

21 SEPTEMBER 2020

# Annual General Meeting

Sunstone Metals Ltd (ASX: STM; “Sunstone”) advises that the attached Notice of Annual General Meeting and Explanatory Memorandum will today be dispatched to shareholders.

This year, as part of the Australian Government’s response to the Coronavirus crisis, temporary modifications have been made to the Corporations Act 2001 under the Corporations (Coronavirus Economic Response) Determination (No.1) 2020. These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting.

Electronic copies of the Annual General Meeting material and the 2020 Annual Report are available on the Company’s website.

A personalised Proxy form will also be provided with the meeting materials

Gavin Leicht

Company Secretary

For further information please visit [www.sunstonemetals.com.au](http://www.sunstonemetals.com.au)



SUNSTONE METALS LTD  
ACN 123 184 412

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**NOTICE OF ANNUAL GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**  
**PROXY FORM**

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**Date of Meeting**

Friday 23 October 2020

**Time of Meeting**

11.30am

(Brisbane time)

**Place of Meeting**

Virtual meeting online

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the Corporations Act 2001 under the Corporations (Coronavirus Economic Response) Determination (No.1) 2020. We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this Notice.

**NOTICE OF ANNUAL GENERAL MEETING**  
**SUNSTONE METALS LTD**  
**ACN 123 184 412**

Notice is hereby given that the Annual General Meeting of Shareholders (**Meeting or AGM**) of Sunstone Metals Ltd ACN 123 184 412 (**Company**) will be held at **11.30am (Brisbane time) on Friday 23 October 2020** in an online virtual meeting.

Shareholders are requested to participate in the Meeting virtually via the online Meeting platform at <https://web.lumiagm.com/353530320> or by lodging your vote online or by appointing a proxy. Instructions on how to complete a Proxy Form are set out in the Explanatory Statement.

All Shareholders will have a reasonable opportunity to ask questions during the AGM via the online Meeting platform. Shareholders who prefer to register questions in advance of the AGM are invited to do so by emailing [info@sunstonemetals.com.au](mailto:info@sunstonemetals.com.au). We will attempt to answer the more frequently asked questions in the Chairman's welcome and Managing Director's presentation to the Meeting. Written questions in advance must be received by the Company by **5.00pm (Brisbane time) on Wednesday, 21 October 2020**.

For further instructions on how to participate online please view the online meeting user guide which has been lodged with ASX and is also available at <https://www.sunstonemetals.com.au/agm>.

**AGENDA**

The business of the Meeting will be to consider the Resolutions set out below. Full details on the nature of the Resolutions are set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Capitalised terms are defined in the Glossary to this Notice of Meeting and Explanatory Memorandum.

This Notice of Meeting should be read in its entirety together with the Explanatory Memorandum and Proxy Form.

**ORDINARY BUSINESS**

**Financial Statements and Reports**

To receive the financial report of the Company and its controlled entities for the year ending 30 June 2020, together with the declaration of the directors, the directors' report, the Remuneration Report, and the auditor's report.

**RESOLUTION 1: Adoption of Remuneration Report**

To consider and, if thought fit, pass, with or without amendment, the following resolution as a non-binding ordinary resolution:

*'That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.'*

## **RESOLUTION 2: Ratification of prior issue of placement Shares under Listing Rule 7.1**

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

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue and allotment of 207,658,147 Shares at an issue price of \$0.005 (0.5 cents) to the allottees as set out in the Explanatory Memorandum.”*

## **RESOLUTION 3: Issue of Performance Rights to Mr Malcolm Norris**

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

*‘That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given to the issue by the Company of a total of 8,400,000 Performance Rights under the Employee Performance Rights Plan to Mr Malcolm Norris (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.’*

## **RESOLUTION 4: Re-election of Director, Mr Graham Ascough**

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

*‘That in accordance with the Constitution of the Company, Mr Graham Ascough who retires by rotation and being eligible, be re-elected as a Director of the Company.’*

## **SPECIAL BUSINESS**

### **RESOLUTION 5: Approval of 10% Placement Facility**

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special** resolution:

*‘That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued Shares (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.’*

## How to Vote

You may vote by attending the virtual Meeting online, by proxy or authorised representative.

In light of the current global outbreak of the Coronavirus (COVID 19) and the Australian Government's response in restricting gatherings and implementing social distancing requirements and the State Government's border restrictions, the Company has decided that special arrangements will apply to the Meeting. In the interests of public health and safety, the Company has determined not to allow Shareholders to physically attend the Meeting. Please refer to the online meeting user guide as to how Shareholders will be able to participate in the Meeting via the internet.

## Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that the Shareholders who are on the Company's share register at 7.00 pm (Sydney time) on 21 October 2020 (being not more than 48 hours before the Meeting on 23 October 2020) will be taken, for the purposes of the Meeting, to be entitled to attend and vote at the Meeting. If you are not the registered holder of a Share at that time, you will not be entitled to vote at the Meeting.

## Voting at the Meeting

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. All the Resolutions at this Meeting, other than Resolution 5, are ordinary resolutions. Resolution 5 is a special resolution.

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting (such poll to be taken electronically).

Shareholders are strongly urged to **appoint the Chair of the Meeting as their proxy**. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting **must follow your instructions**. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting.

## Voting Exclusion Statements

### (a) Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (i) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

(b) **Resolution 2**

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- an Allottee who participated in the issue; or
- an associate of an Allottee (or those Allottees).

However, the Company will not disregard any votes cast in favour of this Resolution if:

- It is cast by a person as 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
- It is cast by the person chairing the meeting 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 as the chair decides; or
- It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

(c) **Resolution 3**

For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any Director of the Company (except one who is ineligible to participate in the Employee Performance Rights Plan) and any Associates of that Director of the Company.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- it is cast by the person chairing the meeting 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 as the chair decides; or
- It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

For the purposes of the Corporations Act, a person appointed as proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- the person is either:
  - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
  - a Closely Related Party of such a member, and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and

- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

(d) **Resolution 5**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of, if at the time the approval is sought the Company is proposing to make an issue of equity securities under listing rule 7.1A.2, any person (and any Associates of such a person) who is expected to participate in the 10% Placement Facility, or any person (and any Associates of such a person) who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a holder of ordinary shares in the Company, if Resolution 5 is passed.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (ii) it is cast by the person chairing the meeting 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 as the chair decides; or
- (iii) It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. 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
  - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Proxies**

A Shareholder who is entitled to attend this Meeting virtually and vote is entitled to appoint a proxy to attend virtually and vote for the Shareholder at the Meeting. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the virtual Meeting the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To be valid, the appointment of a proxy (made using a properly completed and executed Proxy Form) must be received by the Company no later than 11.30am (Brisbane time) on 21 October 2020.

Proxy Forms can be submitted by the below methods:

- (a) Online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and entering the 6-digit control number found on the front of the Proxy Form. Intermediary Online subscribers (Custodians) may lodge proxy instructions at [www.intermediaryonline.com](http://www.intermediaryonline.com);
- (b) by mail to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001; and
- (c) by facsimile 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Please note that if the Chairman of the Meeting is your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on Resolutions 1 and 3 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the Chair as your proxy you can direct the Chair to vote for or against or abstain from voting on any of Resolutions 1 through 5 by marking the appropriate box on the Proxy Form.

*The Chair intends to vote undirected proxies in favour of each item of business.*

### **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

**NOTE:** Please refer to the Explanatory Memorandum accompanying this Notice of Meeting for further information regarding all of the above Resolutions.

