

30 June 2016

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

EXTENSION OF CONVERTIBLE LOAN AGREEMENT

Sun Resources NL (“**Sun**” or the “**Company**”) (ASX: SUR) announces that the Company has extended the convertible loan facility agreement (**Loan Agreement**) with Winform Nominees Pty Ltd (**Winform**), a subsidiary of Hancock Prospecting Pty Ltd. The Loan Agreement balance at 30 June 2016 is A\$1,023,180.

The key terms of the extended Loan Agreement are as follows:

- The interest payable under the loan is 5% per annum.
- The loan is repayable on the earlier of:
 - a) 18 February 2018; or
 - b) 20 business days after the completion of any capital raising by the Company which raises A\$5,000,000 or more (**Qualifying Capital Raising**) or a takeover of the Company.
- Subject to the Company obtaining prior shareholder approval, Winform may elect to receive repayment of the loan through the issue of fully paid ordinary shares in the capital of Sun, instead of cash, to be calculated on the date of conversion by dividing the outstanding sum by the lesser of:
 - a) the price per share under a Qualifying Capital Raising; or
 - b) a price per share equal to the VWAP of the shares for the five ASX trading days prior to the repayment date noted above.

The Security Pledge Deed under which the Company has previously granted Winform security over Sun’s interest in the Badger Oil Project Leases under the Loan Agreement is also extended.

The effect of this extension is to convert the loan from a current to a non-current liability.

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary