



SUNSTONE METALS

Sunstone Metals Limited

ACN 123 184 412

CLEANSING PROSPECTUS

Cleansing offer

For an offer of up to 1,000 New Shares at an issue price of A\$0.013 per New Share (**Cleansing Offer**). The Cleansing Offer is being undertaken primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued by the Company.

Important Notice

This is an important document and should be read in its entirety. The shares offered in connection with the Cleansing Prospectus are of a speculative nature. If you do not understand the contents of this Cleansing Prospectus you should obtain professional investment advice without delay.

Not for release to U.S wire services or distribution in the United States

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IMPORTANT INFORMATION

This Cleansing Prospectus is dated 20 May 2025, and lodged with ASIC on that date.

No securities will be issued on the basis of this Cleansing Prospectus any later than 13 months after the date of this Cleansing Prospectus (being the expiry date of this Cleansing Prospectus).

The Company will apply to ASX for Official Quotation by ASX of the New Shares offered under this Cleansing Prospectus within seven days of the date of this Cleansing Prospectus.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Level 31, 120 Collins Street, Melbourne VIC 3000 during normal business hours. The Company will also provide copies of other documents on request.

Capitalised terms in this Cleansing Prospectus are defined in section 9 (**Definitions**).

All references to time in this Cleansing Prospectus are references to AEST, unless otherwise stated.

Disclaimer

No person or entity is authorised to give any information or make any representation in connection with the Offer described in this Cleansing Prospectus. Any information or representation not contained in this Cleansing Prospectus may not be relied on as having been authorised by the Company in connection with the Cleansing Offer. You should rely only on the information in this Cleansing Prospectus.

Neither ASIC, ASX nor their respective officers take any responsibility for the contents of this Cleansing Prospectus or the merits of the investment to which this Cleansing Prospectus relates.

Continuously quoted securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisors. This Cleansing Prospectus is issued pursuant to section 713 of the Corporations Act. This Cleansing Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all information that would be included in a prospectus for an initial public offering.

This Cleansing Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

No exposure period applies to this Cleansing Prospectus by operation of *ASIC Corporations (Exposure Period) Instrument 2016/74*.

Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors that investors should be aware of are outlined in Section 5 of this Cleansing Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

Financial and taxation implications

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues).

Shareholders should be aware that there may be taxation implications in participating in the Cleansing Prospectus. The taxation consequences of participating in the Cleansing Prospectus may vary depending on the individual circumstances of each Shareholder.

It is important that you read and consider the information in this Cleansing Prospectus in full before deciding to invest in the New Shares and consider the risks that could affect the performance of the Company.

Overseas Investors

The distribution of this Cleansing Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue under this Prospectus.

This Cleansing Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (**US Person**)).

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the Offers.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 6.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

SECTION 1 – KEY INFORMATION

1.1. Timetable

Key dates	Date*
Lodgement of Cleansing Prospectus with ASIC and ASX	20 May 2025
Opening Date of the Cleansing Offer	20 May 2025
Closing Date	23 May 2025

* These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates without prior notice.

1.2. Details of the Cleansing Offer

The Company is offering, pursuant to the Cleansing Prospectus, 1,000 new Shares (**New Shares**) each at an issue price of A\$0.013 per New Share (**Cleansing Offer**).

All of the New Shares offered under this Cleansing Prospectus will rank equally with Shares on issue at the date of this Cleansing Prospectus. Refer to Section 4 for a summary of the rights attaching to the New Shares.

The Company is only extending the Cleansing Offer to specific parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

This Cleansing Prospectus has been issued, and the Cleansing Offer is being undertaken, to facilitate the secondary trading of the following issues of Shares by the Company, as they were issued without appropriate disclosure under Part 6D.2 of the Corporations Act.