By order of the Board

A handwritten signature in black ink, appearing to read 'Gavin Leicht', written in a cursive style.

Gavin Leicht  
Company Secretary  
21 September 2020

## **EXPLANATORY MEMORANDUM GENERAL INFORMATION**

This Explanatory Memorandum contains an explanation of, and information about, the Resolutions to be considered at the Annual General Meeting of Shareholders of Sunstone Metals Ltd, to be held on **Friday 23 October 2020**.

The Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice of Meeting and the reasons for the Resolutions proposed. Shareholders should read the Explanatory Memorandum in full.

The Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

The Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Capitalised words used in the Notice of Meeting and in the Explanatory Memorandum are defined in the Glossary at the end of the Explanatory Memorandum.

The information contained in this Explanatory Memorandum has been prepared by the Company and is the responsibility of the Company. Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider Resolutions 1 to 5 (inclusive).

A copy of this Notice of Meeting and Explanatory Memorandum was lodged with ASX pursuant to the Listing Rules. Neither ASX nor any of its officers take any responsibility for the contents of this Notice of Meeting and Explanatory Memorandum.

### **ORDINARY BUSINESS**

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#### **Financial Statements and Reports**

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the Annual Report together with the declaration of the directors, the directors' report, the Remuneration Report, and the auditors' report.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so. The Company's Annual Report can be found on its website at [www.sunstonemetals.com.au](http://www.sunstonemetals.com.au).

## Resolution 1 – Adoption of Remuneration Report

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### Remuneration Report

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the directors' report contained in the Annual Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

#### "Two Strikes"

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report of the company be adopted must be put to the Shareholders. However, such a resolution is advisory only and will not bind the Directors or the Company.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth) which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives votes against of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 Days) (**Spill Meeting**), at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report, must cease to hold office immediately before the end of the Spill Meeting and must stand for re-election, unless the Company put to Shareholders a Spill Resolution at the first annual general meeting.

The Company did not receive a Strike at its 2019 annual general meeting and as a result, if the Remuneration Report receives a Strike at this Meeting, the Company will not be required to put a Spill Resolution. However, if the Remuneration Report receives a Strike at this Meeting and a second Strike at the 2021 annual general meeting, the Company will then be required to put a Spill Resolution.

#### Proxies

Resolution 1 is an ordinary resolution.

The Corporations Act places certain restrictions on the ability of "Key Management Personnel" (including the Chairman of the Meeting) and their "Closely Related Parties" to vote on Resolution 1 and also places restrictions on "Key Management Personnel" and their "Closely Related Parties" where they are voting as proxy for another shareholder on resolutions connected with the remuneration of Key Management Personnel.

To ensure that your vote is counted on Resolution 1, you are encouraged to direct your proxy how to vote on that item by indicating your preference by completing the "For", "Against" or "Abstain" boxes on the Proxy Form. If you provide an undirected proxy in relation to Resolution 1 to a director (other than the Chairman of the Meeting) or other Key Management Personnel or their Closely Related Parties, such a proxy will not vote on Resolution 1. To allow such a proxy to vote on Resolution 1, you must direct the proxy how to vote by completing the "For", "Against" or "Abstain" boxes on the Proxy Form.

If you appoint the Chairman of the Meeting as your proxy in relation to Resolution 1, but do not complete the "For", "Against" or "Abstain" boxes on the Proxy Form for Resolution 1, the Chairman will exercise your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel. The Chairman intends to vote all available proxies in favour of Resolution 1. If you wish to appoint the Chairman as proxy with a direction to vote against, or to abstain from voting on, Resolution 1, you must specify this by completing the "Against" or "Abstain" box on the Proxy Form.

## RESOLUTION 2 – Ratification of prior issue of placement Shares under Listing Rule 7.1

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### **Background**

Resolution 2 seeks ratification by Shareholders of the issue of 207,658,147 of the 345,000,000 Shares to the Allottees set out below on 28 April 2020 being the number of Shares issued by the Company under its 15% placement capacity set out in Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12-month period which exceeds 15% (temporarily extended to 25% under the 'Class Waiver Decision – Temporary Extra Placement Capacity') of the number of issued securities of the company held at the beginning of the 12-month period, except with the prior approval of shareholders of the company in general meeting, unless an exception in Listing Rule 7.2 applies.

The Placement of 345,000,000 Shares (**Placement Shares**) was undertaken under the Company's annual 15% placement capacity under Listing Rule 7.1 plus the 10% "Temporary Extra Placement Capacity Waiver" comprising the following:

- 207,658,147 Placement Shares issued under the Company's 15% placement capacity under Listing Rule 7.1 (**Ratification Shares**); and
- 137,341,853 Placement Shares issued under the additional 10% "Temporary Extra Placement Capacity" (**Extra Placement Shares**).

In relation to the Ratification Shares, Listing Rule 7.4 provides that an issue of equity securities made without shareholder approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if:

- the issue did not breach Listing Rule 7.1; and
- holders of ordinary securities subsequently approve it.

The Extra Placement Shares will not be able to be ratified or replenished under listing rule 7.1 or 7.4.

The issue of the Placement Shares did not result in the Company breaching the 25% limit referred to in Listing Rule 7.1 and the Class Waiver Decision – Temporary Extra Placement Capacity. The issue of the Placement Shares does not therefore depend upon shareholders passing Resolution 2.

The purpose of Resolution 2 is to obtain shareholder approval for the purpose of Listing Rule 7.4 and for all other purposes for the Ratification Shares. If shareholders approve the issue of the Ratification Shares for the purpose of Listing Rule 7.4, the issue of the Ratification Shares under the Company's 15% placement capacity will not count towards determining the number of equity securities which the Company can issue in any 12-month period. However, if shareholders do not approve the issue of the Ratification Shares for the purpose of Listing Rule 7.4, the issue of the Ratification Shares will count towards the number of equity securities which the Company can issue in any 12-month period.

Approval of the Ratification Shares will provide flexibility for the Company to issue equity securities under the 15% placement capacity under Listing Rule 7.1 in the next 12 months without the requirement to obtain shareholder approval.

**Listing Rule disclosure**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of the Ratification Shares, the subject of Resolution 2:

<b>Required disclosure</b>	
<i>Number of securities allotted</i>	207,658,147 Ratification Shares issued as part of the recent placement of 345,000,000 Shares.
<i>Issue price</i>	\$0.005 (0.5 cents) per Ratification Share
<i>Terms of the securities</i>	The Ratification Shares were issued as fully paid ordinary shares ranking equally with existing Shares, for which the Company sought quotation on the official list of the ASX on 28 April 2020.
<i>Names of Allottees</i>	The Ratification Shares were issued to professional and sophisticated investors identified by the Company and Morgans Corporate Limited, as Lead Manager to the Placement.
<i>Use of funds</i>	The funds raised pursuant to the Placement will be used primarily to fund exploration at the Bramaderos gold-copper project in southern Ecuador, and for working capital.

**Recommendation:** The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

**RESOLUTION 3 – Approval to issue up to 8,400,000 Performance Rights to CEO/Managing Director, Malcolm Norris or his nominee.**

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**Background**

The Board is seeking Shareholder approval for Resolution 3 referred to in the accompanying Notice of Meeting for the purposes of Listing Rule 10.14.

**Corporations Act**

Shareholder approval under Chapter 2E of the Corporations Act (related party benefits) is not required because the issue of Performance Rights is considered to be reasonable remuneration and falls within the exception to the requirement for shareholder approval.

