to record a different geological fluid process, possibly a metamorphic devolatilisation event.

2.4.2 Mineralisation model

Sundance has defined seven distinct mineralised domains at the Project based on mineralogical and metallurgical analysis, in addition to the surface and structural mapping. The near-surface hematitic domains (which lie above the Itabirite) show a distinct vertical zonation resulting from dissolution and leaching processes but show lateral/ sub-horizontal continuity. The mineralisation types have been modelled separately at each deposit for use in the Mineral Resource estimation.

The summary presented below is derived from Longley (2013) and the 2011 DFS:

- 1 Surficial – near-surface alumina-rich domain characterised by the products of weathering and lateritisation of the Supergene material, with development of soil and gravel and an accompanying increase in the percentage of clay.
- 2 Supergene – the purest form of high-grade iron mineralisation with low impurities typically averaging above 60% Fe. It is generally underlain by itabirite and is usually absent above broad zones of schist. It is characterised by brown to red or blue-grey, soft 'biscuit' texture, with faint remnants of the original itabirite layering visible in places. At Mbarga, the typical mineralogy is hematite - martite - goethite - quartz - clay, with high grade mineralisation dominated by hematite. At Nabeba, the mineralisation is very porous and comprises varying proportions of martite, hematite, magnetite, goethite and gibbsite, with rare relict primary gangue minerals such as quartz. The bulk of the alumina content occurs as gibbsite, although goethite crystals may contain some alumina. The presence of gibbsite and aluminous goethite is attributed to late-stage weathering processes. The Supergene mineralisation is thought to be formed by Palaeoproterozoic (or more recent) supergene enrichment but the hematite-martite mineralisation also has some characteristics in common with hydrothermal alteration. This domain represents a significant 47% (362.4 Mt at a grade of 61.9% Fe) of the total DSO Mineral Resource.
- 3 Subgrade – this domain occurs at Nabeba only and is located immediately beneath the Supergene domain. It is characterised by both higher alumina and silica than the Supergene Zone. The elevated levels of contaminants in Subgrade Supergene mineralisation reflect higher quartz and clay content. This is thought to be the result of the incomplete development of the Supergene Zone as the processes involved appear to have been arrested. The Subgrade represents 12% (90.9 Mt) of the total DSO Mineral Resource.

- 4 Transitional – as suggested by its name, this domain is the lowest part of the leached mineralised profile and is gradational between the Supergene material and solid itabirite. It is typically high in silica but still with enriched iron grades (above 50% Fe). The material is characteristically friable (with 'sugary' quartz), can be treated easily and represents 20% (151.4 Mt) of the total DSO Mineral Resource.
- 5 High-Phos – this is a minor domain (1.1 Mt) at Mbarga only, which has been separately modelled due to its high phosphorus content (0.25% P) but it still has very high iron grade (62.4% Fe) and low silica and alumina content.
- 6 Hypogene – a minor component at Mbarga only (39 Mt) where consistent, sub-vertical, bands of massive hematite (presumed to be of hypogene origin) have been intersected sub-parallel to BIF bedding from surface to extreme depths. This mineralisation comprises hard, massive, commonly specular hematite forming steeply south dipping zones within the itabirite. Initially, geological logging defined it as mineralisation type containing more than 75% hematite; however, it is very common for the hematite content to exceed 90%. Overall, the mineral assemblage is hematite-quartz with minor amounts of goethite and clay. Hematite is generally fine- to medium-grained specularite, with late sheaves of coarse specularite, as well as centimetre-scale vughs which are also lined with specularite. Fragments of brecciated vein quartz are common. At Nabeba, small veins of hypogene mineralisation are present but they are of limited extent and do not form part of the Nabeba Mineral Resource.
- 7 Itabirite – this is the enriched hematitic BIF mineralisation which lies directly under the DSO/Supergene profile described above. Itabirite mineralisation has an average grade of 38% Fe at Mbarga and 34% Fe at Nabeba. Geological logging suggests that the typical mineralogy is hematite-quartz with minor clay and patchy goethite (both usually less than 1%). It is characteristically strongly banded, reflecting the original texture of the BIF. At Mbarga, the itabirite bodies dip steeply to the south with local vertical or steeply north dipping contacts in the southwest. All petrological investigations of the Enriched Itabirite indicate that these rocks contain hematite ± martite - quartz and some include small amounts of magnetite (often within quartz). Hematite-martite-rich bands display the typical cube-shaped textures of martite crystals with overgrowths of specular hematite. Fine hematite commonly infiltrates and surrounds (or coats) quartz grains, suggesting possible quartz dissolution prior to hematite deposition. The rocks are banded and in places exhibit brecciation, fracturing and hematite or quartz veins. Fractures are commonly filled with hematite and form networks of hematite-filled veins.

Figure 2-7 illustrates the distribution of the mineralisation types that have been delineated at the Mbarga and Nabeba deposits for use in Mineral Resource estimation.

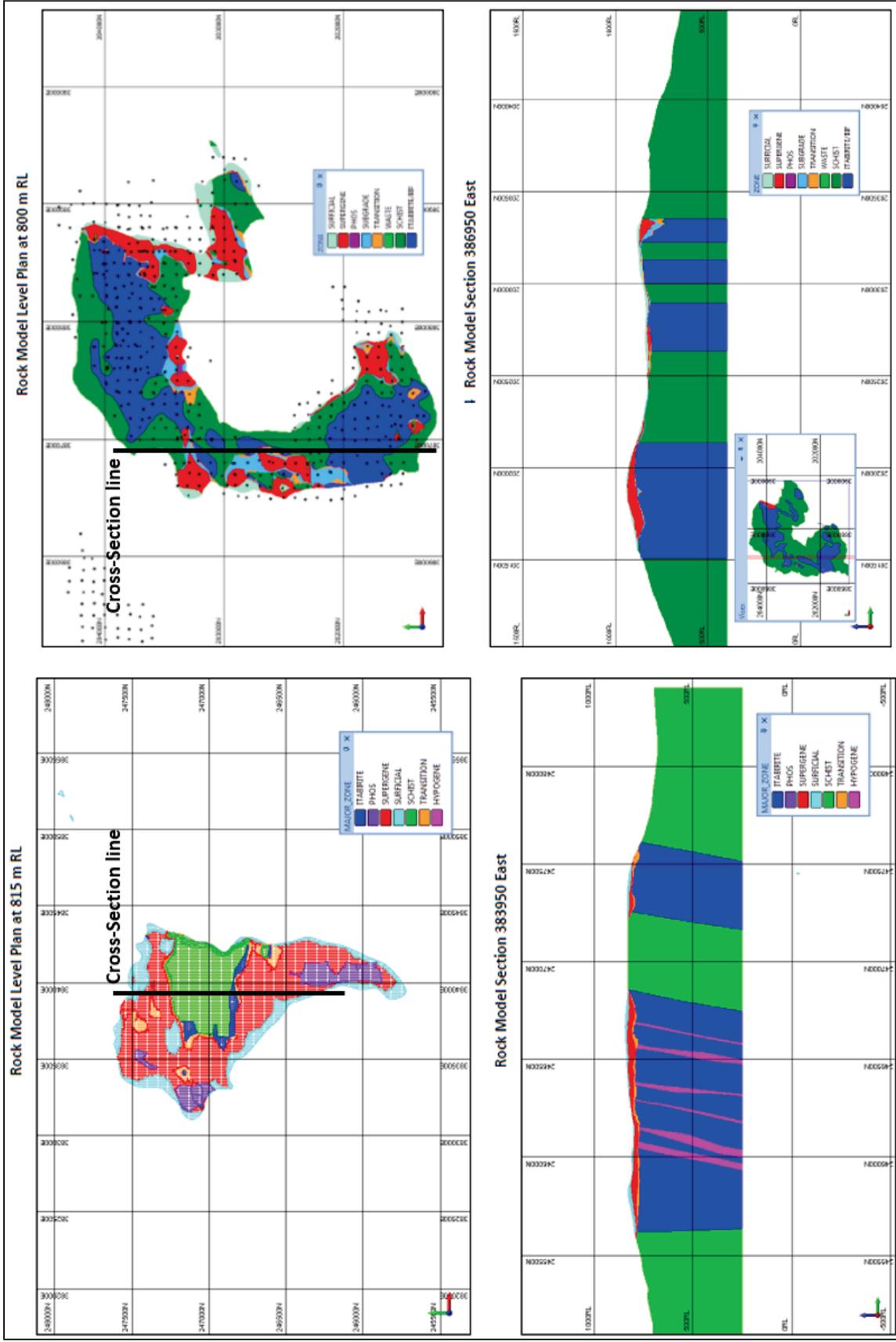


Figure 2-7: Distribution of mineralisation types (left: Mbarga, right: Nabeba)

Source: Sundance 2011 DFS

2.4.3 Exploration Targets

Sundance has reported Exploration Targets for the DSO hematite and Itabirite hematite styles of mineralisation (Table 2-2). The hematite Exploration Targets were reported to the ASX on 20 June 2012, with Sundance stating that the tonnage ranges had been estimated based on geographical areal extents as mapped on the ground, combined with an assumed vertical thickness of 25 m and density of 2.8 t/m³. The Project's Itabirite hematite Exploration Targets were reported to the ASX on 26 October 2012 with the ranges based on aeromagnetic anomalies, topographic maps, drilling results and limited to 300 m below the surface.

SRK cautions that the Exploration Targets are conceptual in nature as there has been insufficient exploration to estimate Mineral Resources and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. SRK recommends that the Cautionary and Competent Persons statements that are included in the above mentioned ASX releases be reviewed for completeness.

Table 2-2: Exploration Targets at the Mbalam-Nabeba Project

Mineralisation Style	Deposit	Size and grade
DSO hematite	Mbalam	25–50 Mt grading 55%–65% Fe
	Nabeba	65–100 Mt grading 55%–65% Fe
	Total	90–150 Mt grading 55%–65% Fe
Itabirite hematite	Mbalam	5,100–7,100 Mt grading 30%–40% Fe
	Nabeba	2,700–3,800 Mt grading 30%–40% Fe
	Total	7,800–10,100 Mt grading 30%–40% Fe

Based on its review of the available technical data pertaining to these Exploration Targets, SRK has elected not to value the Exploration Targets, given that

- (i). many were considered to represent poorly quantified extensions of the existing Mineral Resources
- (ii). the likely timeframe to potential extraction (given the current project uncertainties and the presently defined Mineral Resources)
- (iii). some of the larger targets remained to be drill tested
- (iv). the associated uncertainty in the Mbalam tenure.

In SRK's view, the likely value attributable to the Exploration Targets is not material to the overall Project value.

2.5 Mineral Resources

2.5.1 Historical estimates

The maiden Mineral Resource estimate for the Mbarga and Mbarga South prospects was reported by Sundance to the ASX on 19 May 2008. This historical estimate outlined an Inferred Mineral Resource of 190 Mt of DSO hematite mineralisation with an average grade of 60% Fe and was reported in accordance with the guidelines of the JORC Code (2004).

Following additional drilling during the period, resulted in two updated Mineral Resource estimates in 2011, namely the DSO hematite Indicated and Inferred Mineral Resource (Table 2-3) that informed the 2011 DFS and the itabirite hematite Indicated and Inferred Mineral Resource (Table 2-4) that informed the 2011 PFS. These Mineral Resource estimates were reported in accordance with the guidelines of the JORC Code (2004) to the ASX on 6 April 2011.

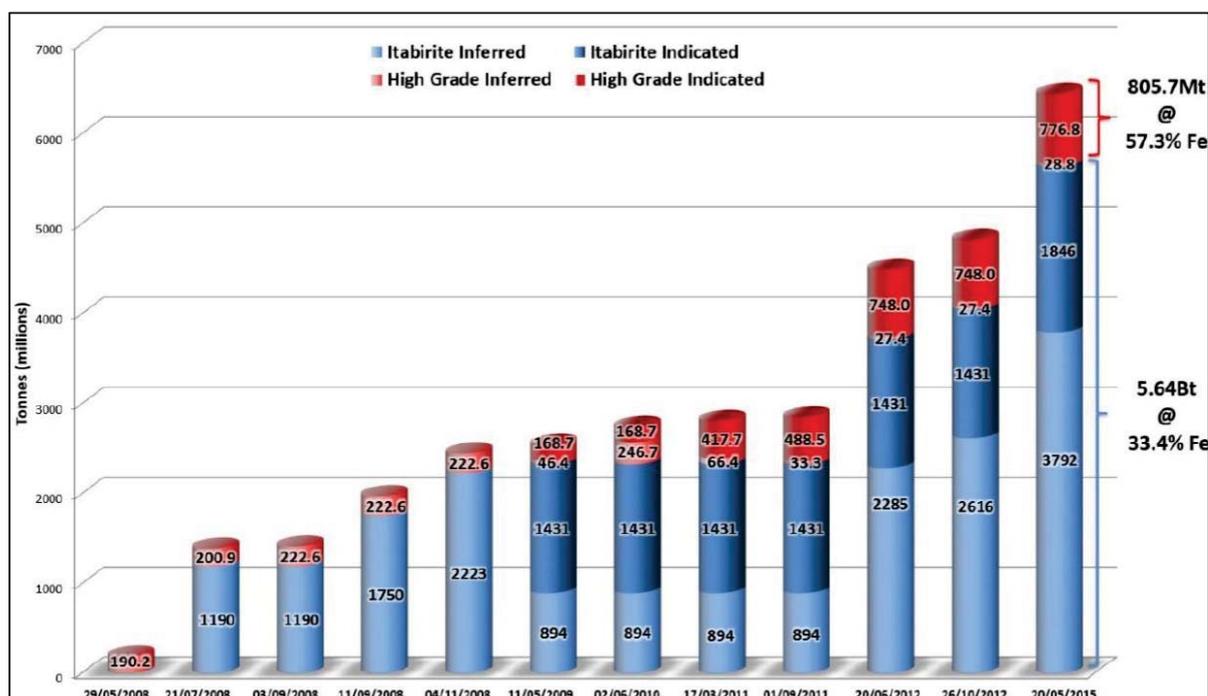
Table 2-3: DSO hematite Mineral Resource estimate as at February 2011, JORC Code (2004)

Mineralisation	Resource Category	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
DSO hematite	Indicated	370.7	61.2	6.2	2.8	0.097	2.6
	Inferred	75.6	55.8	9.5	3.5	0.109	4.2
	Total	446.3	60.3	6.8	2.9	0.099	2.9

Table 2-4: Itabirite hematite Mineral Resource estimate as at February 2011, JORC Code (2004)

Mineralisation	Resource Category	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Itabirite hematite	Indicated	1,431	38.0	44.5	0.44	0.04	0.32
	Inferred	894	38.0	44.1	0.54	0.05	0.43
	Total	2,325	38.0	44.4	0.48	0.04	0.36

The Mineral Resource estimates were updated and reported by Sundance to the ASX on 1 September 2011, 16 November 2011, 20 June 2012, 26 October 2012, 24 December 2012 and 20 May 2015, as illustrated in Figure 2-8. These Mineral Resource estimates are provided for historical context only. The May 2015 Mineral Resource estimates are the current estimates and are detailed in Section 2.5.2. These Mineral Resource estimates were reported in accordance with the guidelines of the JORC Code (2012).

