

ASX Announcement

9 July 2020

PLACEMENT TO RAISE \$100,000,000

AustSino Resources Group Ltd (“**AusSino**” or the “**Company**”) (ASX: **ANS**) is pleased to announce that it has entered into a binding subscription agreement with Midwest Resource Finance Group Pty Ltd (“**Midwest**”) (the “**Midwest Subscription Agreement**”) 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 \$100,000,000 (the “**Midwest Placement**”).

Midwest was identified as an investor for the Company after the conditions precedent to the placement agreement between AustSino and Western Australian Port Rail Construction (Shanghai) Ltd (“**WAPRC**”) were delayed and determined not to be capable of satisfaction by 30 June 2020 (the previous end date under the Sundance Transaction). Accordingly, whilst the placement with WAPRC will not proceed, the Midwest Placement will provide the same level of funding to the Company on materially the same terms as those contemplated under the WAPRC placement.

Midwest is a proprietary company incorporated in Australia whose sole director and shareholder is Mr Chun Ming Ding, the Executive Chairman of the Company.

Completion of the Midwest Placement is subject to customary conditions precedent, including AustSino shareholder approval. A summary of the agreement is set out as an annexure to this announcement.

Upon completion of the Midwest Placement, Midwest will acquire a relevant interest in 7,692,307,692 ANS Shares, which when aggregated with the voting power of its associates means it will hold a maximum voting power in the Company of approximately 59.90%.

Further details regarding the transaction will be included in a Notice of Meeting and Independent Expert’s Report that will be sent to shareholders shortly.

IMPLICATIONS FOR AGREEMENT WITH SUNDANCE

AustSino has previously entered into an agreement to pay A\$29 million (“**Completion Payment**”) to Sundance Resources Ltd (“**Sundance**”) and Sundance will:

- (a) issue to AustSino 11,153,846,154 shares at an issue price of A\$0.0026 per Share; and
- (b) grant AustSino 11,153,846,154 unlisted options at an exercise price of A\$0.02, which have an expiry date of five years after the date of issue, are transferable to persons that do not require a disclosure document and are otherwise on terms consistent with options issued to existing Sundance Noteholder,

(“**Sundance Transaction**”).

The Sundance Transaction is conditional, among other things, on AustSino completing a placement of ANS Shares to fund the Completion Payment. The Company will satisfy this condition precedent by undertaking the Midwest Placement.

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As announced to ASX on 7 July 2020, Sundance and Company have agreed that the previous end date for the Sundance Transaction, which was 30 June 2020, will now be extended until 30 September 2020. The extension of the Sundance Transaction remains subject to Sundance noteholder approval, together with other conditions precedent set out in the announcement of 7 July 2020.

The Board will keep shareholders fully informed of all material updates in relation to the Midwest Placement and Sundance Transaction.

Authorised for released by the Board of Directors.

Further inquiries:

Mr Henko Vos
Company Secretary
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ANNEXURE 1

SUMMARY OF MIDWEST SUBSCRIPTION AGREEMENT

The key terms of the Midwest Subscription Agreement are as follows:

Key Term	Summary
Subscriber	Midwest Resource Finance Group Pty Ltd
Subscription	The Company must allot and issue, and Midwest must subscribe for, 7,692,307,693 Shares on the completion date at an issue price of A\$0.013 per Share for a total placement amount of A\$100 million.
Use of Placement Amount	<p>The funds raised pursuant to the Midwest Placement will be used to fund the Sundance Transaction, for general working capital purposes and to explore the possibility of pursuing one or more of the following transactions:</p> <ul style="list-style-type: none">(a) the identification and pursuit of one or more other suitable potential opportunities in the Australian resources or infrastructure sectors; or(b) the identification and pursuit of one or more other suitable potential opportunities in the African resources or infrastructure sectors.
Conditions Precedent	<ul style="list-style-type: none">(a) ASX not having indicated to the Company or Midwest that it will not grant permission for the quotation of the Midwest Placement Shares on or before the Completion Date.(b) Receipt of all necessary approvals from the Company's Shareholders as required by the ASX Listing Rules and Corporations Act (including approvals for the purpose of Listing rules 7.1 and 11.1.2 and item 7 of section 611 of the Corporations Act).(c) An independent expert confirming that both transactions are fair and reasonable, or not fair but reasonable, for Shareholders.(d) The approval of any relevant legal or regulatory bodies in relation to the Midwest Placement being obtained (including any approval under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth)) (if required).(e) Midwest having secured sufficient funds to complete the purchase of the Midwest Placement Shares.(f) Either:<ul style="list-style-type: none">(i) the conditions precedent in relation to the Sundance Transaction have been, or are reasonably likely to be satisfied or waived giving rise to the opportunity for the Company to make a significant investment in Sundance for the purpose of participating in the funding and development of the Project; or

Key Term	Summary
	<p>(ii) if the condition in (f)(i) has not been satisfied or waived, the Company and Midwest have identified one or more suitable potential opportunities in the Australian or African resources or infrastructure sectors and, acting reasonably, consider that the Company will be able to enter into co-operative discussions with project partners and relevant governmental authorities in order to pursue such projects.</p>
Conduct of business obligations	The Midwest Subscription Agreement contains certain customary undertakings by the Company restricting the conduct of its business before completion of the Midwest Placement without the consent of the Midwest (including, without limitation, the obligation to conduct the Company's business in the ordinary course, not dispose of any material part of its business or enter into any material agreements.
Representations and warranties	The Midwest Subscription Agreement contains customary representations and warranties from each party for a transaction of this nature.
Events of Default	<p>The Company may terminate the Midwest Subscription Agreement if:</p> <ul style="list-style-type: none"> (a) any of Midwest's warranties cease to be true and accurate in any material respect; (b) Midwest commits a material breach of the agreement which is incapable of being remedied or is not remedied within 5 business days after notification; or (c) the Company is prevented from issuing the Midwest Placement Shares by an order of a court of competent jurisdiction or a Government Agency. <p>Midwest may terminate the Midwest Subscription Agreement if:</p> <ul style="list-style-type: none"> (a) the Company is prevented from issuing the Midwest Placement Shares by an order of a court of competent jurisdiction or a Government Agency; (b) ASIC or the Takeovers Panel commences any regulatory action or issued any order or interim order in relation to the Company or the Midwest Placement; (c) the Company commits a material breach of the agreement which is incapable of being remedied or is not remedied within 5 business days after notification; (d) ASX announces that the Company will be removed from the official list; or (e) any of the Company's warranties cease to be true and accurate in any material respect.



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Key Term	Summary
End Date	The satisfaction or waiver of the Conditions Precedent and issue of Midwest Placement Shares must occur by 31 October 2020 or such later date as the Company and Midwest mutually agree.
Escrow	If required by ASX, the Midwest Placement Shares will be held in escrow for a period of 12 months commencing immediately on completion under the Midwest Subscription Agreement unless released earlier by the Company (in its absolute discretion), subject to applicable laws and the requirements of ASX or any Government Agency.