**Listing Rules**

Listing Rule 10.14 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of equity securities under an employee incentive scheme to a director of the entity. The Company proposes to grant the performance rights to Mr Norris under the Employee Performance Rights Plan and the Plan Rules will apply to the grant. The definition of 'equity securities' under the Listing Rules includes a 'right to a share or unit or option'. Further, as noted above, Mr Norris is a director of the Company, hence Shareholder approval under Listing Rule 10.14 is being sought.

In accordance with Listing Rule 7.2, Exception 14, the general prohibition under Listing Rule 7.1 in relation to the 15% threshold will not apply to the Performance Rights issued under Resolution 3 provided Shareholder approval is obtained under Listing Rule 10.14. If Shareholder approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

**Listing Rule disclosure**

Details of the proposed issues under Resolution 3 as required by Listing Rule 10.15 are as follows:

Required disclosure	
Proposed allottees	Mr Malcolm Norris, or his nominee
Nature of relationship with Sunstone	Mr Malcolm Norris is a related party of the Company because of his role as CEO/Managing Director.
Maximum number of securities to be issued	Subject to Shareholder approval, it is proposed that Mr Norris will be issued up to 8,400,000 Performance Rights to subscribe for new ordinary shares in the Company.
Issue Price/ Use of funds	Nil. No funds will be raised on the initial issue of the Performance Rights to Mr Norris as they are being granted for no consideration.
The number of securities that have previously been issued to the Allottee under the scheme and the average acquisition price (if any) paid by the allottee for those securities	Performance Rights previously issued to the Allottee: 12,833,000 Performance Rights vested: 3,080,318 Performance Rights lapsed: 4,506,214 Performance Rights outstanding: 5,246,468 No acquisition price has been paid by the allottee on any of the Performance Rights.

<p>Terms of issue</p>	<p>The terms and conditions of the Performance Rights to be issued to Mr Norris under Resolution 3 are set out in Annexure A to this Explanatory Memorandum.</p> <p>Each Performance Right proposed to be granted entitles the holder to subscribe for one new ordinary share in the Company, upon satisfying the performance conditions. Shares issued on vesting of the Performance Rights will rank equally in all respects with the existing fully paid ordinary shares in the Company.</p> <p>There are no Loans associated with the Issue.</p>
<p>Performance Conditions, and expiry date</p>	<p>In relation to Mr Norris, the Performance Rights to be issued and the performance conditions required for vesting are as follows:</p> <p>(i) 8,400,000 Performance Rights, with an exercise period of 3 years commencing on the date Shareholder approval is granted and expiring on the third anniversary of that date; and</p> <p>(ii) Performance Conditions for Vesting of:</p> <p>a) Tranche 1 – 33.33% or 2,800,000 Performance Rights to vest upon the later of both the following vesting conditions occurring:</p> <ul style="list-style-type: none"> <li>• Closing Price of Sunstone Shares being at or above the higher of \$0.025, or 50% above the 15 trading day VWAP ending on the trading date that immediately precedes the date of shareholder approval, for minimum 10 trading days out of any 20 consecutive trading days; and</li> <li>• 12 months after issue.</li> </ul> <p>b) Tranche 2 – 33.33% or 2,800,000 Performance Rights to vest upon TSR performance as measured against the ASX Small Resources Index (<b>Index</b>), as follows:</p> <ul style="list-style-type: none"> <li>• Performance below the Index - no shares will vest.</li> <li>• 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.</li> <li>• Testing will be annually on 30<sup>th</sup> June.</li> </ul> <p>c) Tranche 3 – 33.33% or 2,800,000 Performance Rights to vest upon the later of both the following vesting conditions occurring:</p> <ul style="list-style-type: none"> <li>• Closing Price of Sunstone Shares being at or above the higher of \$0.05, or 100% above the 15 trading day VWAP ending on the trading date that immediately precedes the date of shareholder approval, for minimum 10 trading days out of any 20 consecutive trading days; and</li> <li>• 12 months after issue.</li> </ul>
<p>Why the Performance Rights are being issued to the Allottee</p>	<p>The primary purpose of the issue of the Performance Rights is to provide cost effective remuneration and incentives for Mr Norris in his role as Managing Director and reflects what the Board considers to be appropriate in the circumstances.</p> <p>It is considered appropriate to grant the Performance Rights to Mr Norris as a means of:</p> <ul style="list-style-type: none"> <li>• retaining his services by providing a competitive remuneration package;</li> <li>• providing incentives linked to the performance of the Company, thereby aligning his interests more closely with that of the Company; and</li> <li>• providing him with an opportunity to acquire equity in the Company.</li> </ul>

	<p>It is further considered that the performance of Mr Norris and the performance and value of the Company will be closely related.</p> <p>Mr Norris brings a wealth of experience to the Company and valuable fundraising experience, mine development and mining exploration contacts.</p> <p>The Directors (other than Mr Norris) believe that the proposed issue of Performance Rights are in the best interests of the Company and promote the interests of the Company on the basis that the Managing Director will be increasingly committed to improving the performance of the Company for the benefit of Shareholders.</p>
<p>Why the three performance related vesting conditions were chosen</p>	<p>The three performance related vesting conditions were chosen in order to closely align rewards for performance of key employees with the achievement of the Company's growth and strategic objectives for the 2020 financial year and beyond, to deliver superior performance that creates shareholder value.</p> <p><i>Closing share price being the higher of \$0.025 or more for 10 trading days?</i></p> <p>This vesting condition was chosen as it represents a share price almost triple the Volume Weighted Average Price ("VWAP") paid by shareholders for any Equity issues during the 2020 financial year (\$0.009); and an 80% premium to the 12 month VWAP to 30 June 2020 (\$0.0139). The vesting condition will increase to 50% above the 15 trading day VWAP ending on the trading date that immediately precedes the date of shareholder approval should this be above \$0.025.</p> <p><i>TSR Performance against the ASX Small Resources Index?</i></p> <p>This vesting condition was chosen as it represents the performance of the Company against a relevant index of resource companies, comparing the growth of the Company with the growth of the index. No shares will vest under this condition unless the Company's performance is equal to or above that of the index.</p> <p><i>Closing share price \$0.05 or more for 10 trading days?</i></p> <p>This vesting condition was chosen as it represents more than 5 times the VWAP paid by shareholders for any Equity issues during the 2020 financial year; and a 260% premium to the 12 month VWAP to 30 June 2020. The vesting condition will increase to 100% above the 15 trading day VWAP ending on the trading date that immediately precedes the date of shareholder approval should this be above \$0.05.</p>
<p>Why the number of Performance Rights and value of the Performance Rights was chosen</p>	<p><i>Why the number of Performance Rights?</i></p> <p>The number of Performance Rights was chosen following a review of similar organisations to be market competitive. The Performance Rights will be granted as a key component of the Managing Director's remuneration in order to retain services and provide incentives linked to the performance of the Company. It is further considered that the performance of the Managing Director and the performance and value of the Company will be closely related.</p> <p><i>What is the value of the Performance Rights?</i></p> <p>Pitcher Partners, as independent valuers, has determined that the total value of the Performance Rights to be issued to Mr Norris is (as at the date of the Performance Rights Valuations) \$63,756.</p> <p>Attaining all the exercising conditions will also mean a significant increase in the share price. If such a share price increase is attained the Board (excluding Mr Norris) determined that the financial reward to Mr Norris was appropriate and aligned his interests with that of all Shareholders.</p>