**Figure 2-8: Mineral Resource estimate updates since 2008**

Source: Sundance, 2015

2.5.2 Current Mineral Resource estimate

The current estimates of the DSO hematite Mineral Resources (Table 2-5) and Itabirite hematite Mineral Resources (Table 2-9) were reported by Sundance to the ASX on 20 May 2015.

Table 2-5: DSO hematite Mineral Resource estimate as at May 2015, JORC Code (2012)

Deposit	Resource Category	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Mbarga	Indicated	230.9	56.5	13.0	3.4	0.08	2.2
	Inferred	28.8	56.6	16.4	2.9	0.08	1.3
Nabeba	Indicated	545.9	57.6	7.2	4.8	0.11	4.6
Total		805.7	57.3	9.2	4.3	0.10	3.8

Table 2-6: Itabirite hematite Mineral Resource estimate as at May 2015, JORC Code (2012)

Deposit	Resource Category	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Mbarga	Indicated	1,846	34.6	47.7	1.5	0.04	0.6
	Inferred	2,078	31.8	48.6	2.9	0.05	1.3
Nabeba Main	Inferred	1,714	34.1	42.3	2.7	0.05	2.6
Total		5,638	33.4	46.4	2.4	0.05	1.5

The Mineral Resource estimates were prepared by independent geological consultants to Sundance, these being Mr Robin Longley, a full-time employee of Longley Mining Consultants Pty Ltd, and Mr Lynn Widenbar, a full-time employee of Widenbar and Associates.

Having asked the question of Sundance, SRK is not aware of any new information or data that materially affects the information included in Sundance's 20 May 2015 announcement. As such, SRK considers the material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed since their preparation in 2015.

SRK's tabulation of the Mineral Resources is in the form and context in which the Competent Person's findings were originally presented and have not been materially modified.

Based on its review and assessment of the available technical data, SRK notes the following with respect to the Mineral Resource estimates:

- Sundance had in place industry standard procedures for the drilling, logging, sampling, survey control, QAQC, data capture, analysis and Mineral Resource estimation at the two mining areas.
- The mineralisation domains discussed in Section 2.4.2 were used as hard boundaries to select samples for estimation.
- Sundance assigned average dry bulk density values to each mineralisation domain primarily based on measurements taken on drill core using the Archimedes principle, but supported by geophysical logging and gas pycnometry measurements.
- The assigned values used for the Mbarga deposits were:
 - Surficial : 2.40 (Mbarga, Mbarga South)
 - Supergene: 2.80 (Mbarga, Mbarga South, Metzimevin)
 - Transitional: 2.90 (Mbarga, Mbarga South)
 - High Phos: 2.80 (Mbarga)
 - Hypogene: 3.20 (Mbarga)
 - Itabirite: 3.26 (Mbarga)
 - Schist: 2.65 (Mbarga).

- The assigned values used for the Nabeba deposits were:
 - Surficial: 2.50 (Nabeba, Nabeba Northwest, Nabeba South)
 - Supergene: 2.65 (Nabeba, Nabeba Northwest, Nabeba South)
 - Subgrade: 2.50 (Nabeba, Nabeba Northwest, Nabeba South)
 - Transitional: 2.65 (Nabeba, Nabeba Northwest, Nabeba South)
 - High Phos: 2.90 (Nabeba)
 - Itabirite: 2.90 (Nabeba)
 - Schist; 2.50 (Nabeba).
- The Mineral Resources were estimated for Fe, SiO₂, Al₂O₃, P and LOI (1000), TiO₂, MnO, CaO, S, MgO, K₂O, Na₂O and Zn grades.
- The primary block grade estimation method was Ordinary Kriging (OK) on 2 m composite sample results.
- At Metimevin, Nabeba Northwest and Nabeba South the grade estimation method used was inverse distance weighting (IDW).
- Where appropriate variographic parameters were determined for each mineralisation domain and Kriging Neighbourhood Analysis (KNA) was used to establish optimum search and minimum/maximum composite sample numbers for estimation.
- No cut-offs or cut-overs were used for the reporting of the DSO hematite Mineral Resources, with the exception of:
 - Mineral Resources at Metzimevin have a 50% Fe cut-off.
 - Hypogene domains have a 50% Fe cut-off.
 - High Phos domains have a 50% Fe cut-off and 0.3% P cut-over.
- No cut-offs or cut-overs were used for the reporting of the itabirite hematite Mineral Resources, with the exception of:
 - Hypogene domains have a 50% Fe cut-over.
 - High Phos domains have a 50% Fe cut-off and 0.3% P cut-over.
- Sundance stated the Mineral Resource classification was based on geological continuity, data quality, drill hole spacing, modelling technique used and estimation properties (including search strategy, number of informing composites, average distance of composites from blocks and relative kriging variance).

Table 2-7 to Table 2-9 tabulates the Mineral Resources according to the material types. The DSO hematite Mineral Resources are planned to be mined in Stage 1 of the Project with studies completed to a DFS level. It is expected that all the Surficial and most of the Supergene materials will be processed through simple DSO plants at each mine site. These have simple crushing and dry screening stages to produce a fines product. The remainder of the Supergene and most of the transitional material are expected to be processed through gravity beneficiation plants at each mine site. These plants have additional wet screening, desliming, fines classification, gravity separation and product dewatering to produce a fines product. The products from each plant are blended at each site, and the products from each mine are blended at the port to produce a consistent product for shipping.

The remainder of the transitional material and all the Itabirite hematite material are planned to be mined and processed in Stage 2 of the Project. The technical studies for this stage are completed to a PFS level. These studies show that considerable upgrades to the processing, water storage, power

requirements and tailings storage are required to process the Itabirite material to an acceptable fines product.

SRK notes that the technical detail with respect to the Mineral Resources included in the 2015 DFS update was extensive and thorough. In SRK's opinion, the stated Mineral Resources have been prepared to a sufficient quality standard and reported in accordance with the guidelines of the JORC Code (2012). As such, these estimates are considered to be reasonable and appropriate for valuation purposes.

Table 2-7: Total Hematite DSO Mineral Resources from Mbarga deposits by domain

Deposit	Domain	Resource Category	Density (t/m ³)	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Mbarga	Surficial	Indicated	2.4	36.5	53.0	7.3	9.8	0.13	6.1
	Supergene	Indicated	2.8	66.8	65.2	3.6	1.6	0.07	1.2
	Hypogene ¹ (above 700 mRL)	Indicated	3.2	3.7	53.0	21.5	1.5	0.07	0.7
	Hypogene ¹ (below 700 mRL)	Indicated	3.2	30.1	54.0	20.8	0.9	0.09	0.4
		Inferred	3.2	13.6	53.4	20.6	1.5	0.09	0.6
	Transitional	Indicated	2.9	67.0	51.8	21.3	2.5	0.06	1.5
	Phosphorus ²	Indicated	2.8	2.0	62.5	3.7	2.8	0.24	3.2
	Subtotal	Indicated		206.1	56.8	12.8	3.2	0.08	2.1
		Inferred		13.6	53.4	20.6	1.5	0.09	0.6
	Total			219.8	56.6	13.3	3.1	0.08	2.0
Mbarga South ³	Surficial	Indicated	2.4	3.0	52.6	6.9	10.1	0.07	7.0
	Supergene	Indicated	2.8	6.5	61.9	5.0	3.0	0.07	3.0
	Transitional	Indicated	2.9	15.4	51.2	19.7	3.7	0.06	3.1
	Total	Indicated		24.8	54.1	14.3	4.3	0.06	3.5
Metzimevin ⁴	Supergene	Inferred	2.8	15.2	59.5	12.6	4.1	0.08	2.0
	Total	Inferred		15.2	59.5	12.6	4.1	0.08	2.0
	Surficial	Indicated	2.4	39.5	53.0	7.3	9.9	0.13	6.2
	Supergene	Indicated	2.8	73.3	64.9	3.7	1.7	0.07	1.3
Total Mbalam High Grade Hematite Resource		Inferred	2.8	15.2	59.5	12.6	4.1	0.08	2.0
	Hypogene ¹ (above 700 m RL)	Indicated	3.2	3.7	53.0	21.5	1.5	0.07	0.7
	Hypogene ¹ (below 700 m RL)	Indicated	3.2	30.1	54.0	20.8	0.9	0.09	0.4
		Inferred	3.2	13.6	53.4	20.6	1.5	0.09	0.6
	Transitional	Indicated	2.9	82.4	51.7	21.0	2.7	0.06	1.8
	Phosphorus ²	Indicated	2.8	2.0	62.5	3.7	2.8	0.24	3.2
	Subtotal	Indicated		230.9	56.5	13.0	3.4	0.08	2.2
		Inferred		28.8	56.6	16.4	2.9	0.08	1.3
	Total			259.8	56.5	13.4	3.3	0.08	2.1

1. Hypogene domain has a 50% Fe cut-off applied.
2. High Phos domain has 0.3% P cut-over and a 50% Fe cut-off applied.
3. No cut-offs or cut-overs have been applied to the Mbarga South Mineral Resources.
4. A 50% Fe cut-off has been applied to the Metzimevin Mineral Resources.

Table 2-8: Total Hematite DSO Mineral Resources from Nabeba Deposits by Domain

Deposit	Domain	Resource Category	Density (t/m ³)	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Nabeba	Surficial	Indicated	2.5	85.1	55.3	3.7	9.2	0.15	7.1
	Supergene	Indicated	2.65	263.3	61.9	3.7	3.4	0.10	3.3
	Subgrade Supergene	Indicated	2.5	77.2	54.4	11.0	5.3	0.12	4.6
	Transitional	Indicated	2.65	57.6	49.6	21.2	3.8	0.07	3.2
	Phosphorus ⁵	Indicated	2.9	2.5	63.6	1.1	2.4	0.21	4.7
	Total	Indicated		485.7	58.1	7.0	4.8	0.11	4.2
Nabeba South ⁶	Surficial	Indicated	2.5	0.8	55.9	2.7	8.9	0.11	7.7
	Supergene	Indicated	2.65	5.0	61.9	3.1	2.3	0.11	5.4
	Subgrade Supergene	Indicated	2.5	1.9	54.0	8.8	4.5	0.15	8.1
	Transitional	Indicated	2.65	2.3	50.5	13.8	4.8	0.13	7.5
	Total	Indicated		9.9	57.3	6.6	3.8	0.12	6.6
Nabeba Northwest ⁶	Surficial	Indicated	2.5	9.7	53.2	5.2	8.0	0.09	9.4
	Supergene	Indicated	2.65	9.3	57.0	5.2	3.8	0.13	8.0
	Subgrade Supergene	Indicated	2.5	14.7	53.8	7.7	5.1	0.09	7.9
	Transitional	Indicated	2.65	16.6	49.4	15.0	5.6	0.07	6.9
	Total			50.3	52.8	9.2	5.6	0.09	7.9
Total Nabeba High Grade Hematite Resource	Surficial	Indicated	2.5	95.6	55.1	3.9	9.0	0.14	7.3
	Supergene	Indicated	2.65	277.6	61.8	3.8	3.4	0.10	3.5
	Subgrade Supergene	Indicated	2.5	93.8	54.3	10.5	5.3	0.12	5.2
	Transitional	Indicated	2.65	76.5	49.6	19.7	4.2	0.07	4.1
	Phosphorus ⁵	Indicated	2.9	2.5	63.6	1.1	2.4	0.21	4.7
	Total	Indicated		545.9	57.6	7.2	4.8	0.11	4.6

1. High Phos domain has a 0.3% P cut-over applied.
2. No cut-offs or cut-overs have been applied to the Nabeba South and Nabeba Northwest Mineral Resources.

Table 2-9: Total Itabirite hematite Resource at Mbarga and Nabeba Deposits

Deposit	Domain	Resource Category	Density (t/m ³)	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	
Mbarga	Itabirite	Indicated	3.26	1,717.0	33.9	48.5	1.5	0.04	0.6	
		Inferred	3.26	1,995.1	31.2	49.3	3.0	0.04	1.4	
	Hypogene ⁷ (above 700 m RL)	Indicated	3.2	28.2	42.8	37.6	0.4	0.05	0.3	
		Inferred	3.2	0.1	40.4	41.1	0.3	0.03	0.2	
	Hypogene ⁷ (below 700 m RL)	Indicated	3.2	101.2	43.6	41.0	0.3	0.03	0.2	
		Inferred	3.2	71.6	43.6	36.5	0.4	0.06	0.3	
	Phosphorus ⁸	Inferred	2.8	11.1	59.2	2.9	3.3	1.79	4.6	
	Subtotal	Indicated			1,846.4	34.6	47.7	1.5	0.04	0.6
		Inferred			2,077.8	31.8	48.6	2.9	0.05	1.3
	Total				3,924.2	33.1	48.2	2.2	0.05	1.0
Nabeba	Itabirite	Inferred	2.9	1,714.3	34.1	42.3	2.7	0.05	2.6	
		Total		1,714.3	34.1	42.3	2.7	0.05	2.6	
	Subtotal	Indicated			1,846.4	34.6	47.7	1.5	0.04	0.6
		Inferred			3,792.1	32.8	45.8	2.8	0.05	1.9
Total				5,638.5	33.4	46.4	2.4	0.05	1.5	

1. Hypogene domain has 50% Fe cut-over applied.

2. Phos domain has a 0.3% P cut-off applied.

2.6 Other Technical studies

ProMet Engineers completed the first scoping study in 2006 followed by a PFS in 2008 and a DFS in 2011. Updates to the Project were completed in 2013 and 2015. Table 2-10 summarises the work completed on the Mbalam-Nabebe Project to date.

