

**ASX Announcement
29 November 2019****EXECUTIVE DIRECTOR'S ADDRESS TO AGM**

This time last year I advised this annual general meeting that our company had taken some significant steps to identify two transformative transactions that, if completed, would promise a very exciting future for us.

Those transactions were:

1. First, a \$100 million capital raising from Western Australian Port Rail Construction (Shanghai) Ltd (WAPRC), with whom a relationship has been cultivated over a long time; and
2. Second, a complex, conditional arrangement for the acquisition of an approximate 50% interest in Sundance Resources Ltd, a fellow ASX listed company with a world class iron ore project in Africa. The transaction also results in the elimination of the debt in Sundance owing to Noteholders.

The plan to advance this project involves the proposed development of a deep water port and a 540-580 km rail network in addition to the two iron ore mines, one mine in the Congo and one in Cameroon.

We were hopeful at the time we met at last year's AGM that the transactions would be able to be completed in the first half of 2019, shortly after Sundance could demonstrate to us that it was able to secure from the Government of Cameroon the reinstatement of the Mbalam Convention within the early timeframe that Sundance was confident was achievable. The Convention locks down the Cameroon mine and the logistics pathway to market.

Unfortunately, Sundance was unable to secure the extension of the Convention, with changes in the Cameroon Government proving to be a significant challenge to overcome in the available time.

That left the Board of AustSino with a dilemma; should we walk away from the Sundance deal or not?

The key factors that drove the decision of the Board to stay the course with this opportunity were:

1. The fundamental core appeal of such a world class deposit and opportunity was simply too attractive to walk away from. We could not identify another opportunity that a company of the size and resources of AustSino would be able to get our hands on that would offer even a fraction of the upside of the Sundance project.
2. The fundamental drivers for a Chinese backed syndicate to develop the Project were overwhelming. This project is simply too good not to be developed by China given its desire to secure a diversified, high quality source of iron ore.

3. The high level of confidence of BOTH the Board of AustSino and our proposed incoming major shareholder, WAPRC, in the abilities and networks of our Executive Chairman, Mr Chun Ming Ding, to be able to do what no one else had been able to achieve over the last decade – that is to build and lead a strong, world class consortium of tier one Chinese companies to finance, construct and operate a massive, integrated iron ore, rail and port project in Central Africa.

Having made our decision, the Board recognised that Sundance's changed circumstances meant that the terms of the proposed original transaction with Sundance needed revision to reflect the failure to lock down a solid position in Cameroon.

I am delighted that the Board was able to agree terms with the Board of Sundance that effectively preserved the upside of the initial transaction but at around a half of the cost to AustSino.

Having agreed to proceed on a renegotiated deal, the Board naturally needed to secure the financial backing to cover the additional holding, operating and development costs that would be necessary to pursue the project over a longer timeframe.

The company therefore completed equity raisings in the last year to improve our financial position and to demonstrate our credibility to regulators and other stakeholders. It is a significant achievement that the Board has continued to maintain and pursue this exceptional opportunity without needing existing shareholders to invest further funds.

Resolutions 3 and 4 that we will vote on today relate to the ratification of these share issues and resolution 5 relates to seeking approval for a 10% Placement Facility should it be required in the future.

Whilst I know it has been frustrating for shareholders that AustSino's shares have been suspended from trading for too long now, we remain confident that the prize ahead of us justifies the decisions taken to date.

So, after negotiating the revised terms of the Sundance deal mid-year – what has the Company been doing in the second half of the financial year to date?

The company and, in particular our Chairman Mr Ding has been extraordinarily busy with many meetings in China, Middle East and Africa. The key achievements of this activity, in the opinion of the Board are:

1. The compilation of a truly world class consortium of unprecedented depth and quality, including the advancement of arrangements in recent months with:
 - i. Shenzhen Yantian Port Holdings Co, the third largest port operator in the world
 - ii. China Railway Construction Corporation (International) Ltd, the world's largest EPC contractor and China's largest railway construction company
 - iii. Baowu – Hong Kong Baofeng International Co Ltd, the world's second largest steel producer
 - iv. Shanghai Tsingshan Mineral Co Ltd, the world's number one stainless steel producer
- As well as initiating new MOU arrangements with:
- i. MCC – Metallurgical Corporation of China – to build and operate the iron ore mines and provide project equity support.