<p>Valuation of the financial benefit</p>	<p>The Company engaged Pitcher Partners to undertake valuations of the Performance Rights proposed to be issued to Mr Norris (<b>Performance Rights Valuations</b>). Pitcher Partners valued the Performance Rights using the Monte Carlo simulation for the valuation to simultaneously simulate the performance of the Company's share price and the ASX Small Resources Index taking into account the correlation between the two.</p> <p>The valuation models use the following variables to determine the value of the Performance Rights:</p> <ul style="list-style-type: none"> <li>a) value of the underlying asset – share price of \$0.014 being the closing share price on ASX as at 3 September 2020;</li> <li>b) vesting conditions – as referred to above, with Tranche 1 share price hurdle being \$0.025 and Tranche 3 being \$0.05, as these are higher than 50% and 100% above the share price referred to in a) above;</li> <li>c) expected volatility of the share price – 115% based on 3 year historical volatility;</li> <li>d) expected volatility of the ASX Small Resources Index – 30% based on 3-year index volatility;</li> <li>e) correlation of Sunstone's share price and the ASX Small Resources Index for the 3 year period to 3 September 2020 of 0.45;</li> <li>f) risk free rate – the Australian Government 3-year bond rate as at 3 September 2020 of 0.27%;</li> <li>g) time to maturity – the Performance Rights expire 3 years from the date of issue; and</li> <li>h) expected dividend yield – Nil, given the Company is a mineral exploration company with no history of paying dividends.</li> </ul> <p>Based on the assumptions outlined above, Pitcher Partners calculated the value of the Performance Rights to be \$63,756, with a total value for each Tranche as follows:</p> <ul style="list-style-type: none"> <li>• Tranche 1 – \$0.00746 per Share Right = \$20,888</li> <li>• Tranche 2 – \$0.01114 per Share Right = \$31,192</li> <li>• Tranche 3 – \$0.00417 per Share Right = \$11,676</li> </ul> <p>However, it is important for Shareholders to note that this stated value of the Performance Rights may go up or down at any time despite the Performance Rights Valuations. This is because the value of the Performance Rights will depend on the valuation methodology used in any future valuation, together with the relevant assumptions made under the Performance Rights Valuations compared to any future valuations.</p> <p>The Board (other than Mr Norris) believes, having taken appropriate expert advice on the matter, that the valuation and use of the Monte Carlo simulation model was appropriate in the circumstances. The Board has not used any other valuation model in proposing the terms or number of Performance Rights.</p>
<p>Directors' interest in the outcome</p>	<p>Other than the interests that Mr Norris has in the resolution, none of the other Directors have an interest in the outcome of Resolution 3.</p>

Date of issue of the Performance Rights	If Resolution 3 is passed, the Performance Rights to be issued to Mr Norris (or his nominee) are expected to be issued no later than one month after the date of the Meeting but in any event the Performance Rights will be issued no later than the date that is 3 years after the date of the meeting.																
Disclosure of total remuneration package	<p>As noted above, the Performance Rights are proposed to be issued to Mr Norris as a means of providing cost effective remuneration and incentives for him in his role as Managing Director. These Performance Rights are proposed to be part of the annual remuneration of Mr Norris, under the approved Employee Performance Rights Plan, with the annual value being subject to the discretion of the Board and also subject to shareholder approval.</p> <p>The remuneration and emoluments from the Company for Mr Norris for current financial year are:</p> <table border="1" data-bbox="411 622 1378 902"> <thead> <tr> <th data-bbox="411 622 730 689">Related party</th> <th data-bbox="730 622 1378 689">Current financial year remuneration*</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 689 730 902">Mr Malcolm Norris</td> <td data-bbox="730 689 1378 902">\$329,595 per annum comprised of a salary of \$301,000 per annum and superannuation of 9.5%  8,400,000 Performance Rights per Resolution 3 (subject to shareholder approval)</td> </tr> </tbody> </table> <p data-bbox="411 920 1123 954">*Paid pursuant to service contracts with the Company.</p>	Related party	Current financial year remuneration*	Mr Malcolm Norris	\$329,595 per annum comprised of a salary of \$301,000 per annum and superannuation of 9.5%  8,400,000 Performance Rights per Resolution 3 (subject to shareholder approval)												
Related party	Current financial year remuneration*																
Mr Malcolm Norris	\$329,595 per annum comprised of a salary of \$301,000 per annum and superannuation of 9.5%  8,400,000 Performance Rights per Resolution 3 (subject to shareholder approval)																
Securities held in the Company	<p>The current relevant interests (i.e. before Resolution 3 is approved) of Mr Norris in the securities of the Company are set out below*:</p> <table border="1" data-bbox="411 1066 1370 1200"> <thead> <tr> <th data-bbox="411 1066 695 1133">Related party</th> <th data-bbox="695 1066 911 1133">Shares</th> <th data-bbox="911 1066 1082 1133">Options</th> <th data-bbox="1082 1066 1370 1133">Performance Rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 1133 695 1200">Mr Malcolm Norris</td> <td data-bbox="695 1133 911 1200">22,101,217</td> <td data-bbox="911 1133 1082 1200">NIL</td> <td data-bbox="1082 1133 1370 1200">5,246,468</td> </tr> </tbody> </table> <p data-bbox="411 1218 1434 1312">If Resolution 3 is approved by shareholders, the relevant interests (i.e. after the Resolution is approved) of Mr Norris in the securities of the Company will be as set out below:</p> <table border="1" data-bbox="411 1330 1370 1464"> <thead> <tr> <th data-bbox="411 1330 695 1397">Related party</th> <th data-bbox="695 1330 911 1397">Shares</th> <th data-bbox="911 1330 1082 1397">Options</th> <th data-bbox="1082 1330 1370 1397">Performance Rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 1397 695 1464">Mr Malcolm Norris</td> <td data-bbox="695 1397 911 1464">22,101,217</td> <td data-bbox="911 1397 1082 1464">NIL</td> <td data-bbox="1082 1397 1370 1464">13,646,468</td> </tr> </tbody> </table> <p data-bbox="411 1482 906 1516">* Includes direct and Indirect holdings</p>	Related party	Shares	Options	Performance Rights	Mr Malcolm Norris	22,101,217	NIL	5,246,468	Related party	Shares	Options	Performance Rights	Mr Malcolm Norris	22,101,217	NIL	13,646,468
Related party	Shares	Options	Performance Rights														
Mr Malcolm Norris	22,101,217	NIL	5,246,468														
Related party	Shares	Options	Performance Rights														
Mr Malcolm Norris	22,101,217	NIL	13,646,468														
Statement required Listing Rule 10.15.11	<p>Details of any securities issued under the scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that the approval for issue was obtained under listing rule 10.14.</p> <p>Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.</p>																
Dilution effect the issue of the Performance Rights will have on existing Shareholders	If all the Performance Rights currently held by Mr Norris and to be granted to Mr Norris pursuant to Resolution 3 vest, a total of 13,646,468 Shares would be allotted and issued. This would increase the total number of Shares on issue from 2,209,987,646 to 2,223,634,114 (assuming no other Performance Rights or Shares are issued or Options exercised), with the effect that the shareholding of existing Shareholders would be diluted by 0.6%.																

Voting exclusion	A voting exclusion applies to this resolution – please see the notes.
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The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the Performance Rights issued to Mr Norris, assuming that Shareholders pass Resolution 3:

Current shares issued	2,209,987,646
Shares issued assuming all existing Options are exercised	NIL
Shares issued assuming exercise of all the Performance Rights currently held by Mr Norris and to be granted to Mr Norris pursuant to Resolution 3	13,646,468
<b>Total shares</b>	2,223,634,114
Dilution effect	0.6%

**Additional information and Directors' recommendation**

Mr Norris declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 3, recommend that Shareholders vote in favour of Resolution 3.