Table 2-10: Study work completed for the Mbalam-Nabebe Project

Scope of work	Contributing company	Date of study
Scoping Study	ProMet Engineers Pty Ltd	August 2006
PFS focusing on rail and port infrastructure	WorleyParsons	January 2008
Maiden Mineral Resource estimation	Widenbar and Associates, Perth	May 2008
Resource definition drilling		2007–2010
Survey control for exploration grid, drilling, collar	Sundance Resources Ltd	
Geodetic survey	Integrated Mapping Solutions	
LiDAR survey	Southern Mapping Company (SMC), South Africa	
Establishment of ground control survey stations	Precision Survey and Mapping (PS & M)	
Environmental and Social Assessment (Cameroon) submitted	Sundance	
Metallurgical Testwork Program		2009 and 2010
SAG Mill Comminution (SMC) tests	AMMTEC Metallurgical Laboratory, Perth	
Interpretation and ranking of SMC tests	JKTech Pty Ltd	
Screenability testwork	SGS Orestest Laboratory	
Mineralogy	SGS Orestest Laboratory	
Heavy Liquid Separation (HLS) testwork	AMMTEC Metallurgical Laboratory, Perth	
Crushability and Abrasivity	Metso Minerals	
Drainage Testwork	Tunra Bulk Solids Laboratory	
Gravity Upgrading Testwork	Allied Mineral Laboratory	
Definitive Feasibility Study		March 2011
Land and Legal/Government Negotiations	Blakiston & Crabb Lawyers	
Environmental (Note – Environmental and Social Assessment study was submitted in March 2010)		No update
Ore processing and materials handling	Lycopodium Minerals, Perth	
Geotechnical and Hydrological	Knight Piésold	
Mineral Resource Update	Widenbar and Associates, Perth	
Mine design and Ore Reserve estimation	AMC Consultants, Perth	
Port design	Artelia Groupe (former Sogreah)	

Scope of work	Contributing company	Date of study
Pre-feasibility report on hydroelectric options for itabirite treatment phase of the Project	EDF Hydro Engineering Centre, Le Bourget du Lac, France	
Railway system design	Calibre Rail of Perth	
Feasibility Update	Sundance Resources Ltd	March 2013
Land and Legal/ Government Negotiations	Gilbert + Tobin Lawyers	Updated
Environmental	Sundance Resources Ltd	No additional studies
Social/ Community/ Land Access	Sundance Resources Ltd	No additional studies
Geology and Mineral Resource	Widenbar & Associates Pty Ltd/ Sundance Resources Ltd	Updated
Mining and Ore Reserve	AMC Consultants Pty Ltd (Note - 2012 DFS operating and capital costs were used)	Updated
Metallurgy	Manifold Minmet Engineering	No additional studies
Process Plant and Mine Site Infrastructure	Lycopodium Minerals Pty Ltd/ Sundance Resources Ltd	No additional studies
Rail	Calibre Rail Pty Ltd	No additional studies
Port	Artelia Groupe (former Sogreah)	No additional studies
Marketing	Sundance Resources Ltd	Updated
Financial Analysis/ Economic Viability	Sundance Resources Ltd	Updated
Feasibility Update	Sundance Resources Ltd	May 2015
Land and Legal/ Government Negotiations		Updated
Environmental		No additional studies
Social/ Community/ Land Access		No additional studies
Geology and Mineral Resource	Widenbar & Associates Pty Ltd, Perth	Updated
Mining and Ore Reserve	AMC Consultants Pty Ltd/ Sundance (Note: 2012 operating and capital costs were used)	Updated
Metallurgy	Manifold Minmet Engineering (Additional sinter testwork completed)	Updated
Process Plant and Mine Site Infrastructure	Aurecon	No additional studies
Rail	Calibre Rail Pty Ltd - Updated mine to port scheduling study (INDEC) Road and rail geotechnical study	New studies
Port	Artelia Groupe (former Sogreah)	No additional studies
Marketing	Sundance Resources Ltd	Updated
Financial Analysis/ Economic Viability	Sundance Resources Ltd	Updated

On 20 May 2015, Sundance reported a DSO hematite Ore Reserve estimate of 517 Mt at a grade of 62.2% Fe. This estimate was classified and reported in accordance with the JORC Code (2012) guidelines (Table 2-11).

Table 2-11: Total hematite Ore Reserve estimates of Mbalam-Nabeba Iron Ore Project

Deposit	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Mbalam (All Products)	Probable	154	62.9	5.16	2.81	0.08	2.3
Nabeba (All Products)	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

Note: Ore Reserves are classed as Probable, based on the conversion of Indicated Mineral Resource. Ore Reserves represent the estimated saleable product. The product is 100% fines

Table 2-12 presents further detail on the Ore Reserve estimates by process plant.

Table 2-12: Total hematite Ore Reserves estimates

Ore Reserves December 2012	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Mbarga and Mbarga South							
DSO product	Probable	77.4	62.1	4.02	3.92	0.09	2.79
Transitional gravity beneficiated product	Probable	76.4	63.8	6.32	1.69	0.06	1.93
Total Mbarga and Mbarga South product	Probable	154	62.9	5.16	2.81	0.08	2.37
Nabeba, Nabeba Northwest and Nabeba South							
DSO product	Probable	242.8	62.7	3.43	3.03	0.10	3.24
Subgrade and Transitional gravity beneficiated product	Probable	120.4	60.2	5.65	2.30	0.10	4.78
Total Nabeba, Nabeba Northwest and Nabeba South	Probable	363	61.9	4.17	2.79	0.10	3.75
Total Ore Reserves	Probable	517	62.2	4.46	2.80	0.09	3.31

Since the Ore Reserve estimates and feasibility studies were reported, there have been significant changes to the tenure (permitting), price, cost, geopolitical and contractual basis of the Ore Reserve estimates. Further, the proposed rail infrastructure corridor remains undeveloped. SRK therefore considers that the Ore Reserve estimates do not have a reasonable basis.

2.7 Environment

The Cameroon ESIA (Environment and Social Impact Assessment) Certificate of Environmental Conformity was validated by the Ministry of Environment and Sustainable Development (MINEPDD) in Cameroon in August 2014. This document is reviewed annually by the Ministry and confirms that the Cam Iron SA work program is in compliance with the Environmental and Social Management Plan. SRK understands that the compliance certificates since 2015 have not been validated for the Mbarga Permit.

Congo Iron SA received a Certificate of Environmental Conformity for the Nabeba Permit in August 2012 following the approval of the ESIA by the inter-ministerial committee and subsequently renewed in August 2014 by the Congolese Minister of Tourism and the Environment for three additional years. The certificate expired in 2017, and SRK understands this certificate has not been renewed as at the

date of this Report.

2.8 Other considerations

2.8.1 Geopolitical and infrastructure risk

The Project straddles the country border between Cameroon and Congo in Central Africa. Both countries are considered to have a country risk that rates as high, with a poor business climate. Cameroon was ranked 167th out of 190 and Congo was ranked 180th out of 190 countries on the 2019 World Bank Ease of Doing Business Index (EBI). The EBI measures regulations directly affecting businesses but does not directly measure more general conditions such as a nation's proximity to large markets, quality of infrastructure, inflation, or crime rates. These rankings are an improvement on previous years, with both countries having improved access to credit information by establishing a framework through the Central African Economic and Monetary Community for the licensing and operation of credit bureaus.

Both countries are party to the following international environment agreements – Convention on Biological Diversity (1993), United Nations Framework Convention on Climate Change (1994), Kyoto Protocol to the United Nations Framework Convention on Climate Change (2005), United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (1996), Convention on the International Trade in Endangered Species of Wild Flora and Fauna (CITES) (1975), Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (1992), United Nations Convention on the Law of the Sea (LOS) (1994), Montreal Protocol on Substances That Deplete the Ozone Layer (1989), International Tropical Timber Agreement, 2006 (2011), Protocol of 1978 Relating to the International Convention for the Prevention of Pollution From Ships, 1973 (MARPOL) (1983), Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar) (1975), and International Convention for the Regulation of Whaling (1948).

Additionally, the Congo is party to the Convention on Fishing and Conservation of Living Resources of the High Seas (1966) and Cameroon is party to the Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques (1978).

Both countries participate in the following international organisations – African, Caribbean and Pacific Group of States (ACP Group) (1975), Central African States Development Bank (1975), African Development Bank Group (1964), African Union (2001), Central African States Development Bank (1975), Economic and Monetary Community of Central Africa (1966), Extractive Industry Transparency Initiative (compliant country) (2002), Food and Agriculture Organization (1945), Franc Zone (1964), Group of 77 (1964), International Atomic Energy Agency (1957), International Bank for Reconstruction and Development (1945), International Civil Aviation Organization (1947), International Criminal Court (2002), International Red Cross and Red Crescent Movement (1928), International Development Association (1960), International Fund for Agricultural Development (1974), International Fund for Agricultural Development (Aid recipient) (1974), International Federation of Red Cross and Red Crescent Societies (1919), International Labor Organization (1919), International Monetary Fund (1945), International Maritime Organization (1948), International Criminal Police Organization (Interpol) (1923), International Olympic Committee (1894), International Organization for Migration (1989), Inter-Parliamentary Union (1989), International Organization for Standardization (correspondent) (1947), International Telecommunication Satellite Organization (1964), International Telecommunication Union (1947), International Trade Union Confederation (2006), Multilateral Investment Guarantee Agency (1988), Nonaligned Movement (1961), Organization for the Prohibition of Chemical Weapons (1997), United Nations (1945), United Nations Conference on Trade and Development (1964), United Nations Educational, Scientific, and Cultural Organization (1946), United

Nations High Commissioner for Refugees (1951), United Nations Industrial Development Organization (1967), United Nations Institute for Training and Research (1965), Universal Postal Union (1948), World Customs Organization (1950), World Federation of Trade Unions (NGOs) (1945), World Health Organization (1948), World Intellectual Property Organization (1970), World Meteorological Organization (1951), World Trade Organization (1995).

Republic of Cameroon

Originally a German colony, Cameroon was divided between French and British sovereignty after the First World War. In 1960, French Cameroon became an independent republic, amalgamating with the southern part of British Cameroon in 1961 to form the Republic of Cameroon. The country was renamed the United Republic of Cameroon in 1972 and renamed again as the Republic of Cameroon in 1984. The legal system is based on the French civil law system.

Cameroon's ruling party, the Cameroon People's Democratic Movement (CPDM), has long dominated the country's political landscape, occupying 148 of 180 seats in the National Assembly and 81 of 100 in the Senate. In November 2018, disputed election results returned President Paul Biya to office. At 85 years old, Paul Biya, who has held power since 1982, is now serving his seventh term as the country's president.

Cameroon is the largest economy in the Central African Economic and Monetary Community (CEMAC), a region experiencing an economic crisis triggered by the steep fall in oil prices.

Cameroon retains strong cultural and economic ties with France, which is its main trading partner and main source of private investments and foreign aid. Cameroon's major exports are crude oil and petroleum products, lumber, cocoa beans, aluminium, coffee and cotton, exporting to Netherlands 15.6%, France 12.6%, China 11.7%, Belgium 6.8%, Italy 6.3%, Algeria 4.8% and Malaysia 4.4% (2017). China has a number of health and infrastructure projects in Cameroon, with an interest in exploiting its natural resources. Cameroon imports machinery, electrical equipment, transport equipment, fuel and food, with its major import partners being China 19%, France 10.3%, Thailand 7.9% and Nigeria 4.1% (2017).

Cameroon's economy suffers from factors that often impact underdeveloped countries, such as stagnant per capita income, a relatively inequitable distribution of income, a top-heavy civil service, endemic corruption, continuing inefficiencies of a large parastatal system in key sectors, and a generally unfavourable climate for business enterprise.

Since 1990, the government has embarked on various IMF and World Bank programs designed to spur business investment, increase efficiency in agriculture, improve trade, and recapitalise the nation's banks. The IMF continues to press for economic reforms, including increased budget transparency, privatisation, and poverty reduction programs. The Government of Cameroon provides subsidies for electricity, food and fuel that have strained the federal budget and diverted funds from education, healthcare and infrastructure projects, as low oil prices have led to lower revenues.

Cameroon devotes significant resources to several large infrastructure projects currently under construction, including a deepwater port in Kribi and the Lom Pangar Hydropower Project. Cameroon's energy sector continues to diversify, recently opening a natural gas-powered electricity generating plant. Cameroon continues to seek foreign investment to improve its inadequate infrastructure, create jobs and improve its economic footprint, but its unfavourable business environment remains a significant deterrent to foreign investment.

While the country is an important supplier of agricultural and petroleum products and is rich in many natural resources, including iron ore, it does not yet have a well-developed mining industry.

Cameroon's infrastructure is partially developed, but inadequate investments have allowed some resources to deteriorate and lack of adequate infrastructure has impeded economic development in certain areas. Cameroon has developed a network of hydroelectric power stations that provide most of its electricity, while the telecommunications sector, previously stifled by government monopoly, has recently seen a surge in investment. Privatisation of the state electric, water and phone companies is expected to stimulate further investment in infrastructure.

Cameroon's road system is partially developed, but many rural roads are heavily eroded and poorly maintained. The road network is 77,589 km, only 5,155 km of which are paved (2017). Most provincial capitals are accessible through developed roads, but many rural areas are more difficult to reach, while mountainous terrain and annual torrential rains seriously degrade the road system in many areas.

A railroad links the port facilities in Douala to the capital city of Yaoundé and continues to the northern city of Ngaoundéré. In addition to serving Cameroon's capital city, this railway transports goods between Douala and Chad and the Central African Republic. Under public management, investments were limited and the railroad experienced frequent breakdowns until 1999, when the government railroad, Fercam, was renamed Camrail and sold to two foreign companies, Groupe Bolloré of France and Comazar of South Africa. These companies planned to invest nearly US\$50 million in infrastructure improvements. With increased traffic in materials for the Chad-Cameroon pipeline, Camrail hoped to raise its annual cargo from 2 Mt to 2.5 Mt. Cameroon has 987 km of narrow-gauge (1,000 mm) railway (2014).

Douala is one of Africa's largest ports, with annual traffic exceeding 5 Mt. In addition to serving Cameroon's interior regions, Douala also serves as a principal port for Chad, Congo and the Central African Republic. Douala has long been plagued by problems of slow, costly services and widespread corruption but, under pressure from the World Bank and the IMF, the government has begun drafting plans to reform Douala's port services. In early 2019 the Port Authority of Douala launched a restricted international tendering to select a new concessioner for the renovation, modernisation, operation and maintenance of the container terminal. In the longer term, the Kribi Deepwater Port is a 50,000 t container terminal and a 40,000 t multi-purpose terminal that was commissioned on 2 March 2018. The deepwater port's above average 16 m depth allows for large ships to be docked directly at Kribi, giving it a significant advantage over other West African deepwater ports. Between 2 March and 31 December 2018, an official traffic volume of 6.4 million tonnes, for 264 ship calls, was reported.

Cameroon has three international airports— in Douala, Yaoundé and Garoua — as well as eight smaller airports with paved runways. The national airline, Cameroon Airlines, provides services between Cameroon and several neighbouring countries, while Douala and Yaoundé are also served by several international airlines with connections to Paris and several cities throughout Africa.

Cameroon consumes approximately 6.4 billion kWh of electricity per year (2016) with 52% supplied by fossil fuels and 47% by hydroelectric power. The country's electricity grid is mainly confined to urban areas and industry consumes over half of the power supply. Cameroon possesses 1.3 GW of installed power capacity (2014), based on large-scale hydropower and hydrocarbon plants. To meet increased demand, the government has prioritised new large-scale hydropower and thermal generation plants.

Cameroon has three main grids that are independent of each other: the southern, the eastern and the northern grid. They vary in size; in 2014, the southern grid transmitted 5,698 GWh, while supply from the northern grid was 329 GWh and 56 GWh from the eastern grid.

The transmission (and distribution) grid grew by 15% (30%) between 2010 and 2014. Nonetheless, the power networks suffer from underinvestment. Distribution losses (31%) and transmission losses

(6%) are significant and increased in the period between 2005 and 2010.

The process of opening up the energy sector started in the late 1990s. The state-owned utility was privatised in 2001, now called ENEO. In 2011, the generation, transmission and distribution segments were separated; the state-run system operator, SONATREL (Société Nationale de Transport d'Electricité) was due to be fully operational in 2018.

The telecommunications equipment is outdated, and connections with many parts of the country are unreliable; the 3G service and LTE service are both developing, given growing competition, along with a fast-developing mobile broadband sector (2018). Approximately 3 per 100 persons have fixed-line subscriptions, though mobile cellular usage has increased sharply, reaching a subscribership base of over 79 per 100 persons (2018).

