

ASX Announcement**31 January 2019**

Quarterly Activities Report Quarter Ended 31 December 2018

AustSino Resources Group Limited (“AustSino” or the “Company”) is pleased to present its quarterly activities report for the period ended on 31 December 2018.

Operational

AustSino announced on 2 August 2018 that it had agreed terms with Mr Guan Min Jie to raise additional capital of AUD 3 Million. Mr Jie (a resident of China) has agreed to subscribe for approximately 230,769,231 fully paid ordinary shares in AustSino for a subscription price of AUD 0.013 (1.3 cents) per share to raise AUD 3 Million. As at the date of this report, the Company has only received an initial AUD 400,000 as part of the subscription funds, which it currently holds on trust. The Company has advised Mr Guan of its intention to cancel the agreement unless it receives the remaining funds within an acceptable timeframe.

On 29 November 2018, 265,000,000 fully paid ordinary shares were released from escrow.

On 30 November 2018 the Company held its AGM for the 2018 year. Resolution 1, seeking adoption of the 30 June 2018 Remuneration report, did not receive the required 75% vote and the Company incurred a “first strike” against the Remuneration Report. Resolutions 2 to 11 were all carried and, where applicable, shares and options approved via these resolutions were issued during December 2018.

Proposed Sundance Transaction

The Company announced on 25 September 2018 that it had entered into proposed transactions with Western Australian Port Rail Construction (Shanghai) Ltd (WAPRC) and with Sundance Resources Ltd (‘Sundance’) (ASX: SDL).

The terms of the proposed Sundance Transaction, allows amongst other conditions, that AustSino would acquire a further 62,500,000 shares in Sundance at an issue price of \$0.004 per share (0.4 cents) within 15 business days of the date of the Sundance Agreement for consideration of \$250,000. This condition was satisfied in October 2018.

Subsequently, in early January 2019, AustSino agreed to acquire a further 30,000,000 fully paid ordinary shares in Sundance at an issue price of \$0.004 per share (0.4 cents) for consideration of \$120,000. As part of this transaction, AustSino has also received 60,000,000 bonus options (2 options per share issued) at an exercise price of \$.006 per option. These options has an expiry date of 5 years after issue, being 8 January 2024. This transaction increased AustSino’s shareholding in Sundance to approximately 3.32%.

It was not possible for AustSino and Sundance to satisfy all of the condition’s precedent for completion of the proposed transactions by 31 December 2018. Accordingly AustSino, Sundance and all the Noteholders agreed to extend the end date to 31 March 2019.

We have previously announced that AustSino and Sundance were intending to travel to Cameroon towards the end of 2018, and then in early 2019, in order to have further face-to-face discussions with representatives of the Cameroon Government in relation to the above matters and the proposed reinstatement of the Mbalam Convention. However, due to the recent change of the Prime Minister and certain other Ministries, the Cameroon Government indicated that AustSino and Sundance should instead contemplate travelling to Cameroon towards the end of January 2019.

It was also previously announced that the delay to the meeting in Cameroon may affect the timeframe for completion of the proposed Sundance Agreement and AustSino's proposed transaction with WAPRC. We will update the market in this regard in due course.

AustSino and Sundance are continuing to take steps to satisfy the conditions precedent for completion of the above transactions.

In the meantime, AustSino remains in suspension while it responds to the ASX's request for further information concerning the proposed WAPRC Transaction, which include requests regarding WAPRC and its corporate / capital structure, the source of the funds and the new controllers of the Company following completion of the WAPRC placement.

Update – Mid-West Western Australia

Although we have been prioritising the completion of the proposed Sundance Transaction and the proposed WAPRC Transaction during the previous quarter, we remain committed to exploring opportunities in the Mid-West.

To that end, we have had several meetings and discussions with several potential project partners during the quarter.

Tenement Management

The exploration work on our tenements for 2018 is now complete. It included a new Heritage Survey, a series of rock chip samples and approximately 3,300 metres of Reverse Circulation Percussion (RC) drilling targeting several high priority magnetite (\pm DSO) iron ore targets across several of our tenements, as listed below.

The initial part of the program was focused on extending the Telecom Hill magnetite resource to the south-east in the mining lease and then south onto E52/1557. The rest of the program was then spread across several tenements targeting other high priority targets – both DSO and magnetite.

Our planning for exploration for 2019 is well underway with the aim to build on the program from 2018 and to further identify iron ore targets and to further define the resources already identified.

Schedule of AustSino's tenements as at 31 December 2018.

Area of Interest	Tenement Reference	Interest
Western Australia		
Peak Hill	M 52/1068	100%
Peak Hill	E 52/1557	100%
Peak Hill	E 52/1860	100%
Peak Hill	E 52/2368	100%
Peak Hill	E 52/2993	100%
Peak Hill	E 52/3598	100%
Mt Padbury	E 52/1862	100%
Mt Padbury	E 52/1976	100%
Mt Padbury	E 52/2279	100%

Further inquiries:

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