**Recommendation:** The Board, with Mr Norris abstaining, unanimously recommend that Shareholders vote in favour of Resolution 3.

## **RESOLUTION 4 – Re-election of Director – Mr Graham Ascough**

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In accordance with the Company's Constitution, Mr Graham Ascough retires by rotation and, being eligible, offers himself for re-election as a Director of the Company. Mr Ascough was appointed as an independent, non-executive Director and Chairman on 29 November 2013.

Graham is a member of the Company's Audit and Financial Risk Committee.

He is a senior resources executive with more than 25 years of industry experience evaluating mineral projects and resources in Australia and overseas. Mr Ascough spent 15 years at Falconbridge Limited (which was acquired by Xstrata plc in 2006), and is currently non-executive Chairman of the following ASX listed junior resource companies:

- PNX Metals Ltd (formerly Phoenix Copper Ltd); and
- Musgrave Minerals Ltd.

Mr Ascough holds a Bachelor of Science, is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and is a Professional Geoscientist of Ontario, Canada.

**Recommendation:** The Board (excluding Mr Ascough) recommends that Shareholders vote in favour of Resolution 4.

## SPECIAL BUSINESS

### RESOLUTION 5 – Approval of 10% Placement Facility

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#### **Purpose of resolution**

The purpose of Resolution 5 is to enable the directors to issue Equity Securities up to 10% of the Company's issued share capital under Listing Rule 7.1A during the 12-month period following this Meeting (**10% Placement Period**), without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1 (**Placement Facility**).

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

**Recommendation: The Board recommends that Shareholders vote in favour of Resolution 5.**

#### **General information**

Listing Rule 7.1A enables "eligible entities" to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for the purposes of Listing Rule 7.1A as it is not included in the S&P/ASX 300 Index and has a market capitalisation of \$30.9 million (on the basis of the Company's closing share price of \$0.014 on 13 September 2020).

If Shareholders approve Resolution 5, the exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to the formula for calculating 10% Placement Facility set out in (iii) below).

#### **Description of Listing Rule 7.1A**

##### **(i) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

##### **(ii) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice of Meeting, has on issue one class of quoted Equity Securities, namely Shares.

##### **(iii) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;

- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d) less the number of fully paid shares cancelled in the 12 months.

Note that **A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

**(iv) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A, subject to Shareholder approval being obtained under Resolution 5, will be calculated at the date of issue of the Equity Securities, or the agreement date, in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to the formula for calculating 10% Placement Facility set out in (iii) above).

**(v) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

**(vi) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- b) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(10% Placement Period).**

**Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to the approval of the 10% Placement Facility:

**7.3A.1 Date of issue**

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

**7.3A.2 Minimum Price**

The Equity Securities will be issued at an issue price in accordance with (v) above.

### **7.3A.3 Purpose of issue under 10% Placement Facility**

The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or other investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

### **7.3A.4 Risk of voting dilution**

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table in Appendix 1 to this Explanatory Memorandum. There is a risk that:

- a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table in Appendix 1 shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

### **7.3A.5 Allocation under 10% Placement Facility**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- a) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing security holders can participate;
- b) the effect of the issue of the Equity Securities on the control of the Company;
- c) the financial situation and solvency of the Company; and
- d) advice from corporate, financial, and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

### **7.3A.6 Equity Securities issued under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting**

The Company previously obtained shareholder approval under Listing Rule 7.1A at its 2019 AGM. However, in the previous 12 months, the Company has not made any issues utilising Listing Rule 7.1A.2.

### **7.3A.7 Voting Exclusion**

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities which would be issued under Listing Rule 7.1A. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Meeting.

**Recommendation:** The Board believes that the resolution under Resolution 5 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

## GLOSSARY

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In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

**\$** means Australian dollars.

**10% Placement Facility** has the meaning given in the Explanatory Memorandum for Resolution 5.

**10% Placement Period** has the meaning given in the Explanatory Memorandum for Resolution 5.

**Allottee** means a person who participated in the relevant issue.

**Annual General Meeting, AGM or Meeting** means the meeting convened by the Notice.

**Applicable Law** means each of:

- (a) the Corporations Act;
- (b) the Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities laws;
- (e) the Constitution of the Company;
- (f) applicable taxation laws; and
- (g) any practice note, policy statement, class order, declaration or guideline relating to any of the items in paragraphs (a) to (f) of this definition.

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

**Associate** has the meaning given to it in the Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

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

**Chairman or Chair** means the Chairman of the Board.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the entity;
- (e) a company the member controls; or

(f) a person prescribed as such by the *Corporations Regulations 2001* (Cth).

**Company** or **Sunstone** means Sunstone Metals Limited ACN 123 184 412.

**Constitution** means the constitution of the Company currently in force.

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

**Director** means a director of the Company as at the date of the Explanatory Memorandum.

**Employee Performance Rights Plan** means the employee performance rights plan implemented with Shareholder approval at the Company's Annual General Meeting held on 27 November 2018.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum that accompanies and forms part of the Notice of Meeting.

**Group Company** means the Company, its subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Employee Performance Rights Plan.

**Key Management Personnel** has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company).

**Listing Rules** means the official listing rules of the ASX.

**Notice** or **Notice of Meeting** means the notice of Annual General Meeting including the Explanatory Memorandum and the Proxy Form.

**Option** means an option to acquire a fully paid ordinary share in the Company.

**Performance Right** means a right to be issued, for no consideration, a fully paid ordinary share in the capital of the Company upon the satisfaction of specified performance conditions.

**Performance Rights Valuations** means the valuation undertaken by Pitcher Partners in relation to the value of the Performance Rights proposed to be issued to Mr Norris as described in the Explanatory Memorandum for Resolution 3.

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

**Resolution** means a resolution as set out in the Notice.

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

**Shareholder** means a holder of a Share in the Company.

**Shareholding** means the aggregate of shares held by a Shareholder.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average market price.

## APPENDIX 1

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows:

- (i) an example where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) an example of the result of the issue price of ordinary securities decreasing by 50% and increasing by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Diluti		
		\$0.007 50% decrease in Issue Price	\$0.014 Issue Price	\$0.028 100% Increase in Issue Price
Current Variable A 2,209,987,646 Shares	10% Voting Dilution	220,998,765 Shares	220,998,765 Shares	220,998,765 Shares
	Funds raised	\$ 1,546,991	\$ 3,093,983	\$ 6,187,965
50% increase in current Variable A 3,314,981,469 Shares	10% Voting Dilution	331,498,147 Shares	331,498,147 Shares	331,498,147 Shares
	Funds raised	\$ 2,320,487	\$ 4,640,974	\$ 9,281,948
100% increase in current Variable A 4,419,975,292 Shares	10% Voting Dilution	441,997,529 Shares	441,997,529 Shares	441,997,529 Shares
	Funds Raised	\$ 3,093,983	\$ 6,187,965	\$ 12,375,931

The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- (i) The current Shares on issue are the Shares on issue as at the date of this Notice of Meeting.
- (ii) The current issue price is \$0.014, being the closing price of the Company's Shares on ASX on 13 September 2020.
- (iii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iv) No Options or Performance Rights are exercised into Shares before the date of the issue of the Equity Securities.
- (v) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (vii) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

