

3 MAY 2024

Notice given under Section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Sunstone Metals Limited ('Sunstone') under section 708AA(2)(f) of the *Corporations Act 2001* (Cth).

Sunstone has today announced a non-renounceable pro-rata entitlement offer to raise up to approximately \$4,278,574 (before offer costs) (**Rights Issue**).

The Entitlement Offer will be open to shareholders of the Company with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Under the Rights Issue, Eligible Shareholders can subscribe for 1 fully paid ordinary share (**New Share**) for every 9 existing shares in the Company held as at 5pm (Sydney time) on Thursday, 9 May 2024 (**Record Date**) at an issue price of \$0.011 per New Share.

Sunstone advises that:

1. Sunstone will offer the New Shares under the Rights Issue without disclosure to Eligible Shareholders under Part 6D.2 of the Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.
2. This notice is given to ASX under paragraph 708AA(2)(f) of the Act, as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.
3. As at the date of this notice, Sunstone has complied with:
 - i. the provisions of Chapter 2M of the Corporations Act as they apply to Sunstone; and
 - ii. sections 674 and 674A of the Corporations Act.
4. Sunstone confirms that, as at the date of this notice, there is no information that is excluded information as defined in sections 708AA(8) and 708AA(9) of the Act which is required to be disclosed by Sunstone except as set out below.

Sunstone is currently engaged in due diligence with a third party in relation to the terms of a proposed agreement to acquire a complementary entity or business which is consistent with the Company's business of gold and copper exploration and development. These discussions are confidential and incomplete. There is no assurance that such discussions will lead to the announcement or completion of a binding agreement. If there are material developments in relation to these discussions, supplementary disclosure will be provided.

ASX ANNOUNCEMENT

5. The potential effect of the Rights Issue on the control of Sunstone will depend on a number of factors, including the extent to which shareholders participate in the Rights Issue. For example:
- ineligible shareholders and Eligible Shareholders who do not take up their entitlement will have their percentage holding in Sunstone diluted as a result of the Rights Issue;
 - Eligible Shareholders who take up their entitlement in part will have their percentage holding in Sunstone diluted to the extent to which they do not take up their full entitlement as a result of the Rights Issue; and
 - Eligible Shareholders who take up their entitlement in full and who may participate in any shortfall offer will have their percentage holding in Sunstone increased as a result of the Rights Issue.

While it is not possible for the directors to predict the outcome of the factors set out above, given the Rights Issue is structured as a pro-rata offer which is not underwritten, the Rights Issue itself is not expected to have a material effect or consequence on the control of Sunstone.

Gavin Leicht
Company Secretary
Sunstone Metals Limited

For further information, please visit www.sunstonemetals.com.au