According to Control Risks, a global risk and strategic consulting firm specializing in political, security and integrity risk, Cameroon has the risk ratings shown in Table 2-13.

Table 2-13: Cameroon risk ratings

Country/ Province	Political	Operational	Security	Terrorism
Cameroon	Medium	High	Medium	Low
Areas of Extreme (Far) North region bordering Nigeria	Medium	High	High	High
Bakassi peninsula	High	High	Medium	Low
Border with Central African Republic	Medium	High	High	Low
Extreme North	Medium	High	High	High

Source: S&N Market Intelligence database (accessed 13/01/2020)

Broad political stability prevails under long-standing President Paul Biya, who maintains a highly centralised system of rule. Nonetheless, a lack of clarity around Biya's succession represents the main potential source of instability. Meanwhile, businesses operating in Cameroon face persistent integrity and regulatory risks stemming from poor governance, inconsistent enforcement of regulations and parallel channels of decision-making.

Gaps in key infrastructure and a bloated and inefficient bureaucracy present persistent challenges and a source of delays for investors. Cameroon was ranked 167th out of 190 countries in the World Bank's 2019 Doing Business report, where the lowest rank denotes the poorest performance.

The security environment presents persistent challenges for foreign investors, though it varies considerably in different parts of the country. Crime poses the main challenge to business. Meanwhile, a secessionist insurgency in the anglophone Northwest and Southwest regions poses severe security threats to operators in those areas. Attacks by Nigerian Islamist militant group Boko Haram drive security and terrorism threats in the northern border with Nigeria. Security risks are also high in the western Bakassi peninsula bordering Nigeria amid persistent tensions among local communities.

There is no history of domestic terrorism in Cameroon. Neither the capital Yaoundé nor the business hub of Douala have ever been the target of a terrorist attack. However, organisations operating in the Extreme North region are exposed to the cross-border activities of Nigerian Islamist militant group Boko Haram. Since 2014, the group has increasingly targeted the security forces, northern political figures and community leaders opposing its campaign, and civilians. Boko Haram has also abducted a number of foreign nationals from the Extreme North region since its first high-profile kidnap in February 2013. Amid international pressure, the government has deployed significant military reinforcements to the north since mid-2014. This has largely succeeded in containing the Boko Haram threat and preventing the group from gaining a territorial foothold in the Extreme North region. Since

mid-2015, Boko Haram has increasingly shifted its tactics in the Extreme North region towards terrorist attacks in northern towns. Boko Haram will continue to pose a significant threat in areas bordering Nigeria.

Republic of the Congo

The Congo is a former French colony. Upon independence in 1960, the former French region of Middle Congo became the Republic of the Congo. The People's Republic of the Congo was a Marxist-Leninist single-party state from 1970 to 1991. Multi-party elections have been held since 1992, although a democratically elected government was ousted in a 1997 civil war. A new constitution adopted in 2002 provided for a multi-party system and a seven-year presidential term, and elections arranged shortly thereafter installed President Sassou Nguesso. Following a year of renewed fighting, President Sassou Nguesso and southern-based rebel groups agreed to a final peace accord in March 2003. Sassou Nguesso was re-elected in 2009 and, after passing a referendum allowing him to run for a third term, was re-elected again in 2016. In November 2017, a ceasefire agreement was signed between the Congolese Government and representatives of the former rebel leader, Frédéric Bintsamou (known as Pastor Ntoumi), who had reignited a rebellion in the Pool region following the 2016 presidential elections.

Peace and security have since gradually returned, while the government and the international community strive to consolidate the still-fragile peace in this southern department of the country.

It is a democratic republic with a multi-party system governed by a single dominant coalition that supports the president. The legal system is based on the French civil law system and customary law. The Republic of the Congo is also a member state of the OHADA, which provides for a standard system for the creation and administration of companies and related entities, and a Uniform Act on Arbitration, allowing recourse to a standard arbitration mechanism for the settlement of contractual disputes. It is also a member of the United Nations, African Union, African Development Bank, World Trade Organisation, Central African Customs and Economic Union, Economic Community of Central African States and Interpol.

The Republic of the Congo's economy is a mixture of subsistence farming, an industrial sector based largely on oil and support services, and government spending. Oil has supplanted forestry as the mainstay of the economy, providing a major share of government revenues and exports. Natural gas is increasingly being converted to electricity rather than being flared, considerably improving energy prospects. New mining projects, particularly iron ore, which entered production in late 2013, may add as much as US\$1 billion to annual government revenue. The Republic of the Congo is a member of the Central African Economic and Monetary Community (CEMAC) and shares a common currency – the Central African Franc – with five other member states in the region.

The World Bank notes the drop in oil prices that began in 2014 has constrained government spending; lower oil prices forced the government to cut more than US\$1 billion in planned spending. The fiscal deficit amounted to 11% of gross domestic product (GDP) in 2017. The government's inability to pay civil servant salaries has resulted in multiple rounds of strikes by many groups, including doctors, nurses and teachers. In the wake of a multi-year recession, the country reached out to the IMF in 2017 for a new program; the IMF noted that the country's continued dependence on oil, unsustainable debt, and significant governance weakness are key impediments to the country's economy. In 2018, the country's external debt level will approach 120% of GDP. The IMF urged the government to renegotiate debts levels to sustainable levels before it agreed to a new macroeconomic adjustment package. After the profound economic crisis that plagued the country from mid-2014 following the decline in oil prices, the Congolese economy resumed an upward trajectory in 2018 with real GDP growth projected to reach 1.6% after two years of negative growth.

Growth was driven by the increase in oil production and by favourable market conditions, with oil prices holding steady in late 2018 and the resumption of demand from partner emerging countries. Nevertheless, the non-oil sector continues to decline, contracting by 5.5% as a result of the weakening of activity in construction and public works, transport and telecommunications.

Inflation remained contained at 1.2% in 2018 owing to weak domestic demand and a tightening monetary policy. The country's debt burden has decreased but remains unsustainable despite the signature of a debt restructuring agreement with China in April 2019. The country will also have to restructure its domestic debt and other commercial debt with oil traders.

The World Bank projects economic growth to reach 5.4% in 2019, then continue its trajectory, gaining an average of 1.8% per year for the period 2020-21. This outlook is based on a strong hydrocarbon sector and the upturn in investments from 17.1% of GDP in 2018 to 22.7% of GDP in 2019-21, assuming favourable oil prices and budget surpluses.

During the same period, non-oil growth, driven primarily by industry, construction and agriculture, is expected to average 3%, hinging on restoring the confidence of the private sector and implementing structural reforms aligned with the economic and financial program of the Economic and Monetary Community of Central Africa (CEMAC).

Major exports include petroleum, lumber, plywood, sugar, cocoa, coffee and diamonds, with exports destined for China 53.8%, Angola 6.2%, Gabon 5.7%, Italy 5.4%, Spain 5.4% and Australia 4.8% (2017). China has a number of health and infrastructure projects in Cameroon, with an interest in exploiting its natural resources. Cameroon imports capital equipment, construction materials and food – its major import partners being France 15%, China 14%, Belgium 12.2% and Norway 8.1% (2017).

The International Trade Centre reported in 2013 that infrastructure is a key to the diversification of the Republic of the Congo's economy. According to the US Department of State (2013), weak infrastructure, particularly poor transportation systems, lack of broadband internet, and inconsistent electric and water supply, remains among major hurdles for local economic development. For example, inefficiency in the power sector creates significant hidden costs and drives power tariff increases. Power outages are frequent and 82% of businesses have generators that cover more than half of their needs at high costs. The country's information and communications technology (ICT) sector has been developed under the sector strategy, with an aim to become a regional ICT hub. A legal and policy framework for regulation of the telecommunication sectors has increased competition in the country's mobile phone sector. However, fixed telephone contracts are under the public monopoly with low penetration, which is a constraint to raising internet penetration. The country's road network is currently undergoing a major paving and restoration effort that includes a new Pointe-Noire corridor towards the Central African Republic. The project will help to improve transit efficiency. The Republic of the Congo has one of the leading ports in the Gulf of Guinea region with the potential to become an increasingly important hub through the massive recent investment to expand capacity, improve connecting infrastructure and ease bureaucratic procedures.

The Republic of the Congo's road system is partially developed, but many rural roads are heavily eroded and poorly maintained. The road network 23,324 km, only 3,111 km of which are paved (2017). Like Cameroon, most provincial capitals are accessible through decent roads, but many rural areas are more difficult to reach. The two main roads are the RN1 and RN2. The RN1 links Brazzaville with Pointe-Noire and a total length of 548 km is now fully completed, asphalted and in very good condition, making it possible to reach the coast in 9 hours. The RN2, linking Brazzaville to Ouésso in the north, is 820 km long. It is fully paved, but some areas are in a bad condition. At present, the time needed to reach Ouésso is about 11 hours.

There were 5,138 km of railways in 1995, but most of these were destroyed or damaged during the

wars of the late 1990s. The Congo railway system is managed by Le Chemin de Fer Congo-Océan (CFCO), a public company with financial autonomy created in its present form in 2000. The CFCO takes care of the current maintenance of the network while major reparations are outsourced to private companies through public tenders. The railway system is widely used for cargo as well as passengers. The major railway line in the Republic of the Congo leads from Pointe-Noire to Brazzaville. The railway connection arrives at the river port of Brazzaville. However, due to security constraints in the Pool region, the railway connection from Pointe-Noire to Brazzaville is presently interrupted and commercial and passenger trains exiting Pointe-Noire stop in Loutete, a station located about 240 km from Brazzaville. Two bridges along the line were damaged and are currently out of order. There is currently no railway traffic exiting Brazzaville. The line between Belinga and Dolisie is divided in two sections, the northern and southern line. The southern deviation connects eight stations for passenger traffic. The northern line goes through the Niari region from Mont Belo to Mbinda at the border with Gabon.

A Logistics Capacity Assessment (LCA) reports the availability of wagons is very unpredictable and sometimes causes delays in the distribution planning. The railway in the Republic of the Congo is not electrified and traction is provided by diesel locomotives. The current available operational equipment has decreased in recent years, bringing down the number of operational locomotives from 31 in 2014 to 15 in 2018.

The Port of Pointe-Noire is the only seaport of the Republic of the Congo. Pointe-Noire port is a deepwater port with a draft up to 16 m and can accommodate larger vessels up to 300 m in length and with capacity of 8000 TEUs (twenty-foot equivalent units).

The civil aviation sector in the Republic of the Congo is regulated by the Ministry of Transport and Civil Aviation while the National Civil Aviation Agency (ANAC) is the Government agency that manages and administers the network of 23 notable airports, including international airports in Brazzaville (Maya-Maya) and Pointe-Noire (Agostino Neto), another airport approved for international flights (Oyo Ollombo airport). A new airport terminal and a new runway have been recently built at the airport of Brazzaville and a new terminal was inaugurated in 2016 in the Pointe-Noire airport to increase the passenger capacity.

The Republic of the Congo consumes approximately 912 million kWh of electricity per year (2016), with 64% supplied by fossil fuels and 36% by hydroelectric power. The country's electricity grid is mainly confined to urban areas (74.2%) and industry consumes over half of the power supply. The Republic of the Congo possesses 591,500 kW of installed power capacity (2016), based on large-scale hydropower and hydrocarbon plants. To meet increased demand, the government has prioritised maintenance and increasing production of hydropower plants.

The IMF reported that in June 2017 the Congolese government changed the regulatory framework through the adoption of an implementation decree for the electricity code that liberalises the sector. The law on the dissolution of the National Electricity Company (Société Nationale d'Electricité – SNE) was adopted in April 2018 followed by a government commitment to set up a shareholding company. A set of reforms for the electricity sector has been prepared with World Bank assistance, including a new electricity code, with the following objectives:

- opening up the sector to private sector competition and participation (independent electricity producers)
- privatising the public services of segments of the sector (transport, distribution and marketing)

- arranging new electricity rates in urban and rural areas; the government will be assisted by development partners and the private sector in its actions, particularly in:
 - restoring the hydroelectric power plants of Moukoulou, Imboulou and Djoué
 - increasing electricity production capacity (preparation of the project of the hydropower plant of Sounda, hydropower development of the Louesse Valley, putting the Djeno power station into service), extending the Congo power station (CEC construction of a solar field for the electrification of the city of Impfondo)
 - constructing the Makoua/Liouesso very high voltage power line
 - improving the transit capacity of the very high voltage line (THT) Pointe-Noire/ Brazzaville
 - implementing the investment program financed by the World Bank and the French Development Agency (AFD) in the electricity sector.

The CIA World Factbook notes the primary telecommunications network consists of microwave radio relay and coaxial cable, with services barely adequate for government use. The key exchanges are in Brazzaville, Pointe-Noire and Loubomo, with the intercity lines frequently out of order (2018). The fixed-line infrastructure is inadequate, providing less than 1 connection per 100 persons. In the absence of an adequate fixed-line infrastructure, mobile cellular subscribership has surged to 102 per 100 persons.

According to Control Risks, the Republic of the Congo has the risk ratings shown in Table 2-14.

Table 2-14: Republic of the Congo risk ratings

Country/ Province	Political	Operational	Security	Terrorism
The Republic of the Congo	Medium	High	Low	Insignificant
Pool region	Medium	High	Medium	Low

Source: S&N Market Intelligence database (accessed 13/01/2020)

Despite the country's Marxist-Leninist past, the government is open to foreign investment. However, political interference and corruption continue to undermine business operations, while policymaking is opaque and largely restricted to Sassou's family and the Mbochi ethnic group.

The operational environment is challenging. A history of conflict and under-investment means that infrastructure is poor, particularly outside the strategically important oil sector, though the situation is improving as a result of considerable investment in recent years. The bureaucracy is cumbersome, over-staffed, inefficient and slow; corruption remains pervasive at all levels of the administration, and the judiciary is not always reliable.

The security environment poses few threats to business operations. Crime levels remain low. The signing of a ceasefire in the Pool region in 2017 following a resumption of attacks by Ninja rebels the previous year has reduced security risks in the region. Opposition protests take place around elections, but do not generally escalate and are unlikely to threaten stability. International terrorism does not pose a threat.

The Republic of the Congo has no history of terrorism, and there are no known domestic or transnational terrorist groups operating in the country. Although transnational militant groups such as al-Qaida in the Islamic Maghreb (AQIM) have in recent years increasingly targeted countries with ties to France, such as Mali, Burkina Faso and Cote d'Ivoire, the Republic of the Congo is thousands of miles away from militant strongholds in the Sahel. The threat of extremist groups targeting the Republic of the Congo is insignificant.

Other countries

For comparison purposes, Table 2-15 presents the risk ratings for other countries with comparable geopolitical and infrastructure risk ratings.

