



Announcement Summary

Entity name

SUNSTONE METALS LTD

Announcement Type

New announcement

Date of this announcement

3/11/2021

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
STMAS	PERFORMANCE RIGHT	30,000,000

Proposed +issue date

3/11/2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

SUNSTONE METALS LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

68123184412

1.3 ASX issuer code

STM

1.4 The announcement is

New announcement

1.5 Date of this announcement

3/11/2021

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis? Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	28/10/2021	<input checked="" type="checkbox"/> Actual	Yes

Comments

The Company's Employee Performance Rights Plan and the issue of 8,400,000 Performance Rights to the CEO & Managing Director was approved at the AGM dated 28 October 2021

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

 Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

 No

Details of +securities proposed to be issued

ASX +security code and description

STMAS : PERFORMANCE RIGHT

Number of +securities proposed to be issued

30,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

 No



Please describe the consideration being provided for the +securities

Performance Rights under the Company's Employee Performance Rights Plan approved at the AGM dated 28 October 2021. Value below as per actuarial valuation of the Performance Rights.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

1,452,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Part 7C - Timetable

7C.1 Proposed +issue date

3/11/2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

28/10/2021

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

No



7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Issued under the Company's Employee Performance Rights Plan approved at the AGM dated 28 October 2021

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

- 10,000,000 Performance Rights to vest upon closing price of Sunstone shares being at or above \$0.071 for minimum 10 trading days out of any 20 consecutive trading days;
- 10,000,000 Performance Rights to vest upon TSR performance as measured against the ASX Small Resources Index (Index), as follows:
 - * Performance below the Index - no shares will vest.
 - * Performance equal to the Index will see 50% vest, increasing linearly with outperformance of the Index by up to 25%, such that 100% of shares will vest should Sunstone's performance be greater than 25% above the Index performance.
 - * Testing will be annually on 30th June.
- 10,000,000 Performance Rights to vest upon closing price of Sunstone shares being at or above \$0.094 for minimum 10 trading days out of any 20 consecutive trading days;