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ASX Announcement | Media Release
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QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 SEPTEMBER 2020

Summary:

- **Sundance, AustSino and Noteholders extend agreement**
- **Sundance shares remain in voluntary suspension and delist date extended by 3 months**
- **$858K cash on hand as at 30 September 2020**

Sundance Resources Limited (**ASX: SDL**) ("**Sundance**" or "**Company**") provides the following information about activities for the Quarter ended 30 September 2020:

AGREEMENT WITH AUSTSINO AND NOTEHOLDERS UPDATES

Background

As announced on 8 July 2019, Sundance Resources Ltd ("**Sundance**") (ASX: SDL), AustSino Resources Group Ltd ("**AustSino**") (ASX: ANS) and the Noteholders of Sundance ("**Noteholders"**) entered into an agreement dated 5 July 2019, which regulates the terms on which AustSino would invest in Sundance and the existing notes held by the Noteholders are cancelled in exchange for a cash, share and option package ("**Sundance Agreement**"). The end date for completion of the Sundance Agreement was 31 December 2019.

On 22 October 2019, Sundance announced a letter agreement was signed between Sundance and AustSino in which Sundance agreed to extend the end date for completion of the Sundance Agreement to 30 June 2020 ("**SDL Letter Agreement"**).

On 3 June 2020, AustSino announced to the market that it would not be able to satisfy the conditions precedent required under the Sundance Agreement by 30 June 2020. AustSino stated that it was unable to complete the placement agreement with Western Australia Port Rail Construction (Shanghai) Ltd ("**WAPRC**") because WAPRC was unable to make a proposed $100 million cash injection available as required by 30 June 2020.

As announced on 25 June 2020, Sundance was advised by AustSino that a new investor to replace WAPRC had been identified and a new agreement was being finalised. This resulted in Sundance adjourning its Extraordinary General Meeting, which was scheduled for 29 June 2020, until the new investor became certain.

The Sundance Agreement expired on 30 June 2020.

Updates During the Current Quarter and Subsequent

On 2 July 2020 Sundance announced it was in negotiations with AustSino with a view to agreeing a further extension to the Sundance Agreement.

On 7 July 2020, Sundance announced its negotiations with AustSino had progressed to the signing of a new extension letter agreement between AustSino and Sundance to extend the Sundance Agreement to

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30 September 2020 (**"Further Extension Letter"**). This Further Extension Letter required approval from the Sundance Noteholders by 17 July 2020 in order for the further extension to be effective.

The Further Extension Letter had a number of conditions:

1. The Agreement was extended to 30 September 2020 subject to:
   (a) by 10 July 2020 AustSino must lodge a draft Notice of Meeting to the Australian Securities Exchange for review; and
   (b) by 17 July 2020 AustSino must demonstrate to the reasonable satisfaction of Sundance that it had progressed the funding (e.g. $29M) for completion of the Sundance Agreement.
2. AustSino will provide a further $450,000 in funding to Sundance (this will be repayable in cash or equity only if the Sundance Agreement completes; otherwise it will be revenue to Sundance). The first payment of $50,000 was payable on 17 July 2020 should all Noteholders have consented to the further extension and AustSino have satisfied or Sundance waived the conditions in (a) and (b) above.

On 9 July 2020, AustSino announced that it had entered into a binding placement agreement with Midwest Resource Finance Group Pty Ltd ("**Midwest**") pursuant to which Midwest had agreed to subscribe to 7,692,307,693 AustSino shares at an issue price of $0.013 per share to raise $100 million.

On 21 July 2020, Sundance announced that AustSino had submitted its draft Notice of Meeting to the ASX on 10 July 2020 to satisfy the first condition. Sundance also announced that it had received consent from the Noteholders as required by 17 July 2020.

Sundance met with AustSino on 17 July 2020 and was presented with a number of documents to support that progress was being made in funding the Sundance Agreement. The Board of Sundance was pleased to view the documents but did not believe there was sufficient progress to enable it to say that the condition precedent of the Further Extension Letter had been satisfied.

Nevertheless, Sundance agreed to waive this condition but not otherwise release AustSino and gave AustSino another five business days to provide further evidence that the required bank processes, which needed to be undertaken in order for the funding under the Sundance Agreement to be available, were being advanced.

AustSino completed its obligation of providing a further $450,000 in funding during the Quarter.

On 27 July 2020, Sundance announced that the required bank processes had commenced.

The Sundance Extraordinary General Meeting was convened on 29 July 2020 and all resolutions put to the meeting were passed via poll. This completed all of the Sundance requirements to complete the Sundance Agreement.

On 30 September 2020 Sundance announced that even though progress had been made AustSino was unable to complete its requirements by 30 September 2020. Sundance and AustSino signed a conditional extension of the end date of the Sundance Agreement from 30 September to 30 November 2020 ("**Final Extension Letter**").

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The Final Extension Letter was conditional on approval being received for the extension from the Noteholders. Noteholder approval was received on 14 October 2020 and AustSino provided a further $300,000 in funding to Sundance on 15 October 2020 (this will be repayable in cash or equity only if the Sundance Agreement completes).

The Final Extension Letter also allowed Sundance to cancel the Sundance Agreement with five business days' notice from 2 November 2020 if AustSino – by that date – has not convened a shareholders meeting to approve the transactions contemplated under the Sundance Agreement.