As at the date of this Prospectus, the Company's Shares are presently suspended from trading on the ASX pending the Company applying to the Federal Court of Australia for remedial orders due to the Company not having given cleansing notices in accordance with section 708A(5)(e)(i) of the Corporations Act, and in one instance, the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* in relation to the following share issues:

Type of issue	Date of issue	Number of Shares issued
Issue of shares to employees following satisfaction of performance and vesting criteria under the employee performance rights share plan (Performance Rights Shares)	28 September 2018	5,244,072
	8 April 2019	6,000,000
	18 July 2019	3,668,874
	10 September 2019	504,496
	1 November 2021	23,466,667
	10 November 2021	3,466,666
	1 December 2021	2,600,000
	13 July 2022	22,000,001
	4 November 2022	20,000,000

Type of issue	Date of issue	Number of Shares issued
	18 November 2022	3,999,999
Shares issued under a placement (2022 Placement Shares 1)	22 April 2022	295,507,463
Shares issued under a placement (2022 Placement Shares 2)	29 April 2022	3,000,000
Shares issued under a share purchase plan (2022 SPP Shares)	13 May 2022	36,417,976
Shares issued to directors under a placement (Director Placement Shares)	13 February 2024	12,916,667
	9 July 2024	13,636,364
	31 October 2024	26,000,000
Shares issued under a placement (2025 Placement Shares)	2 April 2025	800,000,000

These are together referred to as the ‘**Relevant Issued Shares**’.

1.3. Removal of Secondary Trading Restrictions

On 13 May 2025, the Company requested a trading halt pending consideration of inadvertent non-compliance associated with the failure to lodge a Cleansing Notice in accordance with section 708(5)(e)(i) of the Corporations Act in relation to the issue of the 2025 Placement Shares.

On 15 May 2025, in response to the incident identified, the Company undertook a thorough review and identified further instances where the Company had not given cleansing notices in accordance with section 708A(5)(e)(i) of the Corporations Act and, in one instance, the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

As such, the Company requested a voluntary suspension to allow the Company to make an application to the Federal Court seeking remedial orders due to the Company not having given cleansing notices in accordance with section 708A(5)(e)(i) of the Corporations Act, and in one instance, the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* in relation to the following::

- (a) The Performance Rights Shares issued on 28 September 2018, 8 April 2019, 18 July 2019, 10 September 2019, 1 November 2021, 10 November 2021, 1 December 2021, 13 July 2022, 4 November 2022 and 18 November 2022;
- (b) The 2022 Placement Shares 1 issued on 22 April 2022;
- (c) The 2022 Placement Shares 2 issued on 29 April 2022;
- (d) The 2022 SPP Shares issued on 13 May 2022;
- (e) The Director Placement Shares issued on 13 February 2024, 9 July 2024 and 31 October 2024; and
- (f) The 2025 Placement Shares issued on 2 April 2025.

The Company has applied to the Federal Court for orders under section 1322 of the Corporations Act that any offer for sale, or sale, of the Relevant Issued Shares is not invalid by reason of:

- (a) The failure of the Company to issue a notice under section 708(5)(e) of the Corporations Act, s 7(f) of the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* or a prospectus

pursuant to section 708A(11) of the Corporations Act to exempt the sellers from the obligation of disclosure under the Corporations Act; or

- (b) The sellers' consequential failure to comply with section 707(3) or s727(1) of the Corporations Act.

The Company is lodging this Cleansing Prospectus to remove any trading restrictions that may have attached to the Relevant Issued Shares that have not been offered for sale or sold.

Section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue. Section 727(1) requires that this prospectus is lodged with the ASIC.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) The relevant securities are in a class of securities of the company that are already quoted on ASX; and
- (b) A prospectus is lodged with ASIC either:
- (i) On or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) Before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) The prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

1.4. Purpose of this Cleansing Prospectus

The Company is seeking to raise only a nominal amount of \$13.00 (before expenses) under this Cleansing Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The purpose of this Cleansing Prospectus is to:

- (a) Make the Cleansing Offer; and
- (b) Ensure that the on-sale of the Relevant Issued Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

1.5. Minimum Subscription

There is no minimum amount to be raised under the Cleansing Offer.

1.6. Closing Date

The closing date of the Cleansing Offer is 5.00pm (AEST) on 23 May 2025 (**Closing Date**) or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.7. Major activities and financial information

A summary of the major activities and financial information relating to the Company can be found in the Company's consolidated financial statements for the year ended 30 June 2024 lodged with the ASX on 13 September 2024 (**Annual Financial Report**) and the Company's consolidated financial statements for the half year ended 31 December 2024 lodged with the ASX on 13 March 2025 (**Half Year Financial Report**). The Company has issued continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report and Half Year Financial Report.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report are detailed in section 6.3.

Copies of the Annual Financial Report, Half Year Financial Report and continuous disclosure notices since the lodgement of the Annual Financial Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Cleansing Offer.

1.8. Enquiries

Any questions concerning this Cleansing Prospectus and the Cleansing Offer should be directed to the Company Secretary on +61 (3) 7044 2627 or info@sunstonemetals.com.au.

