

9 April 2024

## GENERAL MEETING NOTICE AND PROXY FORM

Notice is given that an General Meeting (Meeting) of Shareholders of Sunshine Metals Limited (ACN 063 388 821) (Company) will be held as follows:

**Time and date:** 3pm (Perth time) on Thursday, 9 May 2024  
**Location:** Conference Centre, Ebell Room, Trinity on Hampden  
230 Hampden Road, Crawley, Western Australia

As permitted by the *Corporations Act 2001* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the shareholder has made a valid election to receive documents in hard copy. Instead the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded at the following link: <https://www.shnmetals.com.au/investor-centre/asx-announcements/>.

For those shareholders that have not elected to receive notices by email, a copy of your personalised Proxy Form is enclosed for your convenience. Please complete and return the attached Proxy Form to the Company's share registry, Automic, using any of the following methods:

**Online:** <https://investor.automic.com.au/#/loginsah> or scan the QR Code available on the proxy form.

**By mail:** Automic, GPO Box 5193, Sydney NSW 2000, Australia

**In person:** Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

**By email:** [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

Your proxy voting instruction must be received by 3pm (Perth time) on Tuesday, 7 May 2024, being not later than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the scheduled Meeting. The Company strongly encourages all shareholders to submit their personalised Proxy Form as instructed prior to the Meeting.

The Meeting Materials should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

If you have difficulties obtaining a copy of the Meeting Materials please contact the Company's share registry, Automic, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

The release of this announcement to the market has been authorised by the Company Secretary.

### For more information, please contact:

Dr Damien Keys  
Managing Director  
Phone: +61 428 717 466  
[dkeys@shnmetals.com.au](mailto:dkeys@shnmetals.com.au)

Mr Alec Pismiris  
Director & Company Secretary  
Phone +61 402 212 532  
[alec@lexconservices.com.au](mailto:alec@lexconservices.com.au)

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**SUNSHINE METALS LIMITED**  
**ACN 063 388 821**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 3.00 pm (WST)

**DATE:** 9 May 2024

**PLACE:** The Conference Centre, Ebell Room  
Trinity on Hampden, 230 Hampden Road  
Crawley WA 6009

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 7 May 2024.*

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## BUSINESS OF THE MEETING

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### AGENDA

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1. **RESOLUTION 1 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES TO UNRELATED PARTIES – LISTING RULE 7.1**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 183,601,267 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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2. **RESOLUTION 2 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES TO UNRELATED PARTIES – LISTING RULE 7.1A**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 122,400,844 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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3. **RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES TO UNRELATED PARTY**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 48,694,858 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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4. **RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT OPTIONS TO UNRELATED PARTIES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 118,232,322 Options on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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5. **RESOLUTION 5 – ISSUE OF PLACEMENT SECURITIES TO RELATED PARTY – PAUL CHAPMAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,636,364 Shares and 1,212,121 Options to Paul Chapman (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 6 – ISSUE OF PLACEMENT SECURITIES TO RELATED PARTY – LES DAVIS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,818,182 Shares and 606,061 Options to Les Davis (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**7. RESOLUTION 7 – ISSUE OF PLACEMENT SECURITIES TO RELATED PARTY – DAMIEN KEYS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,818,182 Shares and 606,061 Options to Damien Keys (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**8. RESOLUTION 8 – ISSUE OF PLACEMENT SECURITIES TO RELATED PARTY – ALEC PISMIRIS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,666,667 Shares and 555,555 Options to Alec Pismiris (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**9. RESOLUTION 9 – APPROVAL TO ISSUE BROKER OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<b>Resolution 1 and 2 – Ratification of Tranche 1 Placement Shares to Unrelated Parties</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely Placement Participants) or an associate of that person or those persons.
<b>Resolution 3 – Approval to issue Tranche 2 Placement Shares to Unrelated Party</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, 1832 Asset Management or their nominee/s) or an associate of that person (or those persons).
<b>Resolution 4 – Approval to issue Placement Options to Unrelated Parties</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Placement Participants and 1832 Asset Management) or an associate of that person (or those persons).
<b>Resolution 5 – Issue of Placement Securities to Related Party – Paul Chapman</b>	Paul Chapman (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 6 – Issue of Placement Securities to Related Party – Les Davis</b>	Les Davis (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 7 – Issue of Placement Securities to Related Party – Damien Keys</b>	Damien Keys (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 8 – Issue of Placement Securities to Related Party – Alec Pismiris</b>	Alec Pismiris (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 9 – Approval to issue Broker Options</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Canaccord Genuity (Australia) Limited) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

## **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

***Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 6245 9828.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND TO RESOLUTIONS

#### 1.1 Placement

On 25 March 2024, the Company announced that it had secured commitments from institutional and sophisticated investors (**Placement Participants**) for a placement of \$4,000,000 (before costs) through the issue of 363,636,364 Shares at an issue price of \$0.011 per Share (**Placement Shares**) together with one (1) free-attaching Option exercisable at \$0.03 and expiring on 30 September 2025 (**Placement Options**) for every three (3) Placement Shares allocated (**Placement**).