Table 2-15: Risk rating of other countries for comparison purposes

Country	Risk Rating			
	Political	Operational	Security	Terrorism
Australia	Low	Insignificant	Low	Low
Cameroon	Medium	High	Medium	Low
Liberia	Medium	High	Medium	Low
Mauritania	High	High	Medium	Medium
Republic of the Congo	Medium	High	Low	Insignificant
Sierra Leone	Medium	High	Medium	Low
South Africa	Medium	Medium	Medium	Low

Source: S&P Global Market Intelligence (Control Risks)

2.8.2 Commodity prices

SRK has carried out a limited analysis of the global iron ore markets to provide an understanding of the iron ore price trend and future forecast. Global iron ore prices have been historically volatile over the last four years (Figure 2-9).

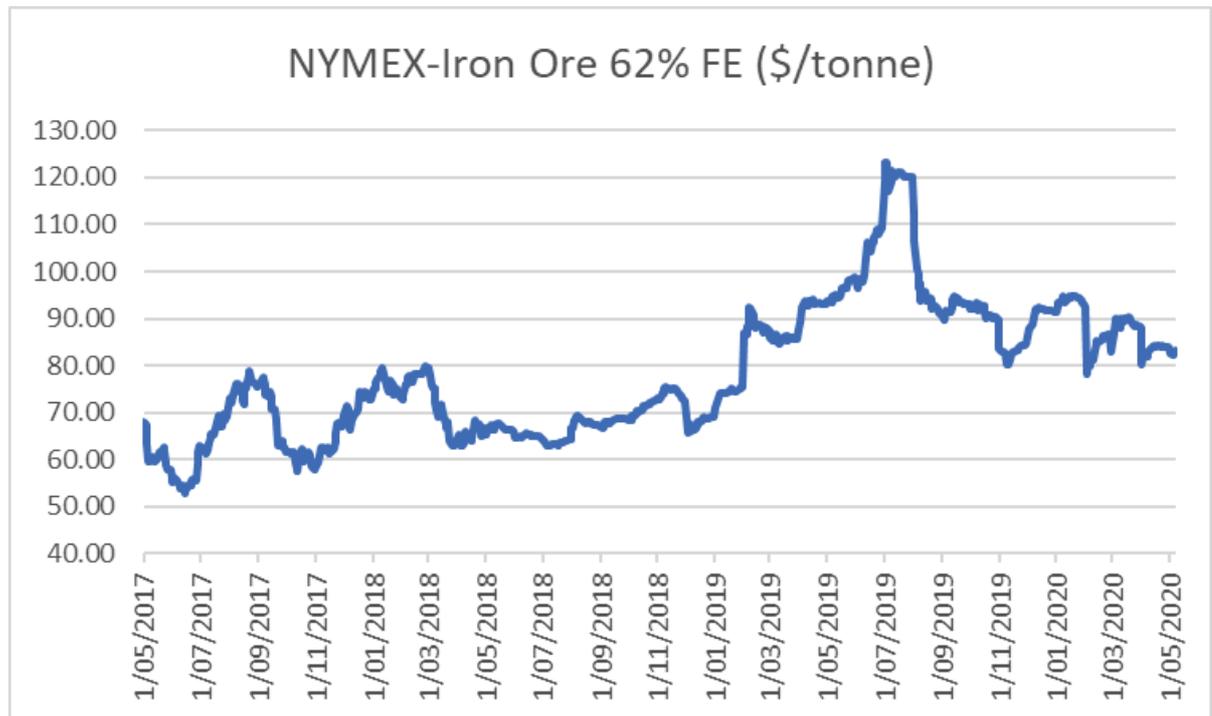


Figure 2-9: Iron ore price history

According to the Australian Government Resources and Energy Quarterly March 2020 Edition, a gradual price decline is expected over the next few years. Prices face downward pressure in the near term, due to the impact of the COVID-19 outbreak and flat global steel demand. Uncertainty created by COVID-19 is assumed to recede in the second half of 2020. Real prices are expected to fall to US\$78 a tonne in the June quarter 2020, and US\$71 a tonne by the March quarter 2021. The market balance is forecast to move from a 20 million tonne deficit in 2020 to a small surplus by 2022, as

production returns to normal in Brazil and rises elsewhere. This shift is expected to result in further price falls with prices reaching US\$56 a tonne by 2025 in real terms

Several projects in Africa are expected to ramp up over the next two to three years. These include the Glencore and Zanaga joint venture in the Republic of Congo, which is expected to supply 2 Mt of high-grade iron ore in 2020. The Sapro Group also commenced a project in the DRC in mid-2019. Output from the Sapro mine is expected to be 12 Mt by 2022. The SMB Simandou Block I and II project is estimated to be in production by 2025.

2.8.3 Previous Valuations

SRK is aware of previous valuations prepared by Optiro Pty Ltd (Optiro) and Ernst & Young Transaction Advisory Services Limited (EY) in July 2012. The valuations were included in a Scheme Booklet relating to Hanlong Mining Investment Pty Limited's (Hanlong's) intended conditional cash offer for the remaining shares in Sundance that it did not own. The Scheme Booklet was reported to the ASX on 12 November 2012. EY assessed a fair value for the Project's hematite DSO Ore Reserves and Mbarga Itabirite Mineral Resources as at 20 June 2012. The primary valuation was based on a discounted cashflow (DCF) methodology which forecasts cashflows based on the Life of Mine (LOM) schedule (the 2012 LOM Model) provided by Sundance. Optiro valued the Mineral Resources and exploration potential outside of the 2012 LOM Model using comparable transactions and joint venture terms.

EY determined a combined fair market value of between A\$1.2 billion and A\$2.0 billion, with a midpoint of A\$1.6 billion for Sundance at the time.

Since 30 July 2012, there have been significant increases in the declared Mineral Resources at the Project. Additionally, SRK notes market conditions have changed significantly since EY's valuation. In preparing this Report, SRK has considered EY's valuation, where applicable.

3 Valuation

In determining the appropriate parameters for valuation, SRK has considered the assessments that might be made by a willing, knowledgeable and prudent buyer in assessing the value of the Project and the Project's tenure. SRK has not valued Sundance or other entities, which are the beneficial owners of the mineral assets considered in this Report.

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

- 1 Market Approach
- 2 Income Approach
- 3 Cost Approach.

The *Market Approach* is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets, transacted in an open market (CIMVAL, 2003). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The *Income Approach* is based on the principle of anticipation of economic benefits and includes all methods that are based on the income or cashflow generation potential of the mineral asset (CIMVAL, 2003). Valuation methods that follow this approach include DCF modelling, Monte Carlo Analysis, Option Pricing and Probabilistic methods.

The *Cost Approach* is based on the principle of contribution to value (CIMVAL, 2003). Methods include the appraised value method and multiples of exploration expenditure, where expenditures are analysed for their contribution to the exploration potential of the mineral asset.

The applicability of the various valuation approaches and methods vary depending on the stage of exploration or development of the mineral asset, and hence the amount and quality of the information available on the mineral potential of the assets. Table 3-1 presents the various valuation approaches for the valuation of mineral assets at the various stages of exploration and development.

Table 3-1: Suggested valuation approaches according to development status

Valuation Approach	Exploration Projects	Pre-Development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015).

An income-based method, such as a DCF model is commonly adopted for assessing the Value of a Tenure containing a deposit where an Ore Reserve has been reported following an appropriate level of technical studies and to accepted technical guidelines such as the JORC Code (2012). However, an income-based method is not considered an appropriate method for deposits that are less advanced, i.e. where there is no reported Ore Reserve or where the Ore Reserve is not considered to be reasonable. The use of cost-based methods, such as considering suitable multiples of exploration expenditure is best suited to exploration properties, (i.e. prior to estimation of Mineral Resources).

Market based methods are considered to be suitable for the valuation of mineral assets at all stages of maturity.

The '**Market Value**' is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation date between a willing buyer and a willing seller in an arm's length

transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term Market Value has the same intended meaning and context as the International Valuation Standards Committee (IVSC) term of the same name. This has the same meaning as Fair Value in Regulatory Guide (RG) 111. In the 2005 edition of the VALMIN Code this was known as Fair Market Value.

The '**Technical Value**' is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

3.1 Valuation basis

The Mineral Resource estimates which form the basis for SRK's assessment of the Project's market value are presented in Table 3-2. SRK considers the Project best represents an Advanced Exploration Project as per the VALMIN Code (2015) definitions. The comparable transaction (market sales) approach has been selected by SRK as its primary valuation method for the valuation of the Projects Mineral Resources. Further support of the resultant implied values was carried out using peer analysis and metal yardstick factors methods of valuation (Table 3-3).

Table 3-2: Project Mineral Resources (Advanced Exploration)

Deposit	Iron Product	JORC Code (2012) Classification	Deposit size and grade
Mbalam	Hematite	Indicated	230.9 Mt grading 56.5% Fe
		Inferred	28.8 Mt grading 56.6% Fe
		Total	259.7 Mt grading 56.5% Fe
	Itabirite	Indicated	1,846 Mt grading 34.6% Fe
		Inferred	2,078 Mt grading 31.8% Fe
		Total	3,924 Mt grading 33.1% Fe
Nabeba	Hematite	Indicated	545.9 Mt grading 57.6% Fe
	Itabirite	Inferred	1,714 Mt grading 34.1% Fe

Source: Sundance Refer to the ASX Announcement dated 5 May 2015 for details of the cut-off grades applied.

Table 3-3: Valuation basis

Development Stage	Description of Project's mineral and tenure assets	Valuation basis
Advanced Exploration	Hematite DSO Mineral Resources	Market: Comparable transactions Cross-checks: Peer analysis & Yardstick factor estimates
	Itabirite Mineral Resources	Market: Comparable transactions Cross-checks: Peer analysis & Yardstick factor estimates

To determine its opinion of the likely value of the Project under current market conditions, SRK adopted a Market Approach using the Comparable Transactions method. Under this method, third party transactions involving mineral assets considered broadly similar to the subject tenure are compiled and analysed to determine an implied value metric for use in the assessment of value. SRK used its internal databases and the S&P Global Market Intelligence subscription database to compile and research potentially comparable iron ore project transactions occurring within the preceding nine years to the Valuation Date (this being 7 May 2020). SRK typically adopts a shorter timeframe for

assessment; however, the paucity of recent transactions involving African iron ore projects meant that SRK had to consider an extended timeframe in order to compile a meaningful dataset. As a result of this extended timeframe and also the consideration of Australian hematite transactions (as discussed below), SRK has had to make a number of adjustments to the implied transaction values to account for differences in market sentiment (as reflected by different spot prices at the transaction date and Valuation date) and geopolitical risk.

Iron ore prices have varied considerably over the analysed timeframe of the comparable transactions. As a result, SRK normalised the transaction values to the Iron Ore Fines 62% Fe spot price (CFR Tianjin port) of US\$83.29/t as at 7 May 2020.

In order to accommodate for the differences in sovereign risk, the transaction values were also normalised by the differential in the Country Risk Premiums as outlined in Table 3-4.

Table 3-4: Country risk premium

Country	Moody's rating	Country Risk Premium
Australia	Aaa	0.00%
Cameroon	B2	7.64%
Liberia	Not rated	12.50%
Mauritania	Not rated	12.50%
Republic of the Congo	Caa2	12.50%
Sierra Leone	NA	16.65%
South Africa	Baa3	3.06%

Source: NYU Stern University

Based on its review of the S&P Global Market Intelligence database, SRK returned 36 African iron transactions completed between 2010 and 2019. Of these transactions, 20 contained Mineral Resources and of these, 17 had a declared transaction value. SRK notes most of these transactions occurred when iron ore prices operated in a different pricing environment (i.e. before 2014) to that prevailing as at the Valuation Date.

SRK expanded its search to include Australian hematite transactions involving stranded iron ore deposits in the Pilbara region of Western Australia as a basis to assess the challenging environment for the development of, or access to, rail and port facilities. In Australia, 100 iron transactions occurred between 2014 and 2020. Of these transactions, 40 had Mineral Resources and of them 20 had a declared transaction value. The selected comparison transactions are analysed below. SRK notes the transaction values tabulated in Table 3-6 and Note: Meas – Measured; Ind – Indicated; Inf – Inferred

Table 3-7 are based on only the non-contingent components of the total transaction value (i.e. do not consider stages beyond the initial earn-in).

3.1.1 Market Comparable Transactions – Hematite Assets

In total, seven transactions were considered by SRK to involve tenure comparable to the Project's hematite resources (Table 3-6). Most of the transactions involved stranded assets located in the Pilbara region of Western Australia (typically considered by the market to represent a better geopolitical setting to that at the Project). The implied value (US\$/t) for each of the transactions, after normalising to the Iron Ore Fines 62% Fe spot price at 7 May 2020 and the average weighted Country Risk Premium of Cameroon and Congo, is graphed against size and grade in Figure 3-1. The trend evident in each graph where the implied value has a positive linear relationship with grade and a

negative power relationship (that floors out) with size is common in iron transaction datasets.

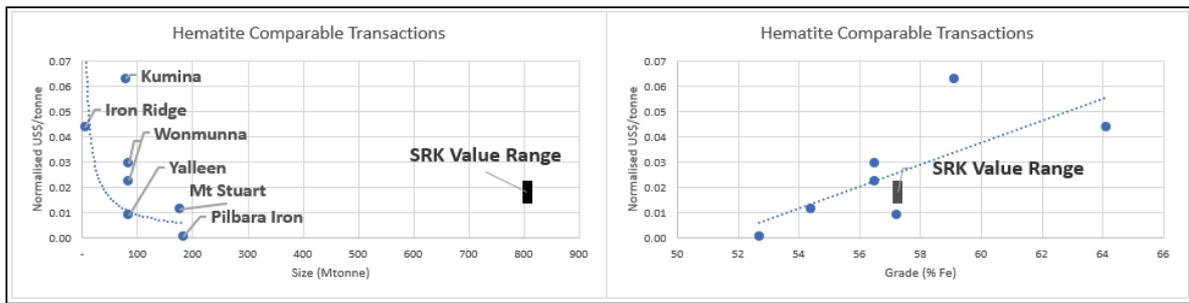


Figure 3-1: Hematite normalised comparable transactions value per size and grade

Source: SRK analysis

SRK has used the implied value trends for iron deposits of different size and grade, modified by an understanding of the prevailing market sentiment, geopolitical environment and the asset's development stage at the time of the transaction to estimate of the current market value of the Project. The normalised implied value multiple and the modifying conditions for each deposit are noted below:

- The Kumina (US\$0.06/t) transaction was between two companies that had an existing joint venture at another operating iron ore mine in Western Australia. The purchase of the Kumina deposit provided the buyer with not only additional Mineral Resources but opportunities for underutilised staff and extension of their planned light-rail network. SRK has retained this transaction for trend analysis as an example of a high-grade smaller deposit. Given the additional benefits afforded the buyer and that it is a related party transaction, SRK considers the transaction was at a considerable market premium to what the market would pay for the Project's assets.
- The Iron Ridge (US\$0.04/t) asset is in the Mid-West Region of Western Australia, 490 km from the port city of Geraldton. It is an example of a small high-grade deposit that also has the potential to be exploited via a capital-light development plan using road transport (as opposed to rail).
- The Wonmunna (US\$0.03/t and US\$0.02/t) asset is located near Newman, a major iron ore mining hub in the Pilbara region of Western Australia. Four months after the first transaction, Ascot Resources announced (06/01/2015) a maiden Ore Reserve for the deposit which stated the delivery of DSO fines would be by road to an unnamed purchaser within 80 km of the deposit. SRK considers both these transactions are at a considerable market premium; due to the cheaper ore delivery option and the first transaction occurring during a time of strong market sentiment and the second transaction occurring after an Ore Reserve was announced.
- The Mt Stuart (US\$0.01/t) and Yalleen (US\$0.01/t) assets are two of the larger deposits assessed by SRK, with Mt Stuart having a low iron grade and Yalleen having a similar iron grade to the Project. These transactions were between joint venture partners and the deposits are part of API Management Pty Ltd's 1 Bt West Pilbara Iron Ore Project. SRK further notes that as a related party transaction, it may not be fully representative of market value. Notwithstanding this, SRK considers these transactions are likely towards the lower end of the multiples applicable to the Project's hematite Mineral Resources.
- The Pilbara Iron (US\$0.0002/t) deposit is both the largest and lowest grade of the deposits selected and consequently has the lowest implied value.

