

ASX Announcement
31 October 2018

Quarterly Activities Report

Quarter Ended 30 September 30 2018

AustSino Resources Group Limited (“AustSino” or the “Company”) is pleased to present its quarterly activities report for the period ending on 30 September 2018.

Operational

In early July 2018, the Company officially vacated its lease premises at 100 Colin Street, West Perth and moved into a new office – the new address details are below:

Registered Office and Principal Place of Business:

5/35 Havelock Street, West Perth, WA, 6005

Postal Address:

PO Box 608, West Perth, WA, 6872

AustSino announced on 2 August 2018 that it has 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. Although receipt of the funds has taken longer than anticipated, the Company envisages the remaining balance to be received in November 2018.

On 6 August 2018, a new wholly owned subsidiary, Havelock Resources Pty Ltd, was incorporated within Australia.

On 28 August 2018, the Company announced the appointment of Dr Bielin Shi as a Non-Executive Director. Dr Shi is a leading mining executive and geologist who specialises in investment management, mining geology, geostatistics, resource estimation and optimisation, exploration and project development.

On 5 September 2018, 172,284,953 fully paid ordinary shares were released from voluntary escrow.

In August 2018, the Company agreed to subscribe for 187,500,000 fully paid ordinary shares in Sundance Resources Ltd (‘Sundance’) (ASX: SDL) for a subscription price of AUD 0.004 (0.4 cents) per share. The total placement cost of AUD 750,000 was paid on 7 August 2018 and the shares in Sundance have been issued to the Company.

The funds will be used by Sundance to advance its Mbalam-Nabeba Iron Ore Project in Cameroon and the Republic of Congo in Central Africa (Project) and for general working capital. Sundance Resources and AustSino have also agreed to discuss and advance the development of the Project and those discussions continue.

Subsequently, on 25 September 2018 the Company announced that it has entered into a binding but conditional placement agreement with Western Australian Port Rail Construction (Shanghai) Ltd (WAPRC) under which WAPRC will subscribe for approximately 7,692,307,693 fully paid ordinary shares at AUD 1.3 cents (\$0.013) per share for a total price of AUD 100 Million, which following completion will equate to approximately 61% of the total issued share capital of AustSino (**Proposed WAPRC Transaction**).

On the same date the Company also announced that it has entered into a binding but conditional agreement (Sundance Agreement) with Sundance Resources Limited pursuant to which the Company will acquire:

- 62,500,000 shares in Sundance at an issue price of AUD 0.004 (0.4 cents) per share within 15 business days of the date of the Sundance Agreement for consideration of AUD 250,000 (First Placement); and
- 10,545,454,545 shares in Sundance at an issue price of AUD 0.0055 (0.55 cents) per share together with 10,545,454,545 unlisted options at an exercise price of AUD 0.02 (2.0 cents) per option and an expiry date of five years after the date of issue (Second Placement) for a consideration of AUD 58 Million which on completion of the Second Placement will give the Company effective control of Sundance (approximately 50.8%) (**Proposed Sundance Transaction**).

Further details of the **Proposed WAPRC Transaction** and the **Proposed Sundance Transaction** are noted in the Company's ASX announcement released on 25 September 2018.

As per above, one of the terms of the Proposed Sundance Transaction is that AustSino would acquire a further 62,500,000 shares in Sundance at an issue price of AUD 0.004 per share (0.4 cents) within 15 business days of the date of the Sundance Agreement for consideration of \$250,000. This term was satisfied in October 2018.

Planning is now underway for meetings in Cameroon and the Republic of Congo between the Company, Sundance, the Cameroon Government and several Chinese project partners. The first of these meetings is expected to take place in mid-November 2018 with further meetings expected thereafter.

On the 5 September 2018, the Company requested that it be suspended from quotation immediately pending the release of an announcement regarding the abovementioned possible fundraising and strategic investment. Although these announcements have now been made, 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.

It should be noted that the proposed WAPRC and Sundance transactions are subject to a number of conditions and there is no guarantee that either of one or both transactions will complete in accordance with their terms.

Tenement Management

The exploration work on our tenements for 2018 has now been substantially completed. It included a new Heritage Survey, a series of rock chip samples and approx. 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, some DSO and some magnetite.

The next stage of our program has now commenced. This will start by collating all of the new data with the existing data for analysis before determining the next steps for late 2018 and into 2019.

Schedule of AustSino's tenements as at 30 September 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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