The purpose of the Placement is to raise \$4,000,000 which the Company will apply towards advancing drilling which is targeting high-grade Au-Cu in the 1.6km long Liontown Project footwall zone.

The Company engaged the services of Canaccord Genuity (Australia) Limited (ACN 075 071 466) (**Canaccord**), (AFSL 234666), to act as lead manager to the Placement. Pursuant to a lead manager mandate dated 18 March 2024 (**Lead Manager Mandate**), the Company agreed to pay Canaccord:

- (a) a management fee of \$80,000 (being, 2% of the amount raised under the issue of the proceeds of the Placement);
- (b) a capital raising fee of \$160,000 (being, 4% of the amount raised under the issue of the proceeds of the Placement); and
- (c) 30,000,000 Options on the same terms as the Placement Options (**Broker Options**), which are the subject of Resolution 9.

#### 1.2 Placement Shares

The 363,636,364 Placement Shares were split up into two tranches, comprising:

- (a) 306,002,111 Shares which were issued to Placement Participants utilising the Company's Listing Rule 7.1 and 7.1A placement capacity (**Tranche 1 Placement Shares**) (the subject of Resolution 1 and Resolution 2 of this Notice); and
- (b) 57,634,253 Shares which are subject to approval at this Meeting (**Tranche 2 Placement Shares**), comprising:
  - (i) 48,694,858 Shares to 1832 Asset Management L.P. (a company incorporated in Canada) (**1832 Asset Management**) (the subject of Resolution 3);
  - (ii) 3,636,364 Shares to Paul Chapman (the subject of Resolution 5);
  - (iii) 1,818,182 Shares to Les Davis (the subject of Resolution 6);
  - (iv) 1,818,182 Shares to Damien Keys (the subject of Resolution 7); and
  - (v) 1,666,667 Shares to Alec Pismiris (the subject of Resolution 8).

### 1.3 Placement Options

As summarised in Section 1.1, the Company has offered Placement Options which are free-attaching to the Placement Shares on a one (1) to three (3) ratio. The Placement Options are subject to approval at this Meeting and comprise:

- (a) 118,232,322 Placement Options to the Placement Participants and 1832 Asset Management (the subject of Resolution 4); and
- (b) 2,979,798 Placement Options to the Directors of the Company, comprising:
  - (i) 1,212,121 Placement Options to Paul Chapman (the subject of Resolution 5);
  - (ii) 606,061 Placement Options to Les Davis (the subject of Resolution 6);
  - (iii) 606,061 Placement Options to Damien Keys (the subject of Resolution 7); and
  - (iv) 555,555 Placement Options to Alec Pismiris (the subject of Resolution 8).

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## 2. RESOLUTIONS 1 AND 2 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES - LISTING RULES 7.1 AND 7.1A

### 2.1 General

The Company issued the Tranche 1 Placement Shares on 2 April 2024.

183,601,267 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 122,400,844 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 21 November 2023.

The issue of the Tranche 1 Placement Shares did not breach Listing Rule 7.1 at the time of the issue.

### 2.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21 November 2023.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without

Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

### **2.3 Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

### **2.4 Technical information required by Listing Rule 14.1A**

If Resolutions 1 and 2 are passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolutions 1 and 2 are not passed, the Tranche 1 Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

### **2.5 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who are clients of Canaccord. The recipients were identified through a bookbuild process, which involved Canaccord seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;

- (c) 306,002,111 Tranche 1 Placement Shares were issued on the following basis:
  - (i) 183,601,267 Placement Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
  - (ii) 122,400,844 Placement Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (d) the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 1 Placement Shares were issued on 2 April 2024;
- (f) the issue price was \$0.011 per Tranche 1 Placement Shares under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (g) the purpose of the Placement was to raise a total of \$4,000,000, which will be applied in the ways set out in Section 1.1; and
- (h) the Tranche 1 Placement Shares were not issued under an agreement.