In determining the comparable value range, SRK took the above normalised trends and modifying comments into consideration, along with the size and grade of the Project's stated hematite resources. SRK estimates the current market would pay between US\$0.014/t and US\$0.022/t for the contained iron within the hematite Mineral Resources at the Mbalam-Nabeba Project.

3.1.2 Market Comparable Transactions – Itabirite Assets

In total, four transactions were considered by SRK to involve tenure comparable to the Project's itabirite resources (Note: Meas – Measured; Ind – Indicated; Inf – Inferred

Table 3-7). Of these transactions, two involved mineral assets located in the Republic of the Congo, and one each in Liberia and South Africa. The implied value (US\$/t) for each transaction, after normalising to the Iron Ore Fines 62% Fe spot price at 7 May 2020 and the average weighted Country Risk Premium of Cameroon and Congo, is graphed against size and grade in Figure 3-2.

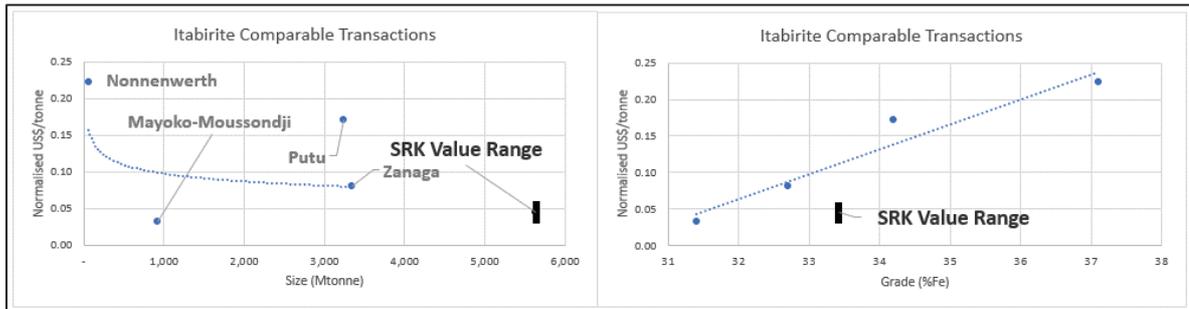


Figure 3-2: Itabirite normalised comparable transactions value per size and grade

Source: SRK analysis

SRK has used the implied value trends for deposits of different size and grade, modified by an understanding of the prevailing market sentiment, geopolitical environment and the asset's development stage at the time of the transaction to estimate of the current market value of the Project. The normalised implied value multiple and the modifying conditions for each deposit are noted below:

- Nonnenwerth (US\$0.20/t) was at Pre-Development stage at the date of the transaction but was included in SRK's analysis as an example of a small high-grade deposit. Nonnenwerth is located in South Africa which has a long mining history and is the world's fifth largest exporter of iron ore. SRK considers the current market would value the Project at a significant discount to this transaction, given the Project's earlier development stage, lower iron grade and less favourable operating environment.
- Mayoko-Moussondji (US\$0.03/t) is located in the Republic of the Congo and is included in the trend analysis as an example of a relatively small low-grade deposit. The deposit is located near existing rail infrastructure connected to the Pointe-Noire deepwater port. This transaction occurred after 2014 when the spot price for iron and market sentiment were rapidly declining. The deal also included a 2% LOM royalty. In comparison to the Project, the Mayoko-Moussondji's Mineral Resources are of a lower grade but have favourable access to existing infrastructure and an estimated lower operating and capital costs. SRK therefore considers that the Mayoko-Moussondji asset is likely towards the lower end of the value multiples applicable to the Project.
- The Putu (US\$0.15/t) transaction occurred near the peak of the iron spot prices in 2012. SRK notes that a US\$50 million payment that was unconditional but to be paid later, was not included in its analysis. The deposit is located in southeast Liberia, which has a significantly higher geopolitical risk than Cameroon or the Republic of the Congo, but the deposit is within 200 km of the coast. The stated Mineral Resources are the closest match in terms of tonnes and grade to those at the Project. Given the timing of this transaction, SRK considers this asset would have attracted a premium relative to the current market.

- The Zanaga project (US\$0.07/t) is located in the south of the Republic of the Congo, approximately 300 km north of the port city of Pointe-Noire. The deposit has a lower grade than the Project, but along with Putu, is comparable in terms of size and location. This transaction occurred near the peak of iron spot prices and SRK therefore considers the transaction would have attracted a premium relative to the current market.

Taking the above trends and modifying comments into consideration, in addition to the size and grade of the Project's stated hematite resources, SRK estimates the current market would pay between US\$0.03/t and US\$0.06/t for the contained iron within the Itabirite Mineral Resources at the Mbalam-Nabeba Project.

3.1.3 Market Comparable Transactions – Valuation Range

SRK considers that the market would apply a discount to the Mbalam Mineral Resources to reflect the current uncertainty associated with the eventual development of these Mineral Resources, given the Mining Right remains to be granted and there is currently no economically viable infrastructure solution to transport any future production to port and thus access international markets.

Since the Mbalam Mining Permit application was submitted in 2009, the Cameroon Government has issued only two Mining Permits, with both projects failing to reach the production stage. Looking forward, businesses operating in Cameroon are likely to continue to face persistent integrity and regulatory risks stemming from poor governance, inconsistent enforcement of regulations and parallel channels of decision-making. However, Chinese companies are increasing their investment in Cameroon's infrastructure and are being granted considerable business concessions. As such, SRK considers the current market would discount the Mbalam Mineral Resources relative to those at Nabeba (which has a granted Mining Right and Mining Convention). Taking the above points into account, SRK has decided to discount the value of the Mbalam Mineral Resources by 80% to reflect the uncertainty associated with the granting of tenure and the likely conditions to be imposed upon granting.

Table 3-5 summarises the value range per resource tonne derived from the comparable transaction analysis, with an 80% discount applied to the Mbalam value range.

Table 3-5: Value range per resource tonne (80% discount applied to Mbalam)

Deposit	Resources	Value range per tonne (US\$/t)	
		Low	High
Mbalam	Hematite	0.002	0.004
	Itabirite	0.006	0.012
Nabeba	Hematite	0.012	0.020
	Itabirite	0.030	0.060

Applying the above value range per tonne to the Mbalam and Nabeba Mineral Resources, it is SRK's opinion that the current market would pay between US\$25 million and US\$51 million for a 100% equity interest in the Project's Mineral Resources on an 'as is' basis.

Table 3-6: Market comparable transactions – Advanced Exploration Projects – for Hematite DSO

Mineral Asset	Asset		Resources				Deal Completion Date	Transaction Value (US\$million)	Asset Ownership (%)	Value at 100%		Average Monthly Iron Ore Price at Transaction Date (US\$/t)	Normalisation					
	Seller	Buyer	VALMIN Code Status	Country	Country Risk Premium	JORC Code Classification				Tonnes (Mt)	Grade (%Fe)		US\$million	US\$/t	Factor	Price US\$/t	Factor	Country US\$/t
Womurna	Asco Resources Limited	Australian Aboriginal Mining Corporation Pty Limited	Advanced Exploration	Australia	0.00%	Ind & Inf	84.20	55.49	13/12/2018	7.00	100	7.00	0.15	1.28	0.19	0.11	0.02	
Kumina	BCI Minerals Limited	Mineral Resources Limited	Advanced Exploration	Australia	0.00%	Inf	115.20	58	21/12/2018	19.10	100	19.10	0.29	1.28	0.53	0.11	0.06	
Iron Ridge	Prometheus Mining Pty Limited	Fenix Resources Limited	Advanced Exploration	Australia	0.00%	Inf & Exploration Target	5.00	64.1	22/11/2018	0.80	100	0.80	0.25	1.46	0.36	0.11	0.04	
Womurna	Other Group Holdings Limited	Asco Resources Limited	Advanced Exploration	Australia	0.00%	Ind & Inf	84.20	55.49	23/09/2014	9.60	100	9.60	0.20	1.22	0.25	0.11	0.03	
Yalben	Helix Resources Limited	API Management Proprietary Limited	Advanced Exploration	Australia	0.00%	Meas, Ind, Inf	84.30	57.2	22/02/2018	0.39	14	2.82	0.06	1.28	0.07	0.11	0.01	
M Stuart	Oulien Resources Limited	API Management Pty Ltd	Advanced Exploration	Australia	0.00%	Meas, Ind, Inf	175.80	54.4	12/04/2017	1.49	30	4.95	0.05	1.82	0.09	0.11	0.01	
Pibara Iron	Riva Resources Limited	WA Iron Pty Ltd	Advanced Exploration	Australia	0.00%	Ind, Inf	182.6	52.7	31/08/2017	0.12	100	0.12	0.001	1.49	0.002	0.11	0.0002	

Note: Meas=Measured; Ind=Indicated; Inf=Inferred

Table 3-7: Market comparable transactions – Advanced Exploration Projects – for Itabirite Hematite Concentrate

Mineral Asset	Asset		Resources				Deal Completion Date	Transaction Value (US\$million)	Asset Ownership (%)	Value at 100%		Average Monthly Iron Ore Price at Transaction Date (US\$/t)	Normalisation					
	Seller	Buyer	VALMIN Code Status	Country	Country Risk Premium	JORC Code Classification				Tonnes (Mt)	Grade (%Fe)		US\$million	US\$/t	Factor	Price US\$/t	Factor	Country US\$/t
Zarega	Xstrata plc	Junelas Ltd	Advanced Exploration	Republic of the Congo	12.50%	Meas, Ind, Inf	3,337	32.7	01/02/2011	65.92	50	131.84	0.12	0.44	0.05	1.35	0.08	
Moyko-Moussondji	Equatorial Resources Limited	Inter alloys Trading Limited	Advanced Exploration	Republic of the Congo	12.50%	Ind, Inf	916	31.4	01/11/2015	3.46	100	3.46	0.01	1.80	0.02	1.35	0.03	
Pulu Range	Afferro Mining Inc	QAO Seaverst Group	Advanced Exploration	Liberia	16.65%	Ind, Inf	324.4	34.2	10/04/2012	65	38.5	233.70	0.27	0.56	0.09	1.80	0.18	
Ntumenweh	Ironveld P/L	Unisobased buyer	Pre-Development	South Africa	3.08%	Ind, Inf	58	37.1	07/03/2012	22.70	100	22.70	1.05	0.58	0.61	0.33	0.23	

Note: Meas=Measured; Ind=Indicated; Inf=Inferred

3.1.4 Market based – Peer Analysis

To assess the market value of the Sundance's defined Mineral Resources, SRK has reviewed the enterprise value (EV) per tonne of stated resource and EV per tonne of contained iron held by selected listed companies (ASX, AIM, OTC and TSX-V) with defined iron resources. The EV is based on each company's share price and the company's attributable Resources/ Reserves as at 7 May 2020.

SRK has identified six companies with African iron resource projects in the advanced stages of assessment that can be considered broadly comparable to those held by Sundance – African Rainbow Minerals Limited (South Africa), Cape Lambert Resources Limited (Sierra Leone), Equatorial Resources (Republic of the Congo), Kogi Iron Limited (Nigeria), Tsodilo Resource (Botswana) and Zanaga Iron Ore Company Ltd (Republic of the Congo). With regard to the assets held by each of these companies, SRK notes the following:

- African Rainbow Minerals Limited (ARM) is a diversified commodity company with interest in a range of South African mineral projects in addition to iron ore, these include coal, platinum group metals, nickel, copper, ferromanganese and manganese. ARM's iron ore interests are held through its 50% interest in Assmang Pty Ltd and comprise the operating assets at Khumani and Beeshoek. In SRK's opinion, ARM is likely to trade at significant premium to the multiple attributable to the Mbalam-Nabeba Project.
- Cape Lambert's principal asset is the Marampa project located in Sierra Leone, which is in the development stage. In addition, Cape Lambert hold interests in several other projects and exploration and mining companies, providing exposure to other earlier stage exploration projects spanning gold, copper, cobalt, and base metals in Australia, Europe, Africa and South America. In September 2018, Cape Lambert's Marampa Mining Licence was cancelled, with the company commencing legal action shortly thereafter. However, Cape Lambert has said it will continue to focus on advancing its Marampa project and is currently seeking finance for project development. As such, SRK considers that the Mbalam-Nabeba Project is likely to trade at a similar to multiple to that implied by Cape Lambert's Marampa asset.
- Equatorial Resources Limited holds a 100% interest in the Badondo project and retains a 2% royalty interest in the Mayoko-Moussondji project (following its recent sale to Curzon Resources Limited, a private company) in the Republic of the Congo. Badondo hosts a large, DSO hematite Exploration Target and in 2016 the company applied for a Mining Licence over this deposit. On the balance of its projects, SRK considers that Sundance's assets are likely to trade at a premium to the multiple implied by Equatorial's assets.
- Kogi Iron Limited only asset is a 100% interest in the Agbaja iron project in Nigeria, which is held under a recently granted mining lease. Recent work has included a testwork program, steel market study and the second stage of the Environmental Impact Study, as well as discussion with debt financiers. The Agbaja deposit is a channel iron deposit with an integrated pig iron process and ready access to local market, which is significantly different to Sundance's development proposal. As such, SRK considers that Sundance's assets are likely to trade at a discount to the multiple implied by Kogi's assets.
- In relation to Tsodilo Resources Limited, its most advanced mineral asset is its 100% interest in the Xaudum project located in Botswana. Montero holds interests in several other early stage diamond, base metals, uranium and vanadium exploration projects in Botswana and the Central African Republic. Only intermittent work is reported at Xaudum. As such, SRK considers that Sundance's assets are likely to be above the multiples applicable to the Xaudum project.

- Zanaga Iron Ore Company Limited holds a 50% interest in the Zanaga project located in the Republic of the Congo. Work to date has been completed to a Feasibility Study level, with further optimisation work completed. The Zanaga project is targeting initial development at an operating scale of 1 Mtpa of pellet feed iron ore concentrate and iron ore pellets. The Zanaga product from both the hematite and magnetite resources is suitable for pellet feed (very low aluminium) and attracts a higher price. In SRK's opinion, Sundance's assets are likely to trade in line with the multiples applicable to the Zanaga project.