SECTION 2 – EFFECT OF THE CLEANSING OFFER

2.1 Effect on the Capital Structure

The effect of the Cleansing Offer on the issued Shares of the Company, assuming the New Shares are issued, is as follows:

Shares	Number (undiluted)
Shares on issue as at the date of this Prospectus	5,982,775,046
Shares to be issued under the Cleansing Offer	1,000
Total	5,982,776,046

The effect of the Cleansing Offer on the fully diluted capital of the Company, assuming the New Shares are issued, is as follows:

Shares	Number (fully diluted)
Shares on issue as at the date of this Prospectus	5,982,775,046
Shares to be issued under the Cleansing Offer	1,000
Existing options	627,528,589
Existing performance rights	173,176,005
Total issued share capital on completion of the Offer	6,783,480,640

2.2 Effect on the Cleansing Offer on the Company

After paying the expenses of the Cleansing Offer, which are approximately A\$9,000, there will be no proceeds from the Cleansing Offer. The costs of the Cleansing Offer exceeding A\$13.00 (being the amount raised if the Cleansing Offer is fully subscribed) will be met from the Company's existing cash reserves.

The Cleansing Offer will have a minimal effect on the Company's financial position, being the receipt of funds of A\$13.00 less the costs of preparing this Cleansing Prospectus.

2.3 Market price of Shares

The highest and lowest market sales prices of Shares on the ASX during the three months immediately preceding the date of this Cleansing Prospectus and the latest market sale price and the respective dates of those sales were:

- Highest: \$0.014 (11 April 2025)
- Lowest: \$0.005 (7 March 2025)
- Latest: \$0.013

2.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

SECTION 3 – HOW TO PARTICIPATE IN THE CLEANSING OFFER

3.1. General

Before taking any action, investors should carefully read this Cleansing Prospectus and other publicly available information about the Company on our website, and consider the risk factors outlined in Section 5.

3.2. Application Forms

The Company will send this Cleansing Prospectus, together with the Application Form, to selected persons whom the Directors determine are eligible to participate in the Cleansing Offer.

If you wish to subscribe for New Shares under the Cleansing Offer, you should complete and return the Application Form, which will be provided with a copy of this Cleansing Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding Acceptance of New Shares.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Application Form is final.

3.3. Issue and Dispatch

All New Shares under the Cleansing Offer are expected to be issued on or before the dates specified in the indicative timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.4. Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under the Cleansing Offer.

The Company, its advisors and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax advisor in connection with subscribing for New Shares under the Cleansing Offer.

3.5. ASX quotation

Application for Official Quotation of the New Shares offered pursuant to this Cleansing Prospectus will be made within seven days of the date of this Prospectus.

If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Cleansing Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act without interest.

ASX takes no responsibility for the contents of this Cleansing Prospectus. The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.6. Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer-sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holdings in the Company during the preceding month.

3.7. Withdrawal

The Directors may at any time decide to withdraw this Cleansing Prospectus and the Cleansing Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

3.8. Restrictions on the distribution of the Prospectus

This Cleansing Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Cleansing Prospectus or make the Cleansing Offer. No action has been taken by the Company to register or qualify this Cleansing Prospectus or otherwise to permit an offering of securities to any jurisdiction outside Australia.

The distribution of this Cleansing Prospectus in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Prospectus in those jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia.

3.9. United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Cleansing Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities, as those terms are defined under the US Securities Act. The Cleansing Offer is not being made to US persons or persons in the United States.

3.10. Privacy

If you complete an Application for the Cleansing Offer, you will be providing personal information to the Company (directly or via the Share Registry). The Company will collect, hold and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers in this Cleansing Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules and Procedures.

You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

SECTION 4 – RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1. Shares

The following is a summary of the more significant rights and liabilities attaching to the New Shares being offered pursuant to this Cleansing Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available on the Company's website (<https://www.sunstonemetals.com.au/site/about-us/corporate-governance>).

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same

proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may, from time to time, pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of 75% of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

SECTION 5 – RISK FACTORS

5.1. Risks

An investment in the Company is not risk-free, and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

The risks included in this section are key risks identified by the Board as being specific to the Company and its operations as at the date of this Prospectus and reasonably anticipated by the Board. It is important to note that the risks listed in this section are not an exhaustive list of the risks relevant to the Company.