**ANNEXURE A – TERMS AND CONDITIONS OF  
CEO/MANAGING DIRECTOR PERFORMANCE RIGHTS**

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1. Each Performance Right entitles the holder to one ordinary share in the Company on the vesting of the Performance Right.
2. A Performance Right will only vest if:
  - a) the Vesting Conditions applicable to that Performance Right are satisfied;
  - b) the Vesting Conditions applicable to that Performance Right are waived by the Board; or
  - c) a Change of Control event occurs.
3. 8,400,000 Performance Rights issued to the CEO/Managing Director (**Performance Rights Holder**) are subject to the following performance related vesting conditions (**Vesting Conditions**):
  - a) Tranche 1 – 33.33% or 2,800,000 Performance Rights to vest upon the later of both the following vesting conditions occurring:
    - a. Closing Price of Sunstone Shares being the higher of \$0.025, or 50% above the 15 trading day VWAP ending on the trading date that immediately precedes the date of shareholder approval, for minimum 10 trading days out of any 20 consecutive trading days; and
    - b. 12 months after issue.
  - b) Tranche 2 – 33.33% or 2,800,000 Performance Rights to vest upon TSR performance as measured against the ASX Small Resources Index, as follows:
    - a. Performance below the index - no shares will vest.
    - b. 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.
    - c. Testing will be annually on 30<sup>th</sup> June.
  - c) Tranche 3 – 33.33% or 2,800,000 Performance Rights to vest upon the later of both the following vesting conditions occurring:
    - a. Closing Price of Sunstone Shares being the higher of \$0.05, or 100% above the 15 trading day VWAP ending on the trading date that immediately precedes the date of shareholder approval, for minimum 10 trading days out of any 20 consecutive trading days; and
    - b. 12 months after issue.
4. Unless the Board determines otherwise in its absolute discretion, a Performance Right will lapse upon the earliest to occur of:
  - a) a Performance Rights Holder purporting to transfer or grant a security interest over that Performance Right;
  - b) cessation of employment;
  - c) fraudulent or dishonest actions;
  - d) winding up of the Company;
  - e) the Vesting Conditions in respect of a Performance Right not being met within any applicable period;
  - f) any date specified in the relevant Invitation by which the Performance Rights will automatically lapse; or
  - g) the 3 year anniversary of the date when the Performance Rights were granted

(subject to testing of the Vesting Conditions).

5. Unless otherwise determined by the Board, if a Performance Rights Holder ceases to be an Eligible Employee, any Performance Rights of that Performance Rights Holder that have not as at that time already vested to Shares automatically lapse. In the case of cessation of employment due to death or ill health, the Board may determine that any of that Performance Rights Holder's Performance Rights vest, and the terms on which those Performance Rights vest. If the Board does not make such a determination within 3 months of the Performance Rights Holder ceasing to be an Eligible Employee, the Performance Rights of that Performance Rights Holder will be deemed to have lapsed on the date the Performance Rights Holder ceased to be an Eligible Employee.
6. Any shares that vest will be subject to Sunstone's Security Trading Policy which states certain closed periods where trading in shares is prohibited. The Policy also requires all employees to seek approval from the Company Secretary and/or Chairman to trade in the Company's shares.
7. The Company will not apply to ASX for official quotation of the Performance Rights.
8. The Company will make application for official quotation on ASX of new shares allotted on vesting of the Performance Rights. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted pursuant to Performance Rights will qualify for dividends declared after the date of their allotment.
9. Performance Rights can only be transferred with Board approval, except that if at any time before the Performance Rights lapse the Performance Rights Holder dies, the legal personal representative of the deceased Performance Rights Holder may:
  - a) elect to be registered as the new holder of the Performance Rights; and
  - b) whether or not he becomes so registered, exercise those Performance Rights in accordance with the terms and conditions on which they were granted; and
  - c) if the deceased has already exercised Performance Rights, pay the exercise price (if any) in respect of those Performance Rights.
10. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Performance Rights are exercisable will be increased by the number of ordinary shares which the holder of the Performance Rights would have received if the Performance Rights had vested before the record date for the bonus issue.
11. If, during the currency of the Performance Rights the issued capital of the Company is reorganised, those Performance Rights will be reorganised to the extent necessary to comply with ASX Listing Rules.
12. Subject to the terms and conditions of a grant of a Performance Right and the Applicable Laws, if a Change of Control (as defined in the Employee Performance Rights Plan) occurs, all Performance Rights will immediately vest.

# Online meeting guide

## Getting started

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

### To log in, you must have the following information:

#### Meeting ID

Meeting ID as provided in the Notice of Meeting.

#### Australian residents

- > **Username** (SRN or HIN) and
- > **Password** (postcode of your registered address).

#### Overseas Residents

- > **Username** (SRN or HIN) and
- > **Password** (three-character country code) e.g. New Zealand - NZL; United Kingdom - GBR; United States of America - USA; Canada - CAN.

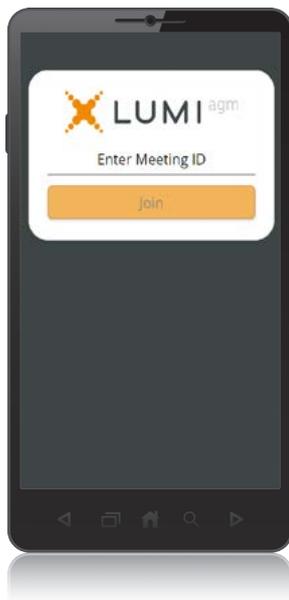
A full list of country codes is provided at the end of this guide.

#### Appointed Proxies

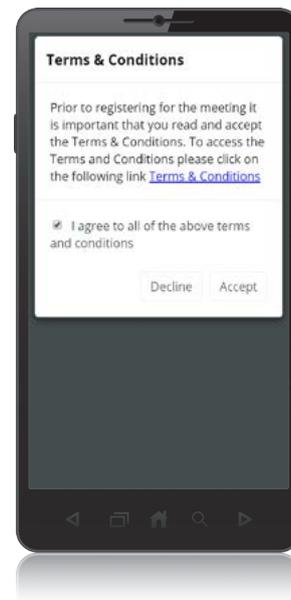
To receive your unique username and password, please contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

## Participating at the meeting

- 1 To participate in the meeting you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.



- 2 To proceed into the meeting, you will need to read and accept the Terms & Conditions



## Icon descriptions



Voting icon, used to vote. Only visible when the Chair opens the poll.



Home page icon, displays meeting information.



Questions icon, used to ask questions.



The broadcast bar allows you to view and listen to the proceedings.

**3 To register as a securityholder,** select 'Securityholder or Proxy' and enter your SRN or HIN and Postcode or Country Code.



**4 To register as a proxyholder,** select 'Securityholder or Proxy' and you will need your username and password as provided by Computershare. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.



**5 To register as a guest,** select 'Guest' and enter your name and email address.



**6 Once logged in,** you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.



## Icon descriptions

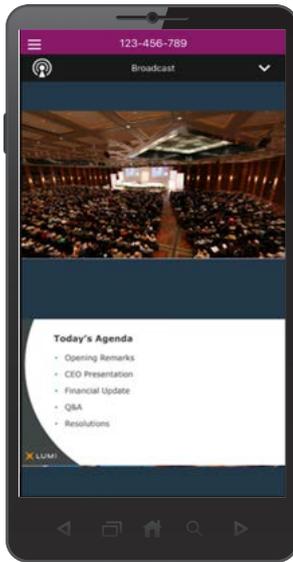
 Voting icon, used to vote. Only visible when the Chair opens the poll.