Based on its analysis for peer companies holding African Itabirite iron resource projects, SRK considers the current market would pay between US\$0.022/t and US\$0.026/t of contained iron held in Mineral Resource (on a 100% equity basis). Applying these multiples to Sundance's total resource base of 2,345 Mt of contained iron and discounting the Mbalam mineral resource by 80% this implies a value range of between US\$26 million and \$31 million for a 100% equity interest in the Project's Mineral Resources on an 'as is' basis.

Table 3-8: African listed magnetite explorers

Company	Sundance	African Rainbow Minerals	Cape Lambert	Equatorial Resources	Kumba Iron Ore Limited	Kogi Iron	Tsodilo Resources Ltd	Zanaga Iron Ore Company Ltd
Code	SDL	ARI	CFE	EQX	KIO	KFE	TSD	ZOIC
Listing	ASX	JSE	ASX	ASX	JSE	ASX	TVX	LSEAIM
Mcap (US\$ M)		2311.3	3.1	21.5	9199.7	32.1	3.3	30.2
EV (US\$ M)		2209.5	4.2	-6.3	8784.8	31.1	4.1	28.8
Iron Ore Project(s)	Mbalam (90%), Nabeba (85%)	Khumani (50%), Beeshoek (50%)	Marampa (100%)	Kukuna (100%)	Sishen (76.30%), Zandriverspoort (38.15%), Kolomela (76.3%)	Agbaja (100%)	Xaudum (100%)	Zanaga (50%)
Location	Cameroon, Rep Congo	South Africa	Sierra Leone	Congo	South Africa	Nigeria	Botswana	Congo
Other commodity Interests	None	C, PGE, Ni, Cu, Cr, Co, Au, Mh	Cu-Co	None	None	None	Diamonds, Cu, Zn, Au, Ag, Pt, Co, V	None
Attributable Resources (Mt)	5686.25	354.23	680	1,300-2,200*	1061	586.3	441	3450
Attributable Contained Fe in Resource	2065.73	222.80	191.76	390 - 1,430*	509.1092	242.14	129.654	1104
Attributable Reserves (Mt)	447.2	242.18			732.9	205		1035
Attributable Contained Fe in Reserve	278.2	149.96			433.1439	93.685		350.87
Implied Value - Resource (US\$/t)		6.24	0.006	-0.004	8.28	0.053	0.009	0.008
Implied Value - Reserve (US\$/t)		9.12			17.26	0.152		0.028
Implied Value - Resource (US\$/t)		9.92	0.022	-0.007	11.99	0.128	0.032	0.026
Implied Value - Reserve (US\$/t)		14.73			20.28	0.332		0.082

3.1.5 Cost base – Yardstick

As a cross-check to the values determined using the Comparable Transactions method, SRK has also used the Yardstick approach, which is a cost-based method. Under the Yardstick method of valuation, specified percentages of the spot prices are used to assess the likely value. The method is generic in its application, requiring only the stated tonnage, Mineral Resource classification and commodity spot pricing. As such, this method should only be used as a secondary valuation approach as it does not take account of the specific geological and physical attributes (such as access, location, proximity to known mines, jurisdiction, permitting, infrastructure support, metal grade, deposit geometry, geological complexity, mineralogy, likely mining methods, metallurgical recoveries, etc.) attributable to a project. As such, the method is typically used as a cross check on the order of magnitude, as opposed to a definitive indicator of value.

To determine the percentages to apply, SRK adopted Edison Investment Research's annual in-ground valuation summaries for iron ore resources (Table 3-9).

Table 3-9: Global average in-ground value of iron ore resources per tonne (US\$/t Fe)

Resource category	2015	2016	2017	2018
Measured	(0.087)	(0.062)	0.125	0.044
Indicated	0.137	0.120	0.084	0.060
Inferred	0.009	(0.001)	0.026	0.021
Total	0.031	0.028	0.057	0.043
Iron ore spot price	95.75	57.78	72.23	69.09

Source: Edison Investment Research

In applying the Yardstick method, SRK normalised the implied values in Table 3-9 to the appropriate spot price to determine the global average in situ value per tonne as a percentage of the spot price for iron ore for each year and at the appropriate Mineral Resource category. The minimum and 3rd percentile were determined for each Mineral Resource category and multiplied by the Iron Ore Fines 62% Fe spot price (CFR Tianjin port) of US\$83.29/t as at 7 May 2020. These values were then used as the basis to determine the value per tonne of contained iron ranges as presented in Table 3-10.

Table 3-10: Yardstick ranges based on global average in situ value per tonne

Resource category	Value range (US\$/t)	
	Low	High
Measured	0.052	0.068
Indicated	0.060	0.080
Inferred	0.001	0.01

From SRK's review of global iron ore transactions for 2018, the Edison analysis involved deposits in Australia, Canada and China and from a wide variety of geological and operating environments. Given the location and development status of the Project, SRK expects the value of the Mineral Resources to be much closer to the lower end of the range. As such, SRK has elected to adopt the lower end of the value range for Measured material to value the Project's Indicated Resources. Given the geopolitical environment of the Project, SRK expects the market would apply an 80% discount to the value range of the Project's Mineral Resources as implied by the Edison global averages.

4 Valuation Summary

SRK considers the market would pay in the range between US\$25 million and US\$51 million, with a preferred value of US\$35.5 million, for a 100% interest in the Mbalam-Nabeba Project, as at the Valuation Date (Table 4-1).

Table 4-1 summarises SRK's recommended market valuation range for the Project. SRK has adopted the average of the value ranges as implied by its comparable transactions and peer analysis for the selected market valuation range. The preferred value overall is the midpoint of the value range, as SRK has no preference to either end of the value range. As noted previously, SRK considers that the value implied by the Yardstick method should only be used as a secondary cross-check as to the order of magnitude of the value estimate given its generic approach to the valuation of mineral assets (i.e. it does not consider specific and relevant geological and physical attributes of the deposit).

Table 4-1: Valuation summary – 100% basis – as at 7 May 2020

Deposit	Valuation method	Low (US\$ million)	High (US\$ million)	Preferred (US\$ million)
Mbalam	Comparable transactions	8	16	12
	Peer analysis	6	8	7
	Yardstick	9	11	10
	Selected	7	12	9.5
Nabeba	Comparable transactions	18	35	26
	Peer analysis	20	23	22
	Yardstick	50	61	55
	Selected	18	35	26
Project Total		25	47	35.5

Note: Any discrepancies between values in the table are due to rounding.

On a net attributable basis, SRK values Sundance's 90% interest in the Mbalam tenure at between US\$6.3 million and US\$10.0 million, with a preferred value of US\$8.6 million.

On a net attributable basis, SRK values Sundance's 85% interest in the Nabeba-Bamegod tenure at between US\$15.3 million and US\$29.8million, with a preferred value of US\$22.1million.

In assigning its valuation range and preferred value, SRK is mindful that the valuation range is also indicative of the uncertainty associated with advanced stage exploration/ development assets.

In undertaking any valuation, the range in value is driven by the confidence limits placed around the size and grade of mineralised occurrences assumed to occur within each project area. Typically, this means that as exploration progresses, and a prospect moves from an early to advanced stage prospect, through Inferred, Indicated or Measured Mineral Resource categories to Ore Reserve status, there is greater confidence around the likely size and quality of the contained phosphate and its potential to be extracted profitably.

Table 4-2 presents a general guide of the confidence in targets, resource and reserve estimates, and hence value, referred to in the mining industry.

Table 4-2: General guide regarding confidence for target and Mineral Resource/ Ore Reserve estimates

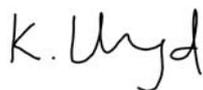
Classification	Estimate range (90% confidence limit)
Proven/ Probable Ore Reserves	±5 to 10%
Measured Mineral Resources	±10 to 20%
Indicated Mineral Resources	±30 to 50%
Inferred Mineral Resources	±50 to 100%
Exploration Target	+100%

Mineral Resource estimates and Exploration Targets prepared under the JORC Code (2012) are best estimates based on individual judgement and reliance upon knowledge and experience using industry standards and the available database.

Estimated confidence levels of ±60% to 100% or more, are not uncommon for exploration areas and are within acceptable bounds, given the level of uncertainty associated with early stage exploration assets. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case in reality. Where possible, SRK has endeavoured to narrow its valuation range.

SRK is conscious of the risks associated with valuing assets which can impact the valuation range. In defining its valuation range, SRK notes that there are always inherent risks involved when deriving any arm's length valuation.

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Date Issued: 7 May 2020

Name/Title	Company
Giulio Casello	Sundance Resources Limited

Rev No.	Date	Revised By	Revision Details
0	30/01/2020	SRK	Draft Report
1	07/02/2020	SRK	Final Report
2	14/02/2020	SRK	Revised Final Report
3	25/03/2020	SRK	Revised to address ASIC queries
4	07/05/2020	Karen Lloyd	Updated valuation date

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SRK Internal Document Control

Project Number: SND001

Report Title: Independent Specialist Report – Mbalam-Nabeba Iron Ore Project,
Republic of the Congo and Republic of Cameroon

Project Manager: Karen Lloyd

Peer Reviewer: Jeames McKibben

Date Issued: 7 May 2020

Document Distribution Details				
Name/Title	Company	Item Type	Quantity	Rev No.
Giulio Casello	Sundance Resources Limited	Final Report		4

To be completed for all reports

Document Revision Details			
Rev No.	Date	Revised By	Revision Details
A	May – Sep 2019	L Collin	Draft version
B	10/10/2019	J McKibben	Initial peer review
C	10/10/2019	L Collin	Updated after PR
D	17/01/2020	J McKibben / S Collings / L Collin	Collation of contributing authors content (JMC – Peer Analysis, SC – Other technical studies)
E	29/01/2020	K Lloyd	Peer Review
F	29-30/01/2020	R Wulfse	QA/ TE review
0	30/01/2020	R Wulfse	Issue as draft report for client FA check
0A	05/02/2020	L Collin	Minor edits
0B	06-07/02/2020	T Piggott/ R Wulfse	Formatting/ TE of edited sections
1	07/02/2020	L Collin	Final report - issued
1A	14/02/2020	L Collin/ R Wulfse	Minor edits / check and PDF
2	14/02/2020	L Collin	Final report reissued
2A	24/03/2020	L Collin	Update to answer ASIC queries
2B	25/03/2020	J McKibben	Review and update
2C	25/03/2020	L Collin	Minor edits
2D	25/03/2020	A Maynard	TE on edits
3	25/03/2020	L Collin	Revised report issued
3a	07/05/2020	K Lloyd	Updated valuation date per ASIC requirement
4	07/05/2020	K Lloyd	Final Report Issued

SRK Peer Review Record

This document should be read in conjunction with the [SRK AU Peer Review Guidelines](#). Before a Contract/Proposal or deliverable is issued to the Client, it must be peer reviewed in accordance with the SRK AU QMS.

Note that Peer Review information must be recorded on [Admin Service Request](#) on SharePoint site.

Attachment B – Terms of AustSino Options and Noteholder Options

The terms of the Options to be issued to AustSino and the Noteholders are as follows:

- (a) The Options may be exercised at any time after their issuance until they expire in accordance with paragraph (b).
- (b) The Options will automatically lapse on 5.00pm (WST) on the date that is five years after the date of issue.
- (c) The Options confer the right to subscribe for one Share on the payment of the exercise price of A\$0.02.
- (d) The Options may be transferred or assigned at any time provided the transferee or assignee of the Options is not required to receive a disclosure document in connection with the Options under the applicable laws and regulations of its jurisdiction of incorporation or otherwise.
- (e) There are no participating rights or entitlements inherent in the Options and holders of the Options will not, in respect of those Options, be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Options (except on exercise of the Options). The Company must notify the Optionholders of an issue to Shareholders at least 7 business days before the record date to determine entitlements to the issue to Shareholders;
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules.
- (g) If there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price will be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- (i) The Options will not be quoted on ASX.
- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (k) The Company will make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing (**Exercise Notice**) stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by the option certificate and payment to the Company of the relevant exercise price. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by them.
- (m) Immediately after receipt by the Company of a valid Exercise Notice and payment of the exercise price in immediately available funds (and in any event no later than 2 business days thereafter), the Company must:
 - (i) allot and issue to the Optionholder the number of Shares equal to the number of Options which have been exercised;
 - (ii) enter the Optionholder into the Company's register of members as the holder of the relevant number of Shares;
 - (iii) deliver to the Optionholder a holding statement showing the Optionholder as the holder of the relevant number of Shares;
 - (iv) apply for and use its reasonable endeavours to obtain official quotation of the relevant number of Shares by ASX (without restriction) as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX; and
 - (v) to the extent that any action is required to be taken in order to facilitate the on-sale of Shares by the Optionholder, take such action (including, where required, giving to ASX (within 2 business days of issue of the Shares) a notice under section 708A(5)(e) of the Corporations Act in respect of the Shares that complies with section 708A(6) of the Corporations Act, or issuing a disclosure document in respect of the Shares).

If the Company ceases to be in a position to facilitate the on-sale of Shares by way of the giving of a notice under section 708A(5)(e) of the Corporations Act (including where the conditions in section 708A(5) paragraphs (a) to (d) are not satisfied or where a determination is in force under section

708A(2)) (**Prospectus Trigger**), then the Company must prepare and maintain a disclosure document in respect of Shares so as to be in a position to comply with the timeframes set out in paragraph (m) above provided that if the Prospectus Trigger occurs, for the purposes of paragraph (m)(v) above, if it issues the relevant disclosure document as soon as is reasonably practicable after the receipt of the Exercise Notice, and in any event within 10 business days of the day on which the Prospectus Trigger occurred.

Attachment C – Impact of the Proposed Transactions on control of Company

Securities	AustSino	Wafin Limited	Noble Resources International Pte Ltd	D.E. Shaw Composite Holdings International Ltd	Senrigan Master Fund	BSOF Fund Ltd	Other	Total
Prior to completion of the Proposed Transactions								
Shares	595,555,557	0	95,714,286	0	0	0	8,758,751,714	9,450,021,557
Options	60,000,000	0	0	0	0	0	729,333,334	789,333,334
Shares on conversion of Convertible Notes	0	1,566,673,333	841,666,667	545,830,000	465,830,000	80,000,000	0	3,500,000,000
Shares on exercise of Options	60,000,000	0	0	0	0	0	729,333,334	789,333,334
Undiluted %	6.3	0	1.01	0	0	0	92.69	100
Diluted %	4.77	11.4	6.82	3.97	3.39	0.58	69.06	100
After completion of the Proposed Transactions								
Shares	12,060,512,822	954,751,131	572,335,704	283,559,578	233,785,822	51,282,051	9,083,751,714	23,239,978,822
Options	11,153,846,154	2,386,877,828	1,191,553,544	708,898,944	584,464,555	128,205,128	729,333,334	16,943,179,488
Shares on exercise of Options	23,274,358,976	3,341,628,959	1,763,889,248	992,458,522	818,250,377	179,487,179	9,813,085,048	40,183,158,310
Undiluted %	51.9	4.11	2.46	1.22	1.01	0.22	39.09	100
Scenario 1 Diluted %	57.9	8.3	4.4	2.5	2.0	0.4	24.4	100
Scenario 2 Diluted %	67.6	2.8	1.7	0.8	0.7	0.1	26.3	100
Scenario 3: Diluted %	41.6	11.5	6.1	3.4	2.8	0.6	33.9	100

Assumptions:

- Other than those Shares to be issued to AustSino in accordance with the Financial Support Arrangement, it is assumed that Sundance does not issue any additional Equity Securities between 20 May 2020 (being the last date practicable prior to finalisation of this Notice) and completion of the Proposed Transactions.
- Completion of the Proposed Transactions occurs on 30 June 2020.
- Shares held by AustSino refer to those Shares in which AustSino has a Relevant Interest known to the Company as at 20 May 2020, being the last date practicable prior to finalisation of this Notice.
- The calculation of the diluted percentage holding prior to completion of the Proposed Transactions assumes that all Convertible Notes are converted, and all Options are exercised.
- The calculation of the Scenario 1 diluted percentage after completion of the Proposed Transactions assumes that all convertible securities have been cancelled in accordance with the New Agreement, all Options have been exercised and no other Equity Securities in the Company are issued.
- The calculation of the Scenario 2 diluted percentage after completion of the Proposed Transactions assumes that AustSino exercises the AustSino Options, no other Options are exercised and no other Equity Securities in the Company are issued.
- The calculation of the Scenario 3 diluted percentage after completion of the Proposed Transactions assumes that all Options other than the AustSino Options are exercised and no other Equity Securities in the Company are issued.

