

3 April 2025

Andrew Black
Principal Advisor, Listing Compliance
20 Bridge Street
Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

Dear Andrew,

Response to ASX Price Query

Sunstone Metals Limited (ASX: STM) (**Sunstone** or **Company**) refers to your letter dated 2 April 2025 requesting further information on the change in price and increase in volume of Sunstone's securities, and responds to your questions as follows:

1. *Is STM aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?*

No.

2. *If the answer to question 1 is "yes".*

- a. *Is STM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in STM's securities would suggest to ASX that such information may have ceased to be confidential and therefore STM may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.*
- b. *Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).*
- c. *If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?*

Not applicable.

3. *If the answer to question 1 is "no", is there any other explanation that STM may have for the recent trading in its securities?*

- As announced to the market on 26 March 2025, Sunstone has been pursuing partnership opportunities to unlock the value of its substantial gold and copper discoveries. This process has involved several parties accessing Sunstone's data room and undertaking site visits. Several opportunities and structures have been explored, with some more advanced than others, including:
 - Corporate level transactions;

- Project level joint venture earn-in agreements; and
- Combinations with complimentary nearer-term development assets.

As a result of these discussions, an attractive opportunity has advanced to the stage where, in the short term, a confidential and incomplete non-binding indicative offer could be finalised. This would be followed by a confirmatory diligence phase. The Company is engaging with the party and is well advanced in its due diligence investigations in relation to the proposal and associated transaction risks.

The Company is separately progressing due diligence and commercial discussions for a material business transaction, which could result in a nearer-term gold development asset, currently privately owned, being combined with Sunstone's two large gold-copper assets. The Company has hosted an asset site visit and continues to engage with the major shareholders to discuss and evaluate the strategic rationale of the combination.

At this stage, timeframes are unknown, and there is no certainty or assurance that any proposals will be received or, if received, will be acceptable, either in principle or otherwise, or will result in a binding transaction. The Company believes that confidentiality has not been lost in relation to the discussions mentioned above, and the Company will provide further information when appropriate under its continuous disclosure obligations.

- 800,000,000 shares were issued on 2 April 2025 from the Placement announced on 27 March 2025. This may have resulted in additional liquidity and trading in shares.

The Company is otherwise unaware of any explanation for the recent trading in its Shares, other than the information provided above.

4. Please confirm that STM is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with ASX Listing Rules, including Listing Rule 3.1 in particular.

5. Please confirm that STM's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of STM with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the above responses have been authorised and approved by the Board.

Kind regards,



Lucas Welsh
Company Secretary



2 April 2025

Reference: 107887

Mr Lucas Welsh
CFO and Company Secretary
Sunstone Metals Ltd
Level 31
120 Collins Street
Melbourne VIC 3000

By email:

Dear Mr Welsh

Sunstone Metals Ltd ('STM'): Price - Query

ASX refers to the following:

- A. The change in the price of STM's securities from a closing price yesterday of \$0.07 to a high of \$0.011 today.
- B. The significant increase in the volume of STM's securities traded from 1 April 2025 to 2 April 2025.

Request for information

In light of this, ASX asks STM to respond separately to each of the following questions and requests for information:

- 1. Is STM aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
 - (a) Is STM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in STM's securities would suggest to ASX that such information may have ceased to be confidential and therefore STM may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that STM may have for the recent trading in its securities?
- 4. Please confirm that STM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that STM's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of STM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Thursday, 3 April 2025**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, STM's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require STM to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in STM's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in STM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to STM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that STM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance