



ASX Announcement

28 November 2019

Sundance Resources Limited (ASX : SDL)

2019 Annual General Meeting

Chairman's Address

Welcome to the 2019 Sundance AGM.

The past year has delivered considerable progress in putting the parts together to move our world-class Mbalam-Nabeba Iron Ore Project towards development. However, having said that, it has also been a very frustrating year in the sense that everything has taken much longer than we would have hoped; and we greatly appreciate and acknowledge the patience of our shareholders.

We started the financial year with an agreement with AustSino and our noteholders to eliminate debt of \$130 million and inject working capital into Sundance. This agreement would allow AustSino to take a controlling stake of just over 50% in Sundance and work together with potential partners in China to establish a consortium that could fund, build and operate our Project.

In February of this year, Sundance and AustSino brought together and accompanied the most significant consortium of Chinese players to have ever visited Cameroon – the world's largest construction company China Railways Corporation; the world's third-largest port owner and operator Yantian Ports; the world's largest stainless steel producer Tsingshan Steel; and the world's second-largest steel producer Baowu. In Cameroon's capital of Yaounde, we signed a non-binding consortium agreement and presented to a number of Government ministers the best way we thought that the Project can be developed. We were warmly met and given great support that the Mbalam Convention would be reinstated following its expiry in September 2018.

Since that ground-breaking visit, the Convention has been working its way painstakingly slowly through Government due diligence processes for reinstatement. There have been many meetings between representatives of Sundance, -AustSino and the Cameroon Government. The delay has been caused by a combination of changes of Government ministers, the size and complexity of the Project and the requirements to get all stakeholders on board and united behind the Project. Recent meetings with the Presidency in Cameroon has resulted in a visit to China by senior members of the Cameroon Government and the Cameroonian Minister of Mines. During this visit they met with senior representatives of the consortium and visited their operations. The members of the consortium reinforced their desire to fund, construct and operate the Project and were matched with the enthusiasm of the Cameroon representatives to progress the required approvals in Cameroon. All of this has reinforced our belief in the likelihood that the Project will move forward in 2020.

It is important to note, of course, that Mbalam is only half of our Project. We retain full tenure over the Nabeba deposit in the neighbouring Republic of Congo and have maintained our strong and positive relations with the Government. We acknowledge the continued support of the Congo Government.

The delays in relation to the Mbalam Convention resulted in the modification of the agreement with AustSino and the noteholders in July 2019. This agreement, pending approval from our Noteholders which we expect to receive shortly and approval from Western Australia Port and Rail Construction (Shanghai) Ltd (WAPRC) to extend their agreement with AustSino, will be extended to June 2020 but with a significant commitment from AustSino to fund Sundance. This will increase AustSino's financial commitment from approximately \$1.6 million to \$3.8 million, depending on the timing of completion of the agreement. We hope to have the agreement completed well before June next year.

Sundance shares have been in a trading suspension since 8 September 2018. This is an extraordinarily long time to be suspended and has created frustrations for the Board, our noteholders, our shareholders as well as AustSino's shareholders, whose own shares are also in suspension. We believe that the ASX will not allow Sundance shares to trade again until either the agreement is concluded or abandoned.

The Board of Sundance remains united and fully committed to pursuing the finalization of the agreement and funding of the Mbalam-Nabeba Iron Ore Project as it is currently the best options for the creation of shareholder value and the best chance for the people of Cameroon and Congo to realise the long-term benefits from the development of their world-class iron ore resources.

We wish to thank all our shareholders for their support over the past year. We look forward to 2020 with a sense of optimism that our and your patience will be rewarded.

DAVID PORTER
Chairman
Sundance Resources Limited

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