Attachment D – Pro forma financial information

The pro forma consolidated statement of financial position set out below is based on the Company's statement of financial position as at 31 December 2019 and assumes completion of the Proposed Transactions occurred on that date.

The pro forma consolidated statement of financial position is presented in accordance with Australian Accounting Standards.

The pro forma financial information has been presented in abbreviated form and does not contain all the disclosure required by the Australian Accounting Standards.

The following pro forma adjustments have been made to the consolidated statement of financial position as at 31 December 2019 in order to present the pro forma consolidated financial position:

- (a) payment of cash consideration of A\$29 million for the AustSino Securities;
- (b) issue of 11,153,846,154 Shares and 11,153,846,154 Options to AustSino, valued at A\$0.0026 per Share;
- (c) the issue of 2,000,000,000 Shares and 5,000,000,000 Options to the Noteholders. These Shares have been issued at A\$0.004 per Share; and
- (d) net cash consideration of A\$4 million after the reduction of A\$25 million from (a) in exchange for the Note Cancellation.

The value of the Shares to be recorded in the accounts of the Company will ultimately be calculated by reference to the closing price of the Shares on the date of completion of the Proposed Transactions and therefore will differ from the prices referred to in paragraphs (b) and (c) above.

	31 December 2019 Unaudited	Pre-Proposed Transaction Pro forma	Post-Proposed Transactions Pro forma
CURRENT ASSETS			
Cash and cash equivalents	169,630	169,630	4,169,630
Trade and other receivables	34,418	34,418	34,418
Other current assets	101,554	101,554	101,554
Inventory	204	204	204
TOTAL CURRENT ASSETS	305,806	305,806	4,305,806
NON CURRENT ASSETS			
Investment - AustSino	1,400,000	1,400,000	1,400,000
Mine development assets	-	-	-
TOTAL NON-CURRENT ASSETS	1,400,000	1,400,000	1,400,000
TOTAL ASSETS	1,705,806	1,705,806	5,705,806
CURRENT LIABILITIES			
Borrowings	132,868,198	132,608,198	-
Trade payables and accruals	987,436	987,436	987,436
Provisions	175,836	175,836	175,836
TOTAL CURRENT LIABILITIES	134,031,470	133,771,470	1,163,272
NON CURRENT LIABILITIES			
Borrowings - NCL	-	-	-
Provisions - NCL	42,363	42,363	42,363
TOTAL NON CURRENT LIABILITIES	42,363	42,363	42,363
TOTAL LIABILITIES	134,073,833	133,813,833	1,205,635
NET ASSETS	(132,368,027)	(132,108,027)	4,500,171
EQUITY			
Issued capital	431,064,810	432,049,810	470,449,810
Reserves	78,329,960	78,329,960	88,419,219
Accumulated losses	(582,420,058)	(583,145,058)	(495,026,119)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	(73,025,288)	(72,765,288)	63,842,910
Non-controlling interest	(59,342,739)	(59,342,739)	(59,342,739)
TOTAL EQUITY	(132,368,027)	(132,108,027)	4,500,171

Attachment E – Terms of Performance Rights

The following terms apply to the Performance Rights the subject of Resolutions 4 and 5:

- (a) the Performance Rights will vest on the satisfaction of the applicable Performance Condition, being completion of the Proposed Transactions and receipt of the AustSino Consideration;
- (b) subject to the terms of the Performance Rights Plan, on the satisfaction of the applicable Performance Condition, all the Performance Rights will vest which will automatically entitle the holder to be issued with one Share for each Performance Right that vests;
- (c) the Performance Rights will be issued for nil consideration;
- (d) no consideration will be payable on the vesting of the Performance Rights;
- (e) the Shares issued on conversion of the Performance Rights will rank equally in all respects with all other issued Shares from the date of issue and will be held subject to the Constitution;
- (f) the Company will make an application to ASX for official quotation of the Shares issued on vesting of each Performance Right within the time period required by the Listing Rules. The Company will not apply for quotation of the Performance Rights on ASX;
- (g) the Performance Rights will have an expiry date ending at 5.00pm (WST) on the date that is 3 years after the date of grant of the Performance Rights (or such other date as determined by the Board in its absolute discretion);
- (h) if the Board of the Company determines, acting in good faith and in accordance with their fiduciary duties, that the holder of the Performance Rights has acted fraudulently, dishonestly or otherwise in a manner which the Board reasonably considers would likely constitute a breach of the duties they owe to the Company, or if the holder ceases to be an Eligible Person for any reason other than a Specified Reason, any unvested Performance Rights will automatically lapse;
- (i) notwithstanding the Performance Condition specified in paragraph (a), all unvested Performance Rights will automatically vest if any of the following events occur:
 - (i) in the event a takeover bid for the Company is declared unconditional, there is a change in control in the Company, or if a merger by way of scheme of arrangement has been approved by a court, then the Board will determine an alternate measurement date to determine whether the Performance Conditions as set out in the Offer have been met and the extent to which Performance Rights will vest; or
 - (ii) if the Eligible Person ceases to be an Eligible Person because of retirement, total and permanent disability, redundancy or death (**Specified Reason**), the Board may determine the extent to which Performance Rights held by the Eligible Person or their nominee become vested Performance Rights;
- (j) if there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation;
- (k) a Performance Right does not entitle a holder to participate in new issues of capital offered to Shareholders, such as bonus issues or entitlement issues;
- (l) a Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can vest into;
- (m) a Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company;
- (n) a Performance right cannot be assigned, transferred or novated (except with approval of the Board); and
- (o) a Performance Right does not give the holder any other rights other than those expressly provided by these terms (including those set out in the Performance Rights Plan) and those provided at law where such rights at law cannot be excluded by these terms.

Attachment F – Summary of Performance Rights Plan

The Company has established a Performance Rights Plan. The Performance Rights Plan represents a component of the Company's long term incentive (LTI) framework and involves the issue of Performance Rights with performance hurdles as approved by the Board. The Performance Rights Plan is designed to provide incentives to employees and Directors of the Company aimed at creating a stronger link between the performance and reward of Directors and employees and increasing Shareholder value by enabling Eligible Persons under the Plan to have greater involvement with, and to share in the future growth and profitability of, the Company.

A summary of the material terms of the Performance Rights Plan is set out below.

- (a) Participation: The Board may from time to time in its absolute discretion issue invitations to Eligible Persons to participate in the Plan. “**Eligible Persons**” means a full time or part-time employee of the Company or a Related Body Corporate of the Company, or a Director who holds a salaried employment or office in the Company or a Related Body Corporate of the Company.
- (b) Nature of Performance Rights: A Performance Right is a right to receive a Share on the terms set out in the Plan for the relevant Performance Period subject to satisfaction of the applicable Performance Conditions. The Company will not apply for quotation of the Performance Rights on ASX.
- (c) Offers to participate: An offer (**Offer**) to Eligible Persons to participate in the Plan must set out:
 - (i) the date of the Offer;
 - (ii) the name of the Eligible Person to whom the Offer is made;
 - (iii) the number of Performance Rights which are capable of vesting if Performance Conditions are met;
 - (iv) the Performance Conditions and Performance Period in relation to the Performance Rights;
 - (v) the approximate date or dates on which the Performance Conditions are to be measured (in respect of the Performance Rights) in order to determine whether the Eligible Person will be issued with Shares on or before the expiry of the vesting period;
 - (vi) the expiry date; and
 - (vii) the time period in which the Eligible Person may accept the Offer.
- (d) Acceptance of Offer: the following apply to the acceptance of an Offer by Eligible Persons:
 - (i) an Eligible Person who receives an offer can only participate in the Performance Rights Plan by returning a duly completed application form within the time period specified in the Offer. Notwithstanding completion of the application form, the Eligible Person (or their nominee) will not hold a Performance Right (including any future right to Shares) until such time as the Performance Rights are granted;
 - (ii) an Eligible Person may nominate a nominee to be granted all the Performance Rights as specified in the Offer by providing notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow the grant of the Performance Rights to the nominee without giving any reason for such decision;
 - (iii) if an application form is not returned within the time specified in the Offer, the Board may nevertheless in its sole discretion, treat any application form received from an Eligible Person as being returned within the specified time; and
 - (iv) nevertheless, the Board may in its sole discretion, refuse to allow an Eligible Person (or their nominee) to participate in the Performance Rights Plan even though a duly completed application form has been received by the Board.
- (e) No consideration: Performance Rights granted under the Performance Rights Plan will be issued for no consideration.
- (f) Vesting: The Performance Conditions relating to the vesting of Performance Rights shall be as set out in the Offer, including the measurement date and vesting expiry date, and will be determined by the Board in its absolute discretion. Performance Rights may vest in the following ways:

- (i) if the applicable Performance Conditions in relation to a Performance Period are met as at the relevant measurement date as set out in the Offer, the Board will determine the number of Performance Rights which will become vested Performance Rights;
 - (ii) if the Eligible Person ceases to be an Eligible Person because of retirement, total and permanent disability, redundancy or death (**Specified Reason**), the Board may determine the extent to which Performance Rights held by the Eligible Person or their nominee become vested Performance Rights; and
 - (iii) in the event a takeover bid for the Company is declared unconditional, there is a change in control in the Company, or if a merger by way of scheme of arrangement has been approved by a court, then the Board will determine an alternate measurement date to determine whether the Performance Conditions as set out in the Offer have been met and the extent to which Performance Rights will vest.
- (g) Issue of Shares: Upon vesting of Performance Rights, Shares will be issued or transferred to the holder of Performance Rights (or their nominee) on or before the expiry of the vesting period, unless the Company is in a Blackout Period or the Company determines in good faith that the issue or transfer of Shares at that time may breach the insider trading provisions of the Corporations Act or the Securities Trading Policy, in which case the Company will issue or transfer the Shares as soon as reasonably practical thereafter. All Shares issued on vesting of the Performance Rights will rank equally with all other issued Shares. The Company will apply for quotation of the Shares on ASX.
- (h) Lapse: Performance Rights will lapse upon the occurrence of any of following:
 - (i) if the Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason, any unvested Performance Rights will automatically lapse; or
 - (ii) if the Eligible Person (or his or her nominee) acts fraudulently or dishonestly or is in material breach of his or her obligations to any group Company then the Board may in its absolute discretion determine that his or her Performance Rights will lapse.
- (i) Not transferable: Except on the death of the holder of Performance Rights, Performance Rights may not be transferred, assigned or novated except with the approval of the Board. Offers of Performance Rights under the Plan to Eligible Persons are personal offers and are not capable of being assigned.
- (j) Participation in new issues: a Performance Right does not confer on the holder a right to participate in new issues of Shares by the Company.
- (k) Dividends and voting rights: Performance Rights do not confer on the holder a right to participate in dividends or any voting rights until Shares are issued or transferred to the holder pursuant to the exercise of vested Performance Rights.
- (l) Amendment of Plan: The Board retains the discretion to amend the rules of the Plan by resolution or to suspend or terminate it at any time without notice to holders of Performance Rights.

Attachment G – Summary of ESOP terms

A summary of the terms of the ESOP are as set out below.

The ESOP is limited to employees of the Company or of an associated body corporate of the Company (including salaried Directors) (**Eligible Employee**). Contractors and consultants will not be eligible to participate in the ESOP. An employee's eligibility to participate in the ESOP will be determined by the Board based on the seniority of the employee, their length of service with the Company, their record of employment, the potential contribution of that person to the growth of the Company, the employee's level of existing participation under the ESOP (if any) and any other matters which the Board considers relevant. An Eligible Employee may renounce an offer of Options made by the Board under the ESOP in favour of a nominee approved by the Board.

Options under the ESOP will be granted for no monetary consideration. The exercise price of an Option under the ESOP will be determined by the Board with regard to the market value of Shares at the time it resolves to offer the Options to Eligible Employees. For these purposes, the market value of Shares will be the average closing sale price of the Shares as recorded on the ASX over the five trading days immediately preceding the date the Board resolves to offer the Options.

The total number of Options that may be offered under the ESOP to employees that are not executive officers (including any Options previously issued under the ESOP, any Options issued and exercised in the 5 years prior to the date of the offer and any Share or Options issued under any other employee share schemes but disregarding any offer made, or Option acquired or Share issued by way of or as a result of: (i) an offer to a person situated at the time of receipt of the offer outside Australia; or (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or (iii) an offer made under a disclosure document) must not exceed 5% of the total number of issued Shares in the Company as at the time any offer under the ESOP is made.

If an Eligible Employee ceases to be an Eligible Employee due to Retirement, Total and Permanent Disablement, Redundancy or death (a **Specified Reason**):

- (a) if the relevant Option is capable of exercise, it may be exercised at any time prior to the expiry date; or
- (b) if the relevant Option is not yet capable of exercise, it may be exercised within 3 months of the date of cessation as an Eligible Employee, or such longer period as the Board determines.

If an Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason:

- (a) if the relevant Option is capable of exercise, it may be exercised within 2 months of the date of cessation as an Eligible Employee, or such longer period as the Board determines; or
- (b) if the relevant Option is not yet capable of exercise, it will lapse.



SUNDANCE RESOURCES LTD

ABN 19 055 719 394

Need assistance?



Phone:

1300 368 919 (within Australia)
+61 3 9946 4430 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (WST) Saturday, 27 June 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 133879

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Sundance Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Sundance Resources Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 29 June 2020 at 10:00am (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 4, 5 and 6 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval of AustSino acquiring a Relevant Interest and voting power greater than 20%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of Options to AustSino	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of issue of Shares and Options to the Noteholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of Performance Rights to Mr Giulio Casello (Managing Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of issue of Performance Rights to Mr Brett Fraser (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 <input type="text"/>	Securityholder 2 <input type="text"/>	Securityholder 3 <input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number <input type="text"/>	Email Address <input type="text"/>
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