

ASX Announcement
18 August 2020

Capital Raising

AustSino Resources Group (ASX: **ANS** or **Company**) is pleased to announce that it has successfully completed a placement to raise \$1,137,500 before costs ('Placement'). This Placement involves the issue of 87,500,000 fully paid ordinary shares at an issue price of AUD 0.013 (1.3 cents) per share ('Placement Shares') under the Company's existing placement capacity afforded under ASX Listing Rule 7.1.

The Placement was made to various non-related party sophisticated investors without a prospectus or other disclosure document, in accordance with section 708 of the Corporations Act 2001. The Placement Shares will be issued subject to a voluntary escrow and may not be traded or transferred until the earlier of (i) 12 months from the date of issue, and (ii) the issue by the Company of a prospectus or other disclosure document to facilitate secondary trading.

The funds raised from the Placement have been received into the Company's bank account held in Australia. These funds will be used to fund the Company's commitment (as announced on 22 October 2019 and 7 July 2020) to provide ongoing financial support to Sundance Resources Limited (ASX: SDL) and for general working capital purposes.

The Placement Shares will rank equally with existing fully paid ordinary shares in the Company. No shareholder approval is required for the Placement, as the issue of the Placement Shares is within the Company's existing placement capacity permitted under ASX Listing Rule 7.1.

The Company did not use a lead manager for the Placement however it previously did enter into a mandate with Mr Frank Vallone (a non-related party) on 1 July 2020 for the provision of services in connection with capital raisings ('Mandate'). Under the Mandate a fee of 5% of the total funds successfully introduced to the Company is payable to Mr Vallone (or his nominee) up to the first \$5m introduced by him on or before 30 September 2020. Following the issue of shares by the Company on 20 July 2020 and the Placement Shares, the Company has now issued 8,425,000 shares at a deemed issue price of AUD 0.013 (1.3 cents) per share to Mr Vallone to settle the introduction fee payable under the Mandate (being \$109,525 + GST).

The Mandate also provides for the issue of an additional 20,000,000 unlisted options should the Company raise more than \$2m in total from investors introduced by Mr Vallone. Following the Placement this condition has been met and the Company has accordingly also issued these options today. The options have an exercise price of \$0.02 per option, expire on 18 August 2021 and are subject to the following vesting conditions:

- 1) completion being achieved under the agreement dated 5 July 2019 (as amended) between the Company, Sundance Resources Limited, Senrigan Master Fund, D.E. Shaw Composite Holdings International, Ltd, Noble Resources, International Pte Ltd, BSOF Master Fund L.P., Wafin Limited and Mr David Porter; and
- 2) re-admission of the Company's shares to official quotation on ASX.

The Company notes it has also issued 15,000,000 unlisted options to Contour Capital Pty Ltd, a non-related party, as settlement of a supplier invoice related to working capital expenses, offsetting the need for the Company to pay cash to the relevant supplier (thereby enhancing the cash position of the Company). The options have the same terms as those options noted above.

The aforementioned options, and if converted, the then underlying shares, will be subject to the same voluntary escrow requirements noted for the Placement Shares. The Company again issued the options using its available capacity under ASX Listing Rule 7.1.

Authorised for release by Michael Keemink, Executive Director.

Further inquiries:

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