

**ASX Announcement  
31 January 2020**

## **Quarterly Activities Report Quarter Ended 31 December 2019**

AustSino Resources Group Limited (“**AustSino**” or the “**Company**”) is pleased to present its quarterly activities report for the period ended 31 December 2019.

### **Operational**

#### **Sundance and WAPRC Transactions**

In October 2019, the Company agreed to extend the end date of its new agreement (**New SDL Agreement**) with Sundance Resources Ltd (ASX: SDL) (**Sundance**) to 30 June 2020.

In addition to extending the end date, it was also agreed that:

- The existing financial support arrangement per the Sundance Agreement will continue until completion and so AustSino will continue to pay Sundance \$100,000 per month in return for the issue of ordinary shares in Sundance at an issue price of \$0.0045 per share.
- AustSino will now pay an additional \$200,000 per month to Sundance (which commenced on 1 December 2019) in return for the allotment, on completion, of ordinary shares in Sundance at an issue price of \$0.0045 per share.

These changes were conditional on the following:

- written agreement of the Noteholders to the SDL Letter Agreement by 31 December 2019, and;
- the parties to the WAPRC Agreement agreeing to extend the deadline for satisfaction of all conditions precedent under that WAPRC Agreement from 31 December 2019 to 30 June 2020.

The Company is happy to re-confirm that both of the above conditions have been satisfied.

It was also agreed that AustSino would issue Sundance approximately 107,692,308 fully paid ordinary AustSino shares (at a deemed price of \$0.013) after receipt of written agreement from all Noteholders to the SDL Letter Agreement to the extension of the end date to 30 June 2020. As mentioned, this confirmation has been received and the shares were issued to Sundance in late December 2019.

Further details of the New SDL Agreement and the extension of the end date, including more details regarding the key terms and key conditions precedent along with the key differences to the previous Sundance Agreement, are noted in the Company’s ASX announcements released on 8 July 2019 and 22 October 2019.

## **Mbalam Convention Update**

During the quarter, Sundance and AustSino representatives have again had a number of meetings with the Prime Minister's office and the Presidency in Cameroon regarding the reinstatement of the Mbalam Convention.

AustSino and Sundance continue to be actively engaged with the Cameroon Government, which led to a successful visit to China of a very senior Ministerial Delegation from Cameroon. This included the Cameroonian Ambassador to China and the Minister of Mining, Industry and Technology and meetings were held with senior figures from all members of the proposed consortium in and around both Beijing and Shanghai.

Representatives of AustSino and Sundance have subsequently visited Cameroon for a follow up series of Ministerial meetings and were encouraged by these meetings and remain confident that strong pathways have been established with deepening mutual understanding and trust and we continue to be pro-actively engaged with the Cameroonian Government moving forward.

## **Annual General Meeting**

The Company's AGM was held on 29 November 2019. Six resolutions were put to shareholders and the Company was very pleased that resolutions 1 to 5 were carried with a very strong FOR vote. This included the adoption of the Remuneration report and the re-election of the Company's Executive Chairman, Mr Chun Ming DING. As resolution 1 was carried with a greater than 75% FOR vote, resolution 6 was withdrawn and not put to the meeting.

For full details regarding the AGM and the resolutions passed by shareholders, please see the Notice of AGM/Proxy Form announcement dated 28 October 2019 along with the Executive Director's address and the AGM results, both announced on 29 November 2019.

## **Corporate**

Over the course of November / December 2019 and January 2020, the Company raised capital and will utilise these funds to support its ongoing commitment to Sundance and to provide general working capital. The Company has issued fully paid ordinary AustSino shares in 4 tranches at an issue price of \$0.013.

The tranches were as follows:

- 4 December 2019 – Placement of \$715,000 and issued 55,000,000 fully paid shares
- 20 December 2019 – Placement of \$640,000 and issued 49,230,769 fully paid shares
- 17 January 2020 – Placement of \$545,000 and issued 41,923,077 fully paid shares
- 31 January 2020 – Placement of \$441,750 and issued 33,980,764 fully paid shares

On 31 January 2020, the Company also issued 9,745,192 fully paid ordinary shares and 9,000,000 unlisted options as settlement of supplier invoices in lieu of cash payment. The unlisted options have a 12 month term from the date of issue and a 2c per option strike price.

These placements were all made to various non-related investors without a prospectus or other disclosure document as permitted under section 708 of the Corporations Act 2001. Accordingly, the shares are subject to a holding lock and may not be traded or transferred for 12 months or until the Company issues a prospectus or similar disclosure document. The shares rank equally with existing fully paid ordinary shares in the Company and were issued without shareholder approval as the issue of the shares is within the Company's existing placement capacity permitted under ASX Listing Rule 7.1.

## **Corporate - Other**

On 30 November 2019, 65,000,000 unlisted options exercisable at \$0.02 each expired unexercised.

In early January 2020, it was noted that Aust-China Resources Limited had ceased to be a substantial shareholder as the issue of new shares has now reduced their overall shareholding to below 5%.

On 17 January 2020, the Company was pleased to announce the appointment of Mr Perry Mitchell as a Non-Executive Director of the Company. Mr Mitchell has had a distinguished financial and banking career spanning 40 years and brings a wealth of knowledge and experience to the board. The Board is very much looking forward to the positive contribution that Mr Mitchell will bring to the Company.

For more details, please see announcement dated 17 January 2020.

## **Tenement Management**

The Company is working closely with CSA Global to finalise its program of works for 2020. This will again involve all of the Company's tenements with a focus on increasing the resource already identified and previously announced and rationalising the tenements that are currently held.

The Company has a significant mineral resource tonnage of 700Mt above a 15% Mass Recovery of Iron - a robust magnetite resource, with encouraging concentrate composition. In addition, the Company has identified 11.5MT of DSO with upside potential for further discovery of both magnetite and DSO.

Following is a schedule of AustSino's tenements as at 31 December 2019:

<b>Area of Interest</b>	<b>Tenement Reference</b>	<b>Interest</b>
<b>Western Australia</b>		
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 52/1976	100%

## **Further inquiries:**

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