We have also been pursuing new MOUs to support project financing with a number of Chinese banks and financiers.

Whilst these arrangements remain non-binding at today's date, they nonetheless reflect a massive, co-ordinated and united collaboration of the top companies in China behind the plans proposed by our Chairman, Mr Ding.

2. The second key achievement has been the prosecution of an active engagement plan with the Cameroon Government, including a successful visit to China of a very senior Ministerial Delegation including the Cameroonian Ambassador to China and the Minister of Mining, Industry and Technology that met with senior figures from all members of the proposed consortium in late October/early November in and around Beijing and Shanghai.
3. And, thirdly, opening of discussions with other Central African stakeholders to explore the potential expansion of the project to include other iron ore projects and other potential logistics pathways to market.

The Board continues to work well and closely with WAPRC, the Board of Sundance and Sundance's Noteholders, and we are currently in the process of obtaining the final signatures to extend the deadline for completion of the deal and we do not anticipate any problems in this regard.

Mid West

At the same time as pursuing our plans in Central Africa, the Company has continued to maintain our Mid-West holdings and interest in the Region albeit we have rationalised the number of tenements we hold with a focus on the current mining lease. The Mid West is a large and prospective mineral region which has the potential to become a major new iron ore province. Numerous Chinese and Australian companies already have significant iron ore deposits in the region.

Indeed, this financial year we have seen Sinosteel Midwest Corporation acquire the huge Jack Hills project from Mitsubishi Corporation in another clear statement of China's long term commitment to develop the Mid West Region as a significant iron ore province.

Whilst it is fair to say that our current focus is on pursuing our opportunities in Central Africa, over the course of the financial year, the company completed a project of work that included approximately 3300 metres of Reverse Circulation Drilling (RC) that was structured to target several high priority magnetite (\pm DSO) iron ore targets across several of its tenements. In conjunction with CSA Global, we are now in the process of reviewing and finalising our project of works for 2020.

AustSino has also signed a non-binding MoU with Shenzhen Yantian Port Holding Co Ltd, pursuant to which Yantian Port has confirmed its interest in playing a significant role in the future development and funding of the Oakajee Project.

We believe that success in Central Africa with the world class consortium that Mr Ding has created will position us well to re-invigorate and promote economic infrastructure solutions in the Mid-West into the future.

I am particularly grateful to my former colleague and friend Ian King for his contribution as Director to our efforts in the MidWest. As Chairman of Geraldton Port Authority for a decade and a half, Ian also made an enormous contribution to the Mid West Region of Western Australia. It was with great sadness that we heard of Ian's passing in early 2019. Ian is a great loss not only to our company and, of course, his family but to Western Australia more broadly.

Conclusion

In conclusion, along with my fellow directors, I see the potential to secure a controlling interest in Sundance and to tie down and integrate Sundance's Mbalam-Nabeba Iron Ore Project in Cameroon and the Republic of Congo in Central Africa as tremendously exciting.

Securing \$100m in equity from WAPRC will be a real game changer for AustSino shareholders, who really do deserve great reward for their perseverance.

Whilst the proposed WAPRC and Sundance transactions would truly be transformational, they do still remain subject to a number of conditions and there is, of course, no guarantee that either or both transactions will complete in accordance with their current terms.

However, the Board is actively pursuing their successful conclusion. The prize we are chasing is in sight, I can see the light at the end of the tunnel and the board remains very positive about the future for our Company.

Accordingly, I strongly encourage all shareholders to support resolutions 1 to 5 before you this morning. I hope that there will be no need for resolution 6 to be put to the meeting, but if this is required, I also encourage you to vote against that resolution.

Thank you again for your attendance and support for AustSino.