In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

Announcements made by the Company to ASX are available from the ASX website asx.com.au or from the Company's website www.sunstonemetals.com.au.

5.2. Specific Risk Factors

The Directors believe that there are a number of specific factors that should be considered.

Each of these factors could have a materially adverse impact on the Company, its expansion plans, operating and product strategies and its financial performance and position. These include:

(a) Speculative investment

The Company is involved in mineral exploration, which is highly speculative in nature. Accordingly, there are significant risks that Applicants should consider before deciding whether or not to subscribe for securities under either Offer. You should regard an investment in the Shares offered under this Prospectus as a highly speculative investment.

(b) Cash position

Sunstone's audited cash position per the Half Year Financial Report at 31 December 2024 was approximately A\$2.3M. Since then, Sunstone has incurred normal operational expenditures relating to the progression of exploration activities in Ecuador and corporate running costs. The Company executed a placement of shares with new and existing investors, raising \$4.0M with funds (net of fees and before amounts relating to Director participation) received on 2 April 2025

However, given that the Company is an exploration entity, it will need to raise substantial additional funds in the future to continue progressing and developing its projects. There is a risk that the Company will be unable to raise such funds when needed or on reasonable terms. It is important for potential investors in the Company to note and understand that unless the Company is able to continue to raise funds as required, that failure could delay or suspend the Company's business

strategy and the Company's anticipated activities, which could adversely affect its ability to execute its strategic and business plan, its business, prospects, financial condition and operating results.

(c) Exploration

The business of the Group is exploration, with a vision to be a discovery business in the porphyry copper-gold space. Exploration activities involve various inherent risks, including the risk that exploration may be unsuccessful or the risk that laws may change in various jurisdictions in which we operate, that could have a negative impact, resulting in potential impairment in the value of the tenements, limiting access to capital, diminishing the cash reserves of the Group and possible relinquishment of the tenements. The Group undertakes regular detailed risk assessments to identify risks to the business and develop mitigation strategies.

The success of the Group depends on the delineation of economically mineable reserves and resources, access to required development capital, the price of commodities, securing and maintaining title to the Group's exploration tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Group's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminishing the cash reserves of the Group and possible relinquishment of the tenements.

(d) Environmental Risks

The Group's environmental compliance is regulated by Ecuadorean legislation and our Environmental Management Plans for the Bramaderos and El Palmar projects, which are approved by the Ministry of Environment, Water and Ecological Transition. The Group remains committed to our environmental performance, which is reflected in our consistently strong environmental compliance.

Failure to comply with applicable environmental laws and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory authorities causing operations to cease, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

The Group is unable to predict the effect of additional, or changes to, environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area.

(e) Resource estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate.

Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicated by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(f) Political and Regulatory Risks

The Group's projects are located in Ecuador and receive strong support from the local communities, however, mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, and changes in government regulations such as foreign investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Group's business in that country.

There can be no assurance that laws protecting foreign investments will not be amended or abolished or that existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks described above.

(g) Operating risks

The current and future operations of the Company, including exploration, appraisal and possible production activities, may be affected by a range of factors not limited to but including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns; and
- (iii) inability or delay in obtaining necessary consents or approvals.

(h) Grant of future permits to explore and mine

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

(i) Social unrest

While the Company currently receives strong support from local communities, there can be no assurance that this support will continue into the future due to activism, changes in local government, or other unlawful actions that may prevent the Company from accessing its exploration concessions. If social unrest results in the Company being unable to access its exploration concessions, this will hamper the ability to conduct further exploration activity.

5.3. General Risk Factors**(a) Share market and liquidity risk**

No assurances can be given of the price at which the Shares issued under the Offer will trade or that they will trade at all. The Company's Shares may trade on the ASX at higher or lower prices than the price at which shares are issued.

The price at which newly acquired shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

(b) Dependence on general economic conditions

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets, and government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a materially adverse impact on the Company's business or financial condition.

Changes to laws and regulations or accounting standards that apply to the Company from time to time could adversely impact the Company's earnings and financial performance.

Other changes in the domestic and global macroeconomic environment are beyond the control of the Company and may be exacerbated in an economic recession or downturn. These include but are not limited to: (i) high inflation and rising interest rates; (ii) changes in foreign currency exchange rates; (iii) changes in employment levels and labour costs; (iv) changes in aggregate investment and economic output; and (v) other changes in economic condition which may affect the revenue or costs of the Company.

