
ASX ANNOUNCEMENT

2 AUGUST 2019

Letter to Option Holders

Sunstone Metals Ltd (ASX: STM; "Sunstone") advises that the attached Notice of Expiry of Options, for 154,837,500 Options with an exercise price of \$0.03 expiring 31 August 2019, will today be dispatched to shareholders.

A personalised Notice of Exercise form will also be provided with the letter to Option holders.

Board and Management of Sunstone have provided firm commitments to exercise their Options, 2,237,500 listed Options plus an additional 4,500,000 unlisted options with an exercise price of \$0.032, to raise \$211,125.

The exercise of the Options has been fully underwritten by Morgans Corporate Ltd.

The funds to be raised from the exercising of the Options (including the 4,500,000 unlisted options with an exercise price of \$0.032) totals \$4.6 million after fees.

Gavin Leicht

Company Secretary

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

STM
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

1 August 2019

Dear Option Holder,

Notice of Expiry of Options

As at the date of this notice you are a registered holder of options issued by Sunstone Metals Ltd ('Sunstone' or 'the Company') (ASX: STM) expiring on 31 August 2019 (the Options) (ASX Code: STMO).

As you may be aware, your Options have an exercise price of \$0.03, which represents a 13.5% discount to the 15 day Volume Weighted Average Price of Sunstone shares (of \$0.0347 as at 31 July 2019).

If all Options are exercised (154,837,500 plus an additional 4,500,000 options issued to directors with an exercise price of \$0.032 expiring 31 August 2019) the Company will have 1,383,883,150 fully paid ordinary shares on issue.

In accordance with the ASX Listing Rules the Company advises the following:

- a) The number of Options you hold at the date of this letter is set out in the enclosed holding statement together with an Exercise of Option Notice.
- b) Each Option entitled the holder to receive on exercise, one fully paid ordinary share in the Company.
- c) The exercise price for the Options is \$0.03 per Option.
- d) The due date for payment of the exercise price is on or before 5:00pm Friday 30 August 2019.
- e) If cleared funds are not received by 5:00pm Sydney time on 30 August 2019, then your Options will expire with no value and no further entitlement will exist.
- f) Official quotation of Options (STMO) on the ASX will cease at the close of trading on Monday 26 August 2019.

- g) The latest available market price of STM shares prior to the date of this notice was \$0.033 at the close of trading on 31 July 2019.
- h) The highest and lowest market prices of STM shares traded in the three months immediately before the date of this notice were:
- Highest: \$0.042 per share on 1 July 2019
 - Lowest: \$0.028 per share on 2 July 2019.
- i) The exercise of the Options has been fully underwritten by Morgans Corporate Ltd with an Underwriting Fee payable of 2.5% of the underwritten amount.

Your options will expire on 31 August 2019. They will stop trading on the ASX at the close of trading on Monday 26 August 2019. If you do not exercise your options on or before Friday 30 August 2019, or sell your options on or before Monday 26 August 2019, they will expire and have no value.

How do I exercise my options?

To exercise your options, you may pay via the BPAY details on the enclosed form and there is no need to return the forms. Alternatively, please complete the enclosed exercise form making your payment via cheque and returning it to the Company's register, Computershare.

If you have any queries about completing the form, please call Computershare 1300 850 505 (within Australia) or +61 (0)3 9415 4000 (outside Australia).

Gavin Leicht
Company Secretary

Disclaimer: The information in this letter is general and does not take into account your personal financial situation or needs. Before making a decision to exercise your options, you are encouraged to consult your accountant, stockbroker or financial adviser.