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ASX Announcement
02 November 2020

Quarterly Activities Report
Quarter Ended 30 September 2020

AustSino Resources Group Limited ("**AustSino**" or the "**Company**") is pleased to present its quarterly activities report for the period ended 30 September 2020.

Operational

Sundance Transaction and Enabling Capital Raising Transaction

Over the course of the quarter the Company's focus continued to be working towards satisfaction of the conditions precedent to completion of the Sundance Transaction and the large capital raising required to fund the completion of the Sundance Transaction.

Sundance Transaction

AustSino has continued to make payments to Sundance Resources Limited (**Sundance**) to service the New SDL Agreement. On 30 September 2020, AustSino announced the further extension of the New SDL Agreement beyond its expiry date of 30 September 2020 to 30 November 2020, through a new extension letter agreement with Sundance. This extension letter then became effective upon the noteholders in Sundance later accepting its terms.

Under the terms of the new extension letter:

- AustSino will provide a further $300,000 in funding to Sundance and payment was made on 14 October 2020.
- Sundance can cancel the Sundance Agreement with 5 business days notice from 2 November 2020 if AustSino has not convened a shareholders meeting to approve the transactions contemplated under the Sundance Agreement by that date.

During the quarter the Company progressed activities in an effort to convene the relevant shareholders meeting, but as at the date of this report the AustSino shareholders meeting has not yet been convened.

Enabling Capital Raising

In order to complete the Sundance Transaction, AustSino first needs to complete an enabling major capital raising and secure the approval of its shareholders in general meeting to that capital raising transaction.

Capital Raising

As announced on 3 June 2020, Western Australian Port Rail Construction (Shanghai) Ltd (WAPRC), confirmed that it was not able, by 30 June 2020, to meet the conditions precedent to the binding but conditional placement agreement with AustSino, including WAPRC making available $100 million to complete its planned acquisition of a controlling interest in AustSino. This was primarily due to delays caused by the travel restrictions associated with the COVID-19 pandemic.

On 9 July 2020, the Company announced that it had entered into a binding subscription agreement with Midwest Resource Finance Group Pty Ltd (**Midwest**) pursuant to which Midwest has agreed to subscribe for 7,692,307,693 ANS shares at an issue price of $0.013 per share to raise $100 million (**the Midwest Placement**). Midwest is a proprietary company incorporated in Australia whose sole director is Mr Chun Ming Ding, the Executive Chairman of the Company.

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The Midwest Placement effectively replaced the lapsed WAPRC Transaction and is subject to a number of conditions precedent, in particular *"Midwest having secured sufficient funds to complete the purchase of the Midwest Placement Shares"*.

AustSino is continuing to work with Midwest to progress the funding condition and will update shareholders as the situation evolves.

AustSino Shareholder Approval

One of the conditions for completion of the Sundance Transaction is to receive shareholder approval for the Midwest Placement at an Extraordinary General Meeting. As at the date of this report the AustSino shareholders meeting has not yet been convened.

Arrangements with the Government of Cameroon

Our efforts to develop the assets and plans underpinning the proposed deal with Sundance have been significantly impeded by the emergence of the global COVID-19 pandemic that has resulted in widespread and extensive travel and workplace restrictions, with lockdown procedures in place in both Cameroon and the Congo.

Nonetheless, the Company has continued to engage with the Cameroon Government to move forward with this exciting integrated mining, port and rail project in Central Africa.

Suspension of the Company's shares on ASX

On 7 September 2020, the Company received notification from the ASX that it has granted AustSino a three month extension, to 7 December 2020, for the deadline for automatic removal of the Company from the Official List. ASX also advised that no further extension will be considered or granted. The Company expects that trading in its shares on ASX will remain suspended until the proposed transactions are completed or otherwise.

Corporate

The Company has continued to raise further capital to support its ongoing commitment to Sundance and to provide general working capital.

The Company has issued fully paid ordinary AustSino shares as set out below.

- 20 July 2020 – Placement of $1,053,000 and issued 81,000,000 fully paid shares at $0.013
- 18 Aug 2020 – Placement of $1,137,500 and issued 87,500,000 fully paid shares at $0.013.

The Company issued a further 8,425,000 fully paid ordinary shares and 35,000,000 unlisted options to a non-related party for the provision of services in connection with the Placement on 18 August 2020.

The Company also issued 15,000,000 unlisted options on 18 August 2020 to a non-related party as settlement of a supplier invoice related to working capital expenses in lieu of cash payment.

These placements were all made to various non-related investors without a prospectus or other disclosure document as permitted under section 708 of the Corporations Act 2001.

Accordingly, the shares are subject to a holding lock and may not be traded or transferred for 12 months or until the Company issues a prospectus or similar disclosure document. The shares rank equally with existing fully paid ordinary shares in the Company and were issued without shareholder approval as the issue of the shares is within the Company's existing placement capacity permitted under ASX Listing Rule 7.1.

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Corporate - Other

Quarterly cashflow report

The Company will also today lodge its cashflow report (Appendix 5B) for the quarter ended 30 June 2020. The Company made payments of $177k to related parties comprising payment of director and consulting fees to directors in line with their relevant agreements (refer section 6 of Appendix 5B).

The Company paid approximately $88k in exploration expenditures during the September 2020 quarter comprising payments for shire rates, geological reviews, tenement assessment, tenement rentals and tenement management costs.

Tenement Management

The Company continues to work with CSA Global to finalise its programme of works for 2020. This will again involve all of the Company's tenements with a focus on increasing the resource already identified and previously announced and rationalising the tenements that are currently held.

Planning has been severely hampered by the restrictions caused by the COVID-19 pandemic, particularly around the travel restrictions but also the workplace restrictions but we are currently finalising a smaller works program with CSA Global so that we can re-commence work on the tenements.

Following is a schedule of AustSino's tenements as at 30 September 2020*:

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%

** - these remain unchanged from 30 June 2020.*

This release was authorised for release by the Board of AustSino.

Further inquiries:

Henko Vos

Company Secretary T: +61 8 9463 2463

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity	
AustSino Resources Group Limited	
ABN	**Quarter ended ("current quarter")**
12 009 076 242	30 September 2020

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(88)	(88)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(201)	(201)
	(e) administration and corporate costs	(390)	(390)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(5)	(5)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	8	8
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(676)**	**(676)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	(450)	(450)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(450)**	**(450)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,684	1,684
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(12)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,672**	**1,672**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,096	2,096
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(676)	(676)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(450)	(450)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,672	1,672

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	**Cash and cash equivalents at end of period**	**2,643**	**2,643**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,596	2,049
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Security deposits	47	47
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,643**	**2,096**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	177
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	N/A	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(676)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(676)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,643
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,643
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.91

Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 2 November 2020

Authorised by: Mike Keemink
(Executive Director)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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