(c) Ukraine and Gaza Conflicts

The war between Ukraine and Russia (**Ukraine Conflict**) and Israel and Palestine (**Gaza Conflict**) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict and Gaza Conflict on the performance of the Company remain unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict and Gaza Conflict.

The Ukraine Conflict and Gaza Conflict each have potential secondary and tertiary macroeconomic impacts, including the changes in pricing of commodity and energy markets, effects on global supply-chain and freight movements which would impact the supply of raw materials and delivery of finished goods and the potential of cyber activity impacting governmental or industry measures taken in response to the Ukraine Conflict and Gaza Conflict.

(d) Tax risk

Any change to the company income tax rate in jurisdictions in which the Company operates will impact shareholder returns, as will any change to the income tax rates applying to individuals or trusts. Any change to the tax arrangements between Australia and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

(e) Legislative and regulatory changes

Legislative or regulatory changes in jurisdictions in which the Company operates, including property or environmental regulations or regulatory changes in relation to products sold by the Company, could have an adverse impact on the Company.

5.4. Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

SECTION 6 – ADDITIONAL INFORMATION

6.1. Litigation

As at the date of this Cleansing Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2. Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Cleansing Prospectus is a “transaction specific prospectus”. In general terms, a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Cleansing Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Cleansing Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the relevant Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

6.3. Copies of documents

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours. ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The continuous disclosure notices given by the Company notify ASX of information relating to the Company since the Company lodged its Annual Financial Report and before the issue of this Prospectus which are as follows:

Subject of announcement	Date lodged
Annual Report to Shareholders	13 September 2024
Appendix 4G and Corporate Governance Statement	13 September 2024
S708A(5) Cleansing Notice	16 September 2024
Application for quotation of securities	16 September 2024
Launch of Share Purchase Plan & Option Offer	16 September 2024
Security Purchase Plan	16 September 2024
Option Offer Prospectus	16 September 2024
Target Market Determination	16 September 2024
Ceasing to be a substantial holder	17 September 2024
Change in substantial holder	18 September 2024
Final Director's interest notice	19 September 2024
Notice of Annual General Meeting	20 September 2024
2014 AGM proxy form	20 September 2024
SPP – Waiver, timetable & resolution withdrawn	20 September 2024
Strong surface gold-copper results at Melonal	30 September 2024
Sunstone SPP raises \$4 million	14 October 2024
Appendix 2A application for quotation of securities	14 October 2024
AGM amended notice & supplementary information	14 October 2024
Webinar details – maiden El Palmar mineral resource estimate	18 October 2024
Change of Director's Interest Notice	21 October 2024
Inadvertent breach of ASX Listing Rule 10.11	21 October 2024
El Palmar – Mineral Resource Estimate & Exploration Target	22 October 2024
Presentation – El Palmar MRE & Exploration Target	22 October 2024
Chair's address to Shareholders	24 October 2024
AGM Presentation	24 October 2024
Results of Meeting	24 October 2024
Notification regarding unquoted securities	28 October 2024
Change of Director's Interest Notice	30 October 2024
Quarterly Activities/Appendix 5B Cash Flow Report	31 October 2024
Change in registered address	1 November 2024
Notification regarding unquoted securities	1 November 2024
Notification regarding unquoted securities	1 November 2024
Change of Director's Interest Notice	1 November 2024

Subject of announcement	Date lodged
Application for quotation of securities	1 November 2024
Change of Director's Interest Notice x 2	8 November 2024
Presentation – MMC El Palmar Tier 1 Au Cu Discovery	12 November 2024
New gold-copper porphyry discovery at Bramaderos	12 November 2024
Retraction and amended announcement and presentation	18 November 2024
Application for quotation of securities	25 November 2024
Notification regarding unquoted securities	25 November 2024
Change of Director's Interest Notice	2 December 2024
Notification for cessation of securities	2 December 2024
Presentation – Resources Rising Stars	3 December 2024
Notification regarding unquoted securities	17 December 2024
Change of Director's Interest Notice	20 December 2024
Quarterly Activities/Appendix 5B Cash Flow Report	22 January 2025
Application for quotation of securities	28 January 2025
Half year accounts	13 March 2025
Corporate Update	26 March 2025
Trading halt	26 March 2025
Sunstone raises \$4M in share placement	27 March 2025
Proposed issue of securities	27 March 2025
Change of Director's interest notice	1 April 2025
Application for quotation of securities	2 April 2025
Response to ASX price query	3 April 2025
Becoming a substantial holder	3 April 2025
Change in substantial holding	4 April 2025
Application for quotation of securities	4 April 2025
Application for quotation of securities	7 April 2025
Application for quotation of securities	14 April 2025
Application for quotation of securities	22 April 2025
Quarterly Activities/Appendix 5B Cash Flow Report	30 April 2025
Application for quotation of securities	5 May 2025
Surface assays indicate potential new high grade gold areas	8 May 2025
Application for quotation of securities	12 May 2025
Trading halt	13 May 2025
Voluntary suspension	15 May 2025
Update on court application – cleansing notices	16 May 2025
Application for quotation of securities	19 May 2025
Update of Federal Court application	19 May 2025
Federal Court orders granted	20 May 2025