AustSino has also been working on finalising its Notice of Meeting ("**NoM**") to allow its shareholders to approve the MidWest placement. The NoM is unlikely to be released to AustSino's shareholders until the Midwest funds have been fully secured.

SUNDANCE REMAINS IN VOLUNTARY SUSPENSION

Sundance's securities were suspended from official quotation pursuant to ASX Listing Rule 17.2 on 7 September 2018. Under ASX's policy set out in Guidance Note 33 and unless Sundance's securities have been readmitted to trading or the Company has otherwise obtained an extension from ASX to comply, its securities are automatically delisted two years following suspension.

Sundance is pleased to announced on 7 September 2020 that it had received notification from the ASX that Sundance had been granted a three-month extension, to 7 December 2020, for the deadline for automatic removal of the Company from the Official List. During the period to 7 December 2020 ASX will provide to the Company the details of what will be required from the Company in order for its shares to be reinstated to the Official List.

ASX has also advised Sundance that no further extension will be considered or granted beyond 7 December 2020.

Sundance expects that trading in its shares on the ASX will remain suspended until the Sundance Agreement is completed or it comes to an end.

CORPORATE

Total cash outflow from operating activities for the period was $373,000. Sundance ended the September 2020 Quarter with $858,000 in cash and deposits.

During the Quarter, $450,000 was raised from placements with AustSino as per the terms of the SDL Further Extension Letter Agreement.

The expenditure for the coming Quarter is estimated to be approximately $750,000 and will include normal working capital and legal costs associated with the renegotiation of the extensions. The actual expenditure for the Quarter will be dependent on the finalisation of the Sundance Agreement and the receipt of funds in that.

In the subsequent Quarter, Sundance also received funding from AustSino of $300,000 on 15 October 2020 as per the terms of the Final Extension Letter.

EXPENDITURE

The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report. The related-party payments referred to in section 6 of the Appendix 5B are for Director salaries.

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ASX ANNOUNCEMENTS

The Quarterly Report should be read in conjunction with all announcements made by the Company to the ASX, including the financial statements which contain further details about Material Business Risks. These announcements can be found on the following link:
http://www.sundanceresources.com.au/irm/content/asx-announcements.aspx

SHARE CAPITAL

As at 30 September 2020, the Company had 9,450,021,556 shares on issue.

SCHEDULE OF TENEMENTS

The Company, through its subsidiary companies, held the following exploration/mineral research permits and mining tenements at 30 September 2020:

Country	Area	Permit	Holder
Republic of Cameroon	Mbalam	Exploration Permit No. 92 has now expired and the Mbalam Convention has passed its long-stop date requiring reinstatement. A valid Mining Permit application over the land previously covered by EP92 was lodged on October 2009 and later amended in December 2009. The Company has legal advice, which supports Sundance's priority over any other application by a third party over the land.	Cam Iron SA (i,iii,v)
Republic of Congo	Nabeba-Bamegod	Decree No.2013-45	Congo Iron SA (ii,iv,v)
Republic of Congo	Ibanga	Decree No. 2013-405	Congo Iron SA (ii,iv,v,vi)

(i) Cam Iron holds 100% interest; Cam Iron is a 90%-owned subsidiary of Sundance.
(ii) Congo Iron holds 100% interest; Congo Iron is an 85%-owned subsidiary of Sundance.
(iii) The Government of Cameroon has a right to a 10% free carry interest in Cam Iron on the grant of the mining permit.
(iv) The Government of Congo has a right to a 10% interest in Congo Iron pursuant to the Congo Mining Code
(v) Should both Governments exercise their rights for an interest in Cam Iron and Congo Iron then Sundance's interest would reduce to 81% in Cam Iron and 76.5% in Congo Iron
(vi) This permit expired in August 2015. Congo Iron made application for a replacement permit covering only part of the Ibanga permit area containing the most prospective area in August 2015

This release was authorised by the Board of Sundance.

ENDS

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About Sundance Resources

*Sundance Resources is seeking to develop its flagship Mbalam-Nabeba Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. Stage One will be the production of a Direct Shipping Ore ("**DSO**")-quality sinter fines product averaging >62.0% Fe at a rate of 40Mtpa for approximately 14 years based on blending material sourced from the deposits in the neighbouring countries of Cameroon and Congo. Stage Two, which is currently at a Pre-Feasibility Stage, would then extend the life of the operation by further 15-plus years producing high-grade Itabirite hematite concentrate. In April 2011, Sundance completed the Definitive Feasibility Study for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam-Nabeba Iron Ore Project. The Project will utilise the rail and port infrastructure to be financed, built and owned by the Government of Cameroon, a 540km rail line dedicated to the transport of iron ore through Cameroon and a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.*

Forward Looking Statements

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, financing a large capital project, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of Sundance's operations including the likely financing and commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital sources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's operations, economic performance and financial condition.

Although Sundance believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors: changes in economic and market conditions, deterioration in the iron ore market, deterioration in debt and equity markets that lead to the Project not being able to be financed, success of business and operating initiatives, changes in the regulatory environment and other government action, fluctuations in iron ore prices and exchange rates, business and operational risk management, changes in equipment life, capability or access to infrastructure, emergence of previously underestimated technical challenges, environmental or social factors which may affect a license to operate.