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### **3. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES**

#### **3.1 General**

As summarised at Section 1.2 above, the Company is seeking approval at this Meeting to issue 48,694,858 Tranche 2 Placement Shares to 1832 Asset Management.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

#### **3.2 Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

### 3.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Tranche 2 Placement Shares will be issued to 1832 Asset Management;
- (b) the maximum number of Tranche 2 Placement Shares to be issued is 48,694,858. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur on the same date;
- (d) the issue price of the Tranche 2 Placement Shares will be \$0.011 per Tranche 2 Placement Shares. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (e) the purpose of the Placement was to raise a total of \$4,000,000, which will be applied in the ways set out in Section 1.1; and
- (f) the Tranche 2 Placement Shares are not being issued under an agreement; and
- (g) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

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## 4. RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT OPTIONS

### 4.1 General

As summarised at Section 1.3 above, the Company is seeking approval to issue 118,232,322 Placement Options, free attaching to the Placement Shares on a one (1) to three (3) basis, comprising:

- (a) 102,000,703 Placement Options to the Placement Participants; and
- (b) 16,231,619 Placement Options to 1832 Asset Management.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Placement Options.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options.

#### **4.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Placement Options will be issued to:
  - (i) professional and sophisticated investors who are clients of Canaccord. The recipients will be identified through a bookbuild process, which will involve Canaccord seeking expressions of interest to participate in the capital raising from non-related parties of the Company; and
  - (ii) 1832 Asset Management;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Placement Options to be issued is 118,232,322, comprising:
  - (i) 102,000,703 Placement Options to the Placement Participants; and
  - (ii) 16,231,619 Placement Options to 1832 Asset Management.

The terms and conditions of the Placement Options are set out in Schedule 1;
- (d) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Options will occur on the same date;
- (e) the issue price of the Placement Options will be nil as they are free-attaching to the Placement Shares. The Company will not receive any other consideration for the issue of the Placement Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the Placement Options is to incentivise the Placement Participants to partake in the Placement;
- (g) the Placement Options are not being issued under an agreement; and

- (h) the Placement Options are not being issued under, or to fund, a reverse takeover.

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## 5. RESOLUTIONS 5 TO 8 – ISSUE OF SECURITIES TO RELATED PARTIES

### 5.1 General

As set out in Section 1 above, Paul Chapman, Les Davis, Damien Keys and Alec Pismiris (together, the **Related Parties**) wish to participate in the Placement on the same terms as unrelated participants in the Placement (**Participation**).

Accordingly, Resolutions 5 to 8 seek Shareholder approval for the issue of an aggregate of 8,939,395 Placement Shares and 2,979,798 Placement Options to the Related Parties (or their nominees), as a result of the Participation on the terms set out below.

Subject to Resolutions 5 to 8, the Placement Shares and Placement Options will be issued to the Related Parties as follows:

Director	Placement Shares	Placement Options
Paul Chapman	3,636,364 <sup>1</sup>	1,212,121 <sup>1</sup>
Les Davi	1,818,182	606,061
Damien Keys	1,818,182	606,061
Alec Pismiris	1,666,667 <sup>2</sup>	555,555 <sup>2</sup>

**Notes:**

- To be issued to Stone Poneys Nominees Pty Ltd.
- Of which:
  - 1,000,000 Placement Shares and 333,333 Placement Options will be issued to ACP Investments Pty Ltd; and
  - 666,667 Placement Shares and 222,222 Placement Options will be issued to Pismiris Holdings Pty Ltd.

### 5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares and Options which constitutes giving a financial benefit and the Related Parties, are related parties of the Company by virtue of each being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the securities will be issued to the Related Parties (or their nominees) on the same

terms as the securities issued to non-related party Placement Participants and as such the giving of the financial benefit is on arm's length.

### **5.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 to 8 seek Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

### **5.4 Technical information required by Listing Rule 14.1A**

If Resolutions 5 to 8 are passed, the Company will be able to proceed with the issue of the Placement Shares and Placement Options under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 1.1 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Placement Shares and Placement Options in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Placement Shares and Placement Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 8 are not passed, the Company will not be able to proceed with the issue of the Placement Shares and Placement Options under the Participation and no further funds will be raised in respect of the Placement.