The announcements are also available on the Company's website (www.sunstonemetals.com.au).

The following documents are available for inspection throughout the period of the Cleansing Offer during normal business hours at the registered office of the Company at Level 31, 120 Collins Street, Melbourne VIC 3000:

- (a) This Cleansing Prospectus;
- (b) The Constitution; and
- (c) The consents referred to in Section 6.13 and the consents provided by the Directors to the issue of this Cleansing Prospectus.

6.4. Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Cleansing Prospectus.

6.5. Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing New Shares under this Cleansing Prospectus.

6.6. Details of substantial holders

Based on publicly available information as at the date of this Prospectus, the following persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue in the Company:

Shareholder	Shares	%
Ilwella Pty Ltd ¹	328,987,482	5.53%

Notes:

1. Refer to Form 603 (Notice of initial substantial holder) announced to the ASX on 3 April 2025 for further information with respect to this holding.

6.7. Directors' Interests

Other than as set out below or elsewhere in this Cleansing Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Cleansing Offer pursuant to this Cleansing Prospectus; or
- (c) the Cleansing Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Cleansing Offer.

6.8. Directors' Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Shareholder	Shares	Options	Performance Rights
Malcolm Norris ¹	51,107,110	1,000,000	11,600,000
Patrick Duffy ²	30,086,097	11,000,000	34,435,251
Neal O'Connor ³	11,383,788	2,500,000	-
Stephen Stroud ⁴	14,329,696	8,000,000	-

Notes:

1. Direct ownership: 16,026,114 Shares. 35,080,996 Shares held indirectly through MN Investment Fund P/L <MN Investment Super Fund> and Eclipse Investments Fund Pty Ltd as trustee for Norris Investment Fund (both of which Mr Norris is a beneficiary), and Wendy Anne Collins (related party).
2. Direct ownership: 7,283,606 Shares. 22,802,491 Shares held indirectly through Thoona Investments Ltd of which Mr Duffy is a Director), and Chantelle Duffy, Xavier Duffy and Leo Duffy (related parties).
3. Held indirectly through Ronnoco (QLD) Pty Ltd <O'Connor Family S/F A/C> (of which Mr O'Connor is a beneficiary).
4. Direct ownership: 7,552,632 Shares. 6,777,064 Shares held indirectly through Accretion Capital Pty Ltd <Accretion S/F A/C> (of which Mr Stroud is a beneficiary).

6.9. Remuneration of Directors

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Financial Year Ended 30 June 2025 (Proposed)	Financial Year Ended 30 June 2024 (Actual)	Previous Financial Year Ended 30 June 2023
Malcolm Norris ¹	225,325	368,298	366,639
Patrick Duffy ²	379,347	103,843	-
Neal O'Connor ³	60,000	12,308	-
Stephen Stroud ⁴	60,000	60,000	60,000

Notes:

1. Mr Norris was CEO & Managing Director until 14 April 2024 and appointed Executive Director – Exploration on 15 April 2024. Remuneration is inclusive of superannuation. Mr Norris was appointed Non-executive Chair on 16 September 2024, whereby his future remuneration will reflect that of Graham Ascough, the previous Non-executive Chair.
2. Mr Duffy was appointed Non-Executive Director on 8 November 2023 and ceased on 14 April 2024. Mr Duffy was appointed Managing Director and CEO on 15 April 2024. Remuneration is inclusive of superannuation.
3. Mr O'Connor was appointed Non-Executive Director on 16 April 2024. Remuneration is inclusive of superannuation.
4. Paid a total fee of \$60,000 which excludes superannuation.

