

6 September 2019

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

Dear Sir/Madam

Sun Resources NL (“Company”)

Sun Resources is conducting a Small Shareholding Sale Facility

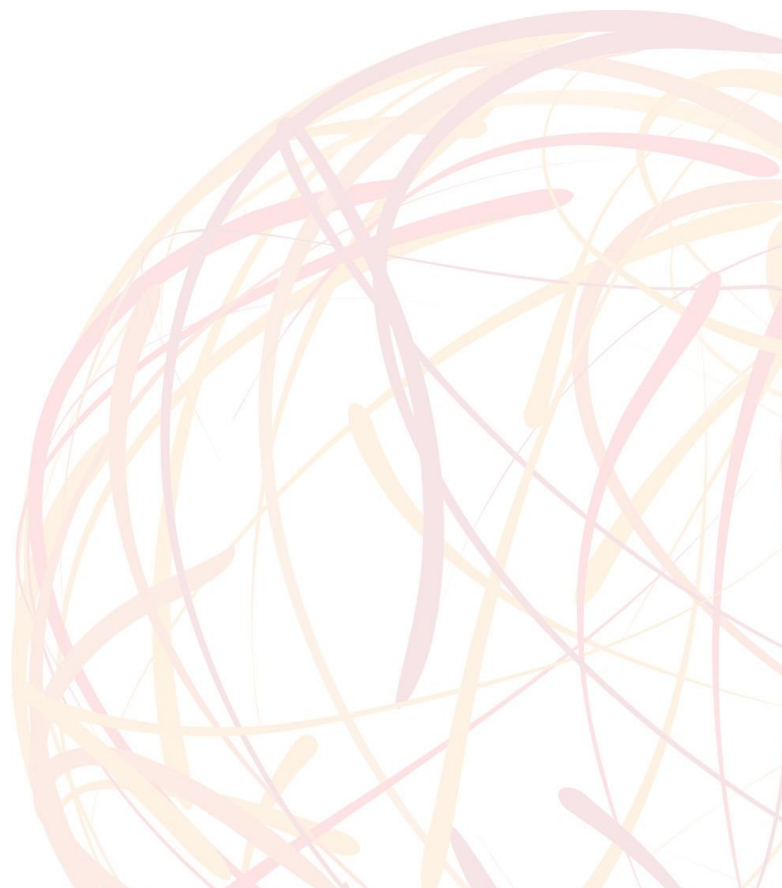
The attached letter will be posted to relevant shareholders in the coming days.

Yours faithfully

SUN RESOURCES NL



Jo-Ann Long
Company Secretary



12 September 2019

Dear Shareholder

IMPORTANT NOTICE – Intention to Sell Your Small Shareholding of SUR Shares

The Board of Directors of **Sun Resources NL (ASX:SUR)** (“**Sun** or “**The Company**”) are pleased to advise that the Company has established a share sale facility (“**Facility**”) to the sale of ordinary shares for holders who hold less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) (“**Less Than Marketable Parcel**”). The Facility has been established in accordance with the Company’s Constitution and ASX Listing Rules.

The purpose of the Facility is to assist holders of Less than Marketable Parcels to sell their shares without incurring brokerage costs or handling cost which could otherwise render a sale unattractive or uneconomical. In addition, the Company expects to reduce administrative costs associated with maintaining a large number of shareholders with Less than Marketable Parcels.

Our records show that you held a Less than Marketable Parcel based on the Company’s share price of \$0.002 at a close of trade on Thursday, 5 September 2019 (“**Record Date**”) and accordingly your shareholding is eligible to participate in this Facility.

The Company has approximately 3,011 shareholders of which approximately 2,718 hold Less than Marketable Parcels, that in aggregate represents approximately 3.86% of all issued shares.

You may choose to sell all of your holding, retain your existing holding or increase your holding as explained below.

1. Sell all of your Less than Marketable Parcel shares

If you want to sell your shares through the Facility, you do not need to take any action. The Company is authorised under Clause 3 of its Constitution to sell your shares immediately following the expiry of 6 weeks from the date this letter was sent to you (“**Closing Date**”), unless the Company receives a completed Share Sale Facility Retention Form from you within such time, as contemplated in section 2 below.

Your shares will be pooled with other shares that are eligible to be sold under this Facility and sold as soon as practicable after the Closing date. All costs associated with the sale of your shares will be borne by the Company.

You do not need to appoint a broker nor pay the brokerage and handling costs associated with the sale of shares under the Facility. Any tax consequences from the sale of shares will be your responsibility.

The price at which shares will be sold under the Facility will be determined by the market conditions and may be different from the market price prevailing at the date of this letter. However, the minimum price which may be accepted will be the average of the last sale process of the Company’s shares for each of the 10 trading days immediately preceding an offer to purchase the shares.

You will receive the same sale price per share and will receive a proportionate share of the sale proceeds from all shares sold under the Facility. The amount you will receive will be rounded up or down to the nearest cent with 0.5 cents being rounded up.

You will be paid your sale proceeds in Australian dollars by cheque.