### **5.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 5 to 8:

- (a) the Placement Shares and Placement Options will be issued to the Related Parties (or their nominees), who fall within the category set out in

Listing Rule 10.11.1, as the Related Parties are related parties of the Company by virtue of each being a Director;

- (b) the maximum number of Placement Shares to be issued to the Related Parties (or their nominees) is 8,939,395, comprising:
  - (i) 3,636,364 Placement Shares to Stone Poneys Nominees Pty Ltd, an entity controlled by Paul Chapman;
  - (ii) 1,818,182 Placement Shares to Les Davis;
  - (iii) 1,818,182 Placement Shares to Damien Keys; and
  - (iv) 1,666,667 Placement Shares to the following nominees that are controlled by Alec Pismiris:
    - (A) 1,000,000 Placement Shares to ACP Investments Pty Ltd; and
    - (B) 666,667 Placement Shares to Pismiris Holdings Pty Ltd;
- (c) the maximum number of Placement Options to be issued to the Related Parties (or their nominees) is 2,979,798, comprising:
  - (i) 1,212,121 Placement Options to Stone Poneys Nominees Pty Ltd, an entity controlled by Paul Chapman;
  - (ii) 606,061 Placement Options to Les Davis;
  - (iii) 606,061 Placement Options to Damien Keys; and
  - (iv) 555,555 Placement Options to the following nominees that are controlled by Alec Pismiris:
    - (A) 333,333 Placement Options will be issued to ACP Investments Pty Ltd; and
    - (B) 222,222 Placement Options will be issued to Pismiris Holdings Pty Ltd;
- (d) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the terms and conditions of the Placement Options are set out in Schedule 1;
- (f) the Placement Shares and Placement Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (g) the issue price will be \$0.011 per Placement Share, being the same issue price as Shares issued to other Placement Participants. The Company will not receive any other consideration for the issue of the Placement Shares;
- (h) the issue price of the Placement Options will be nil as they will be free-attaching to the Placement Shares on a one (1) to three (3) basis. The

Company will not receive any other consideration in respect of the issue of the Placement Options (other than in respect of funds received on exercise of the Placement Options);

- (i) the purpose of the issue of Placement Shares and Placement Options under the Participation is to raise capital, which the Company intends to use in the manner set out in Section 1.1 above;
- (j) the Placement Shares and Placement Options to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (k) the Placement Shares and Placement Options are not being issued under an agreement; and
- (l) a voting exclusion statement is included in Resolutions 5 to 8 of the Notice.

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## **6. RESOLUTION 9 – APPROVAL TO ISSUE BROKER OPTIONS**

### **6.1 General**

As summarised at Section 1.1 above, the Company has agreed to issue 30,000,000 Broker Options to Canaccord in part consideration for lead manager services relating to the Placement.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Broker Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **6.2 Technical information required by Listing Rule 14.1A**

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Broker Options. In addition, the issue of the Broker Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Broker Options.

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Broker Options.

### **6.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the Broker Options will be issued to Canaccord;
- (b) the maximum number of Broker Options to be issued is 30,000,000. The terms and conditions of the Broker Options are set out in Schedule 1;
- (c) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver

or modification of the Listing Rules) and it is intended that issue of the Broker Options will occur on the same date;

- (d) the Broker Options will be issued at a nil issue price, in consideration for lead manager services provided by Canaccord;
- (e) the purpose of the issue of the Broker Options is to satisfy the Company's obligations under the Lead Manager Mandate;
- (f) the Broker Options are being issued to Canaccord under the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in Section 1.1; and
- (g) the Broker Options are not being issued under, or to fund, a reverse takeover.

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## GLOSSARY

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**\$** means Australian dollars.

**1832 Asset Management** means 1832 Asset Management L.P. (Canada), a company incorporated under the laws of Canada and a wholly owned subsidiary of Scotia Global Asset Management.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Broker Options** has the meaning given in Section 1.1.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Sunshine Metals Limited (ACN 063 388 821).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Lead Manager Mandate** has the meaning given in Section 1.1.

**Listing Rules** means the Listing Rules of ASX.

**Meeting** means the meeting convened by the Notice.

**Notice** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Placement** has the meaning given in Section 1.1.

**Placement Options** has the meaning given in Section 1.1.

**Placement Participants** has the meaning given in Section 1.1.

**Placement Shares** has the meaning given in Section 1.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Tranche 1 Placement Shares** has the meaning given in Section 1.2.

**Tranche 2 Placement Shares** has the meaning given in Section 1.2.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### 2. Exercise Price

Subject to paragraph 9, the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

### 3. Expiry Date

Each Option will expire at 5:00 pm (WST) on 30 September 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### 5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 7. Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**8. Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**9. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**10. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**11. Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**12. Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Your proxy voting instruction must be received by **03.00pm (AWST) on Tuesday, 07 May 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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#### BY FACSIMILE:

+61 2 8583 3040

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#### WEBSITE:

<https://automicgroup.com.au/>

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+61 2 9698 5414 (Overseas)