6.10. Related party transactions

At the date of this Cleansing Prospectus, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in this Cleansing Prospectus.

6.11. Interests of experts and advisers

Other than as set out below or elsewhere in this Cleansing Prospectus, no:

- (a) person named in this Cleansing Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Cleansing Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Cleansing Prospectus as a financial services licensee involved in the issue, holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:
 - (i) the formation or promotion of the Company;
 - (ii) any property acquired or proposed to be acquired by the Company in connection with:
 - (A) its formation or promotion; or
 - (B) the Cleansing Offer; or
 - (iii) the Cleansing Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Cleansing Offer.

Thomson Geer has acted as the solicitors to the Company in relation to the Cleansing Offer. The Company estimates it will pay Thomson Geer \$5,500 (excluding GST and disbursements) for these services. The Company has also paid Thomson Geer for the provision of legal services at their usual charge-out rates and time cost basis.

6.12. Estimated expenses of Offers

The total expenses of the Offers (including advisory and legal fees, as well as printing, advertising and other expenses) is currently estimated to be approximately \$9,000 comprising ASIC lodgement fees, and legal fees.

6.13. Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, any persons named in the Cleansing Prospectus with their consent having made a statement in the Cleansing Prospectus and persons involved in a contravention in relation to the Cleansing Prospectus, with regard to misleading and deceptive statements made in the Cleansing Prospectus. Although the Company bears primary responsibility for the Cleansing Prospectus, the other parties involved in the preparation of the Cleansing Prospectus can also be responsible for certain statements made in it.

Other than the Directors, each of the parties referred to in this section 6.13:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Thomson Geer has given its written consent to being named as the solicitors to the Company in this Prospectus. Thomson Geer has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named, and have not withdrawn their consent prior to lodgement with ASIC of this Cleansing Prospectus.

SECTION 7 – DIRECTORS' AUTHORISATION

This Cleansing Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



Malcolm Norris

Chairman

For and on behalf of Sunstone Metals Limited

SECTION 8 – CORPORATE DIRECTORY

Directors

Malcolm Norris – Non-Executive Chair
Patrick Duffy – CEO/Managing Director
Neal O’Connor – Non-Executive Director
Stephen Stroud – Non-Executive Director

Company Secretary

Lucas Welsh

Securities Exchange Listing

Sunstone Metals Limited shares are listed on the Australian Securities Exchange Ordinary fully paid shares
ASX Code: STM

Auditor*

HLB Mann Judd
Level 15 Central Plaza
66 Eagle St
Brisbane QLD 4000

Share Registry*

Computershare Investor Services Pty Ltd
200 Mary Street
Brisbane Qld 4000
Investor Enquiries: 1300 850 505
Website: www.computershare.com.au

Bank

National Australia Bank Limited
Level 23, 100 Creek Street
Brisbane QLD 4000

Registered Office and principal place of business

Australia

Level 31, 120 Collins Street
Melbourne VIC 3000
Telephone: 03 7044 2627

Web site: www.sunstonemetals.com.au

Email: info@sunstonemetals.com.au

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus

SECTION 9– DEFINITIONS

A\$ or \$ means Australian dollars

Acceptance means a valid acceptance of New Shares under the Cleansing Offer made pursuant to this Prospectus on an Application Form.

AEST means Australian Eastern Standard Time, being the time in Melbourne, Victoria.

Applicant means a person who submits an Application.

Application means a validly completed Application Form.

Application Form means an application form to subscribe for New Shares under the Cleansing Offer provided by the Company with a copy of this Cleansing Prospectus.

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument means *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

ASX means the Australian Securities Exchange or ASX Limited ACN 008 624 691.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

CHESS means Clearing House Electronic Subregister System.

Cleansing Offer has the meaning given in Section 1.2.

Cleansing Prospectus means this document.

Closing Date has the meaning given in Section 1.6.

Company or Sunstone means Sunstone Metals Ltd ACN 123 184 412.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth) of Australia.

Directors means the directors of the Company from time to time.

Issuer Sponsored means securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules or ASX Listing Rules means the official Listing Rules of ASX.

New Shares has the meaning given in Section 1.2.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the Official List of ASX.

Opening Date means the date on which the Offer opens, being 20 May 2025.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Performance Right means a performance right to acquire a Share.

Relevant Issued Shares has the meaning given in Section 1.2.

Section means a section of this Cleansing Prospectus.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares in the Company.