 Home page icon, displays meeting information.

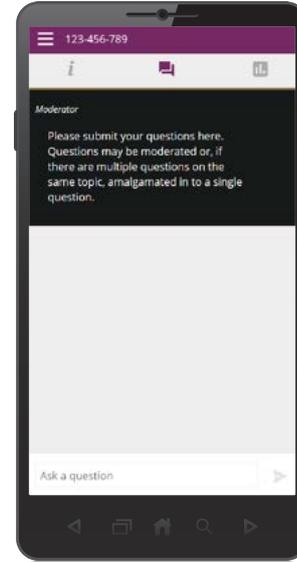
 Questions icon, used to ask questions.

 The broadcast bar allows you to view and listen to the proceedings.

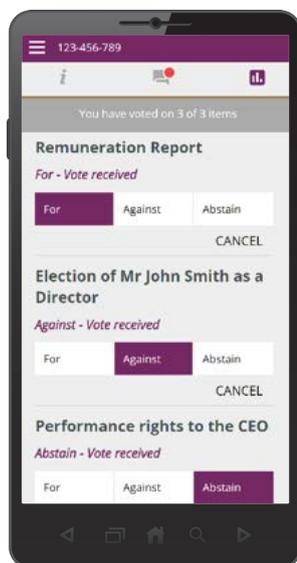
- 7 To view the webcast you must tap the broadcast arrow on your screen and press the play button. Toggle between the up and down arrow to switch between screens.



- 8 To ask a question tap on the question icon , type your question in the chat box at the bottom of the screen and select the send icon. Confirmation that your message has been received will appear.



- 9 When the Chair declares the poll open:
- > A voting icon  will appear on screen and the meeting resolutions will be displayed
  - > To vote, tap one of the voting options. Your response will be highlighted
  - > To change your vote, simply press a different option to override
- The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.



## Icon descriptions

 Voting icon, used to vote. Only visible when the Chair opens the poll.

 Home page icon, displays meeting information.

 Questions icon, used to ask questions.

 The broadcast bar allows you to view and listen to the proceedings.

### For Assistance

If you require assistance before or during the meeting please call +61 3 9415 4024

