

**ASX Announcement
2 August 2019**

Quarterly Activities Report

Quarter Ended 30 June 2019

AustSino Resources Group Limited (“**AustSino**” or the “**Company**”) is pleased to present its quarterly activities report for the period ended 30 June 2019.

Operational

On 3 April 2019 it was announced that the Company had entered into a share placement agreement with Mr Ma Kai Hui, a sophisticated investor who is a citizen of China. Mr Ma has agreed to purchase 134,938,590 fully paid ordinary shares at a price per share of AUD 0.013 (1.3 cents) for a total purchase price of approximately AUD 1.75 million. These funds were received and were deposited into the Shanghai bank account of the Company’s 100% owned Shanghai subsidiary. On May 17, the Company announced that the full AUD 1.75 million had been received into the Company’s Australian bank account and that it had issued 134,938,590 shares to Mr Ma with the shares to remain in escrow until the earlier of 12 months from the date of issue or until the Company issues a prospectus, cleansing statement or some other form of disclosure document.

On 16 April 2019, the Company advised the market that 181,818,182 fully paid ordinary shares would be released from escrow on 2 May 2019.

On 22 July 2019, the Company advised the market that 3,000,000 fully paid ordinary shares would be released from escrow on the 6 August 2019.

Previous Sundance Transaction

Over the last 6 months, AustSino and Sundance Resources Ltd (“**Sundance**”) (ASX: SDL) and their key partners and advisors have held a number of meetings both within and outside of Cameroon, with follow-up meetings and visits planned thereafter. These meetings were attended by Senior Representatives of the Cameroon Government, Board members of both AustSino and Sundance, potential Chinese Consortium Partners and key advisors.

As noted in the Company’s market update on 8 July, the arrangements with the Chinese Consortium Partners are primarily non-binding MoUs (however the parties have committed to use their reasonable endeavours to put in place further legal documents as soon as possible during 2019).

The ANS Board believes the meetings were positive and constructive, with the Cameroon Government reiterating in writing its strong desire to see the project developed as quickly as possible and its desire to send a delegation to China to undertake further due diligence in relation to the Chinese Consortium Partners.

However, as noted on previous occasions, a key condition of the (previous) Sundance Agreement was the Cameroon Government agreeing to reinstate the Mbalam Convention. As at 30 June 2019, Sundance still did not have confirmation as to whether the Cameroon Government would reinstate the Mbalam Convention and accordingly AustSino’s previous agreement with Sundance lapsed on 30 June 2019.

New Sundance Transaction

The Company announced on 8 July 2019 that it had entered into a new transaction with Sundance and the Sundance Noteholders as the previous Sundance Agreement had lapsed on 30 June 2019.

The requirement for the reinstatement of the Mbalam Convention prior to completion of the (Previous) Sundance Agreement has been removed from the (New) Sundance Agreement (in return for a significant reduction in the cash component payable by AustSino, i.e. from \$58 Million to \$29 Million).

Given the removal of this previous requirement, Sundance, AustSino and the Chinese Consortium Partners are now free to work collaboratively to complete the New Sundance Agreement during 2019. They are also free to work collaboratively with the Cameroon Government to obtain the reinstatement of the Mbalam Convention as quickly as possible during 2019.

In AustSino's view, the New Sundance Agreement fairly reflects the considerable assets held by Sundance in Congo, including the existing Nabeba Mining Convention (which has already been passed into legislation), Mining Permit, drilling results, engineering studies and key approvals. In their own right, the Congo assets also provide a cornerstone for pursuing other resources and infrastructure projects in the region, particularly if the Cameroon Government does not ultimately agree to reinstate the Convention.

The terms and conditions of the New Sundance Agreement were outlined in the Company's ASX Announcement dated 8 July 2019.

Proposed WAPRC Transaction

The Company has continued to maintain regular contact with WAPRC and we will continue to do so. During April 2019, the deadline for satisfying all conditions precedent under the WAPRC Agreement was extended to 31 December 2019, this now coincides with the timeline for completion of the New Sundance Agreement.

Tenement Management

Our planning for exploration for the 2019 calendar year continued through the quarter. Our aim remains 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 30 June 2019:

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%

Further inquiries:

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