

ASX Announcement

17 November 2020

PLACEMENT TO RAISE \$100 MILLION

AustSino Resources Group Ltd (“**AustSino**” or the “**Company**”) (ASX: **ANS**) refers to its binding subscription agreement with Midwest Resource Finance Group Pty Ltd (“**Midwest**”) (the “**Midwest Subscription Agreement**”) pursuant to which Midwest has agreed to subscribe for 7,692,307,693 AustSino Shares at an issue price of \$0.013 per Share to raise \$100,000,000 (the “**Midwest Placement**”).

AustSino is pleased to confirm that the Midwest Placement will still proceed, notwithstanding that the Company’s previous agreement to invest in Sundance Resources Ltd has been terminated.

The Company and Midwest have entered into an amendment to the Midwest Subscription Agreement to remove conditions to the Midwest Subscription Agreement requiring (i) AustSino to remain listed on ASX, and (ii) the Sundance Agreement to remain binding.

Completion of the Midwest Placement is subject to customary conditions precedent, including AustSino shareholder approval and Midwest securing funding to undertake the investment. A summary of the amended Midwest Subscription Agreement is set out as an annexure to this announcement.

Upon completion of the Midwest Placement, Midwest will acquire a relevant interest in 7,692,307,693 AustSino Shares, which when aggregated with the voting power of its associates means it will hold a maximum voting power in the Company of approximately 59.90%.

The funds raised pursuant to the Midwest Placement will be used for general working capital purposes and to explore the possibility of pursuing one or more of the following transactions:

- (a) the identification and pursuit of one or more other suitable potential opportunities in the Australian resources or infrastructure sectors; or
- (b) the identification and pursuit of one or more other suitable potential opportunities in the African resources or infrastructure sectors.

Further details regarding the Midwest Placement transaction will be included in a Notice of Meeting and Independent Expert’s Report that will be sent to shareholders as soon as is practicable.

Authorised for release by Mike Keemink, Executive Director.

Further inquiries:

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Company Secretary
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ANNEXURE 1 -
SUMMARY OF MIDWEST SUBSCRIPTION AGREEMENT

The key terms of the Midwest Subscription Agreement (as amended) are as follows:

Key Term	Summary
Subscriber	Midwest Resource Finance Group Pty Ltd
Subscription	The Company must allot and issue, and Midwest must subscribe for, 7,692,307,693 Shares on the completion date at an issue price of A\$0.013 per Share for a total placement amount of A\$100 million.
Use of Placement Amount	<p>The funds raised pursuant to the Midwest Placement will be used for general working capital purposes and to explore the possibility of pursuing one or more of the following transactions:</p> <ul style="list-style-type: none"> (a) the identification and pursuit of one or more other suitable potential opportunities in the Australian resources or infrastructure sectors; or (b) the identification and pursuit of one or more other suitable potential opportunities in the African resources or infrastructure sectors.
Conditions Precedent	<ul style="list-style-type: none"> (a) Receipt of all necessary approvals from the Company's Shareholders as required by Corporations Act (including approvals for the purpose of item 7 of section 611 of the Corporations Act). (b) An independent expert confirming that the transaction is fair and reasonable, or not fair but reasonable, for Shareholders. (c) The approval of any relevant legal or regulatory bodies in relation to the Midwest Placement being obtained (including any approval under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth)) (if required). (d) Midwest having secured sufficient funds to complete the purchase of the Midwest Placement Shares. (e) The Company and Midwest have identified one or more suitable potential opportunities in the Australian or African resources or infrastructure sectors and, acting reasonably, consider that the Company will be able to enter into co-operative discussions with project partners and relevant governmental authorities in order to pursue such projects.

Conduct of business obligations

The Midwest Subscription Agreement contains certain customary undertakings by the Company restricting the conduct of its business before completion of the Midwest Placement without the consent of the Midwest (including, without limitation, the obligation to conduct the Company's business in the ordinary course, not dispose of any material part of its business or enter into any material agreements).

Representations and warranties

The Midwest Subscription Agreement contains customary representations and warranties from each party for a transaction of this nature.

The Company may terminate the Midwest Subscription Agreement if:

- (a) any of Midwest's warranties cease to be true and accurate in any material respect;
- (b) Midwest commits a material breach of the agreement which is incapable of being remedied or is not remedied within 5 business days after notification; or
- (c) the Company is prevented from issuing the Midwest Placement Shares by an order of a court of competent jurisdiction or a Government Agency.

Events of Default

Midwest may terminate the Midwest Subscription Agreement if:

- (a) the Company is prevented from issuing the Midwest Placement Shares by an order of a court of competent jurisdiction or a Government Agency;
- (b) ASIC or the Takeovers Panel commences any regulatory action or issued any order or interim order in relation to the Company or the Midwest Placement;
- (c) the Company commits a material breach of the agreement which is incapable of being remedied or is not remedied within 5 business days after notification;
- (d) any of the Company's warranties cease to be true and accurate in any material respect.

End Date

The satisfaction or waiver of the Conditions Precedent and issue of Midwest Placement Shares must occur by 31 January 2021 or such later date as the Company and Midwest mutually agree.

Escrow

If required by ASX, the Midwest Placement Shares will be held in escrow for a period of 12 months commencing immediately on completion under the Midwest Subscription Agreement unless released earlier by the Company (in its absolute discretion), subject to applicable laws and the requirements of ASX or any Government Agency. The Company considers it unlikely escrow will be applied given it anticipates being delisted from ASX.