## COUNTRY CODES Select your country code from the list below and enter it into the 'Postcode or Country Code' field.

<b>ABW</b> ARUBA	<b>DEU</b> GERMANY	<b>KHM</b> CAMBODIA	<b>PRK</b> KOREA DEM PEOPLES REPUBLIC OF	<b>TJK</b> TAJIKISTAN
<b>AFG</b> AFGHANISTAN	<b>DJI</b> DJIBOUTI	<b>KIR</b> KIRIBATI	<b>PRT</b> PORTUGAL	<b>TKL</b> TOKELAU
<b>AGO</b> ANGOLA	<b>DMA</b> DOMINICA	<b>KNA</b> ST KITTS AND NEVIS	<b>PRY</b> PARAGUAY	<b>TKM</b> TURKMENISTAN
<b>AIA</b> ANGUILLA	<b>DNK</b> DENMARK	<b>KOR</b> KOREA REPUBLIC OF	<b>PSE</b> PALESTINIAN TERRITORY OCCUPIED	<b>TLS</b> EAST TIMOR
<b>ALA</b> ALAND ISLANDS	<b>DOM</b> DOMINICAN REPUBLIC	<b>KWT</b> KUWAIT	<b>PYF</b> FRENCH POLYNESIA	<b>TMP</b> EAST TIMOR
<b>ALB</b> ALBANIA	<b>DZA</b> ALGERIA	<b>LAO</b> LAO PDR	<b>QAT</b> QATARPL NEPAL	<b>TON</b> TONGA
<b>AND</b> ANDORRA	<b>ECU</b> ECUADOR	<b>LBN</b> LEBANON	<b>NRU</b> NAURU	<b>TTO</b> TRINIDAD & TOBAGO
<b>ANT</b> NETHERLANDS ANTILLES	<b>EGY</b> EGYPT	<b>LBR</b> LIBERIA	<b>NZL</b> NEW ZEALAND	<b>TKM</b> TURKMENISTAN
<b>ARE</b> UNITED ARAB EMIRATES	<b>ERI</b> ERITREA	<b>LBY</b> LIBYAN ARAB JAMAHIRIYA	<b>OMN</b> OMAN	<b>TLS</b> EAST TIMOR DEMOCRATIC REP OF
<b>ARG</b> ARGENTINA	<b>ESH</b> WESTERN SAHARA	<b>LCA</b> ST LUCIA	<b>PAK</b> PAKISTAN	<b>TMP</b> EAST TIMOR
<b>ARM</b> ARMENIA	<b>ESP</b> SPAIN	<b>LIE</b> LIECHTENSTEIN	<b>PAN</b> PANAMA	<b>TON</b> TONGA
<b>ASM</b> AMERICAN SAMOA	<b>EST</b> ESTONIA	<b>LKA</b> SRI LANKA	<b>PCN</b> PITCAIRN ISLANDS	<b>TTO</b> TRINIDAD & TOBAGO
<b>ATA</b> ANTARCTICA	<b>ETH</b> ETHIOPIA	<b>LSO</b> LESOTHO	<b>PER</b> PERU	<b>TZA</b> TANZANIA UNITED REPUBLIC OF
<b>ATF</b> FRENCH SOUTHERN TERRITORIES	<b>FIN</b> FINLAND	<b>LTU</b> LITHUANIA	<b>PHL</b> PHILIPPINES	<b>UGA</b> UGANDA
<b>ATG</b> ANTIGUA AND BARBUDA	<b>FJI</b> FIJI	<b>LUX</b> LUXEMBOURG	<b>PLW</b> PALAU	<b>UKR</b> UKRAINE
<b>AUS</b> AUSTRALIA	<b>FLK</b> FALKLAND ISLANDS (MALVINAS)	<b>LVA</b> LATVIA	<b>PNG</b> PAPUA NEW GUINEA	<b>UMI</b> UNITED STATES MINOR OUTLYING
<b>AUT</b> AUSTRIA	<b>FRA</b> FRANCE	<b>MAC</b> MACAO	<b>POL</b> POLAND	<b>URY</b> URUGUAY
<b>AZE</b> AZERBAIJAN	<b>FRO</b> FAROE ISLANDS	<b>MAF</b> ST MARTIN	<b>PRI</b> PUERTO RICO	<b>USA</b> UNITED STATES OF AMERICA
<b>BDI</b> BURUNDI	<b>FSM</b> MICRONESIA	<b>MAR</b> MOROCCO	<b>PRK</b> KOREA DEM PEOPLES REPUBLIC OF	<b>UZB</b> UZBEKISTAN
<b>BEL</b> BELGIUM	<b>GAB</b> GABON	<b>MCO</b> MONACO	<b>PRT</b> PORTUGAL	<b>VAT</b> HOLY SEE (VATICAN CITY STATE)
<b>BEN</b> BENIN	<b>GBR</b> UNITED KINGDOM	<b>MDA</b> MOLDOVA REPUBLIC OF	<b>PRY</b> PARAGUAY	<b>VCT</b> ST VINCENT & THE GRENADINES
<b>BFA</b> BURKINA FASO	<b>GEO</b> GEORGIA	<b>MDG</b> MADAGASCAR	<b>PSE</b> PALESTINIAN TERRITORY OCCUPIED	<b>VEN</b> VENEZUELA
<b>BGD</b> BANGLADESH	<b>GGY</b> GUERNSEY	<b>MDV</b> MALDIVES	<b>PYF</b> FRENCH POLYNESIA	<b>VGB</b> BRITISH VIRGIN ISLANDS
<b>BGR</b> BULGARIA	<b>GHA</b> GHANA	<b>MEX</b> MEXICO	<b>QAT</b> QATAR	<b>VIR</b> US VIRGIN ISLANDS
<b>BHR</b> BAHRAIN	<b>GIB</b> GIBRALTAR	<b>MHL</b> MARSHALL ISLANDS	<b>REU</b> REUNION	<b>VNM</b> VIETNAM
<b>BHS</b> BAHAMAS	<b>GIN</b> GUINEA	<b>MKD</b> MACEDONIA FORMER YUGOSLAV REP	<b>ROU</b> ROMANIA	<b>VUT</b> VANUATU
<b>BIH</b> BOSNIA & HERZEGOVINA	<b>GLP</b> GUADELOUPE	<b>MLI</b> MALI	<b>RUS</b> RUSSIAN FEDERATION	<b>WLF</b> WALLIS AND FUTUNA
<b>BLM</b> ST BARTHELEMY	<b>GMB</b> GAMBIA	<b>MLT</b> MALTA	<b>RWA</b> RWANDA	<b>WSM</b> SAMOA
<b>BLR</b> BELARUS	<b>GNB</b> GUINEA-BISSAU	<b>MMR</b> MYANMAR	<b>SAU</b> SAUDI ARABIA KINGDOM OF	<b>YEM</b> YEMEN
<b>BLZ</b> BELIZE	<b>GNQ</b> EQUATORIAL GUINEA	<b>MNE</b> MONTENEGRO	<b>SCG</b> SERBIA AND MONTENEGRO	<b>YMD</b> YEMEN DEMOCRATIC
<b>BMU</b> BERMUDA	<b>GRC</b> GREECE	<b>MNG</b> MONGOLIA	<b>SDN</b> SUDAN	<b>YUG</b> YUGOSLAVIA SOCIALIST FED REP
<b>BOL</b> BOLIVIA	<b>GRD</b> GRENADA	<b>MNP</b> NORTHERN MARIANA ISLANDS	<b>SEN</b> SENEGAL	<b>ZAF</b> SOUTH AFRICA
<b>BRA</b> BRAZIL	<b>GRL</b> GREENLAND	<b>MOZ</b> MOZAMBIQUE	<b>SGP</b> SINGAPORE	<b>ZAR</b> ZAIRE
<b>BRB</b> BARBADOS	<b>GTM</b> GUATEMALA	<b>MRT</b> MAURITANIA	<b>SGS</b> STH GEORGIA & STH SANDWICH ISL	<b>ZMB</b> ZAMBIA
<b>BRN</b> BRUNEI DARUSSALAM	<b>GUF</b> FRENCH GUIANA	<b>MSR</b> MONTSERRAT	<b>SHN</b> ST HELENA	<b>ZWE</b> ZIMBABWE
<b>BTN</b> BHUTAN	<b>GUM</b> GUAM	<b>MTQ</b> MARTINIQUE	<b>SJM</b> SVALBARD & JAN MAYEN	
<b>BUR</b> BURMA	<b>GUY</b> GUYANA	<b>MUS</b> MAURITIUS	<b>SLB</b> SOLOMON ISLANDS	
<b>BVT</b> BOUVET ISLAND	<b>HKG</b> HONG KONG	<b>MWI</b> MALAWI	<b>SLE</b> SIERRA LEONE	
<b>BWA</b> BOTSWANA	<b>HMD</b> HEARD AND MCDONALD ISLANDS	<b>MYS</b> MALAYSIA	<b>SLV</b> EL SALVADOR	
<b>BLR</b> BELARUS	<b>HND</b> HONDURAS	<b>MYT</b> MAYOTTE	<b>SMR</b> SAN MARINO	
<b>CAF</b> CENTRAL AFRICAN REPUBLIC	<b>HRV</b> CROATIA	<b>NAM</b> NAMIBIA	<b>SOM</b> SOMALIA	
<b>CAN</b> CANADA	<b>HTI</b> HAITI	<b>NCL</b> NEW CALEDONIA	<b>SPM</b> ST PIERRE AND MIQUELON	
<b>CCK</b> COCOS (KEELING) ISLANDS	<b>HUN</b> HUNGARY	<b>NER</b> NIGER	<b>SRB</b> SERBIA	
<b>CHE</b> SWITZERLAND	<b>IDN</b> INDONESIA	<b>NFK</b> NORFOLK ISLAND	<b>STP</b> SAO TOME AND PRINCIPE	
<b>CHL</b> CHILE	<b>IMN</b> ISLE OF MAN	<b>NGA</b> NIGERIA	<b>SUR</b> SURINAME	
<b>CHN</b> CHINA	<b>IND</b> INDIA	<b>NIC</b> NICARAGUA	<b>SVK</b> SLOVAKIA	
<b>CIV</b> COTE D'IVOIRE	<b>IOT</b> BRITISH INDIAN OCEAN TERRITORY	<b>NIU</b> NIUE	<b>SVN</b> SLOVENIA	
<b>CMR</b> CAMEROON	<b>IRL</b> IRELAND	<b>NLD</b> NETHERLANDS	<b>SWE</b> SWEDEN	
<b>COD</b> CONGO DEMOCRATIC REPUBLIC OF	<b>IRN</b> IRAN ISLAMIC REPUBLIC OF	<b>NOR</b> NORWAY	<b>SWZ</b> SWAZILAND	
<b>COG</b> CONGO PEOPLES REPUBLIC OF	<b>IRQ</b> IRAQ	<b>PL</b> NEPAL	<b>SYC</b> SEYCHELLES	
<b>COK</b> COOK ISLANDS COL COLOMBIA	<b>ISL</b> ICELAND	<b>NRU</b> NAURU	<b>SYR</b> SYRIAN ARAB REPUBLIC	
<b>COM</b> COMOROS	<b>ISM</b> BRITISH ISLES	<b>NZL</b> NEW ZEALAND	<b>TCA</b> TURKS AND CAICOS ISLANDS	
<b>CPV</b> CAPE VERDE	<b>ISR</b> ISRAEL	<b>OMN</b> OMAN	<b>TCO</b> CHAD	
<b>CRI</b> COSTA RICA	<b>ITA</b> ITALY	<b>PAK</b> PAKISTAN	<b>TGO</b> TOGO	
<b>CUB</b> CUBA	<b>JAM</b> JAMAICA	<b>PAN</b> PANAMA	<b>THA</b> THAILAND	
<b>CXR</b> CHRISTMAS ISLAND	<b>JEY</b> JERSEY	<b>PCN</b> PITCAIRN ISLANDS		
<b>CYM</b> CAYMAN ISLANDS	<b>JOR</b> JORDAN	<b>PER</b> PERU		
<b>CYP</b> CYPRUS	<b>JPN</b> JAPAN	<b>PHL</b> PHILIPPINES		
<b>CZE</b> CZECH REPUBLIC	<b>KAZ</b> KAZAKHSTAN	<b>PLW</b> PALAU		
	<b>KEN</b> KENYA	<b>PNG</b> PAPUA NEW GUINEA		
	<b>KGZ</b> KYRGYZSTAN	<b>POL</b> POLAND		
		<b>PRI</b> PUERTO RICO		