2. Retain your Less than Marketable Parcel or Increase your Holding

If you want to retain your shares in the Company, you must either:

- I. complete and return the **attached** Share Sale Facility Retention Form so that it is received by 5:00pm (AWST) on 24 October 2019, being the Closing Date of this Facility; or
- II. increase your holdings so by 5:00pm (AWST) on the Closing Date, you are the registered holder of at least 250,000 shares. The increase must be under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

If you take one of these steps, your shares will not be sold under the Facility.

Important Information

The Company is not bound to sell all or any of the shares that may be available for it to sell under the Facility, and there is no guarantee that the Company will be able to sell your shares. In addition, the sale proceeds may differ from the market value of your shares on the record Date, depending on movements in the market price of the shares and the Company appointed Brokers' ability to procure purchasers.

The Company will determine whether a shareholder has a Less than Marketable Parcel as at the Record Date. The Company will not have any reference to any increase in the price of shares after the Record Date in determining whose shares may be sold pursuant to this Facility.

If you have a Less than Marketable Parcel as at the Record Date, then unless you take one of the steps outlined in section 2 of this letter, the Company will be entitled to sell your shares under the Facility.

Neither the Company nor any other person involved in the Facility shall be liable for failure to sell the shares or sell them at a particular price. The price of the Company's shares is subject to change and an up-to-date price can be obtained from the ASX website (www.asx.com.au) under the code "SUR".

The attached Q&A Information Sheet sets out further details of the Facility, which you should read before making any decision. If you require information on how to complete the Share Retention Form, please contact the Company Secretary on (08) 9321 9886.

By order of the Board



Jo-Ann Long
Company Secretary

Small Shareholding Sale Facility Q&A Information Sheet

1. What is a Less Than Marketable Parcel?

A Less Than Marketable Parcel of shares is a holding of shares in the Company valued at less than \$500 as at 5:00pm (AWST) on Thursday, 5th September 2019 (**Record Date**). Based on the Company's share price of \$0.002 as at the close of trade on the record Date, this is a holding of 250,000 shares or less.

As determination of a Less Than Marketable Parcel is undertaken at the Record Date, any increase in the Company's share price after that date will not impact what constitutes a Less Than Marketable Parcel.

2. Why have I been sent this letter?

You have been sent this letter because your shareholding on the Record Date was a Less Than Marketable Parcel.

3. Why did the Company establish the Facility?

The Company recognises that shareholders of Less Than Marketable Parcels may find it difficult or expensive to dispose of their shares in the usual way. The Company is offering the Facility to assist holders of Less Than Marketable Parcels to sell their shares without incurring brokerage or handling costs.

4. What if I want to retain my shares?

If you want to retain your shares in the Company, you must either:

- I. complete and return the **attached** Share Sale Facility Retention Form so that it is received by 5:00pm (AWST) on Thursday 24 October 2019, being the Closing Date of this Facility; or
- II. increase your holdings so the by 5:00pm (AWST) on the Closing Date, you are the registered holder of at least 250,000 shares. The increase must be under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

If you currently have more than one holding in the Company's share register, you may wish to consider amalgamating your holdings so that they are registered as one holding by the Closing Date. This may result in your amalgamated holding no longer being a Less Than Marketable Parcel. Under these circumstances your shares will not be sold as part of this Facility.

5. What Price will I receive for shares sold through the Facility?

The price at which shares will be sold under the Facility will be determined by the market conditions and may be different from the market price prevailing at the date of this letter. However, the minimum price which may be accepted will be the average of the last sale process of the Company's shares for each of the 10 trading days immediately preceding an offer to purchase the shares.

You will receive the same sale price per share and will receive a proportionate share of the sale proceeds from all shares sold under the Facility. The amount you will receive will be rounded up or down to the nearest cent with 0.5 cents being rounded up.

The Company does not give any assurance as to the likely sale price of the shares that may be achieved.

6. When will the proceeds from the sale of shares be sent to me?

Payment will be sent to you as soon as practicable following the last sale under the Facility. Payment will be made in Australian dollars by cheque. You will be notified by way of transaction confirmation statement of the number of your shares sold, the sale price and your sale proceeds. The transaction statement and cheque will be sent by post to your address as shown in the share register at the time the payment is made.

7. What if my shares are held in a CHESS holding?

If your shares remain in a CHESS holding at 5:00pm (AWST) on the Closing Date, the Company may move those shares to an issuer sponsored holding and the shares will be sold through the Facility.

8. Where can I get further information concerning the Facility?

If you have any questions concerning the Facility, please contact the Company's Company Secretary on (08) 9321 9886 during normal office hours.

Important Information

The Facility has been established in accordance with the Company's Constitution and ASX Listing Rules.

This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Facility is the best way to sell shares in the Company. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

The Company reserves the right to vary the Facility, to change any of the dates referred to in this letter by notice to the ASX or not to proceed with the sales under the Facility.

Please read the instructions on your personalised Share sale facility Retention Form carefully before completing it. If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your legal, financial or taxation adviser.

