



SUNSTONE METALS LIMITED

ACN 123 184 412

(Company)

ANTI-BRIBERY AND CORRUPTION POLICY

Approved by the board of Sunstone Metals Limited on the 30th November 2021.

1. Overview

Sunstone Metals Ltd (Sunstone or Company) is committed to operating fairly and ethically, in compliance with all applicable laws including the anti-corruption laws of every country in which we operate.

The Company is committed to a zero-tolerance approach to bribery and corruption. Sunstone's reputation is built on our values as a company, the professionalism of our employees and our collective commitment to acting with integrity, accountability, and transparency at all times.

2. Purpose

The purpose of this policy is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that the Company's business is conducted in a socially responsible manner.

3. Policy statement

Bribery is the offering, promising, giving, accepting, or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised, or provided in order to gain any commercial, contractual, regulatory, or personal advantage.

It is the Company's policy to conduct all of our business in an honest and ethical manner and in compliance with all applicable laws including the anti-corruption laws of every country in which we operate.

Sunstone takes a zero- tolerance approach to bribery and corruption.

The Company is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery.

The Company will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. The Company remains bound by the laws in Australia in respect of our conduct both at home and abroad. Bribery and corruption are punishable for individuals by imprisonment and/or a fine. If the Company is found to have taken part in corruption, we could face an unlimited fine, and face damage to our reputation. The Company therefore takes our legal responsibilities very seriously.

4. Scope

4.1 Who is covered by the policy?

In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians, and political parties.

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as employees in this policy). This policy covers:

- Bribes;
- Gifts and hospitality;
- Facilitation payments;
- Political contributions;
- Charitable contributions.

4.2 Bribes

Employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor). Specifically, employees must not offer, pay, solicit, or accept bribes in any form anywhere in the world.

4.3 Gifts and hospitality

The Company's Employees must not offer or give any gift or hospitality:

- which could be regarded as illegal or improper, or which violates the recipient's policies; or
- to any public employee or government officials or representatives, or politicians or political parties; or
- which exceeds \$100 in value for each individual gift or \$500 in value for each hospitality event (not to exceed a total value of \$1000 in any financial year), unless approved in writing by the employee's manager.

Gifts of any kind, that are offered by vendors, suppliers, customers, potential employees, potential vendors and suppliers, or any other individual or organization, that are outside the list of exceptions under this policy, will not be accepted by any employee, at any time, on or off the work premises. A gift cannot be accepted if:

- it is in cash; or
- there is any suggestion that a return favour will be expected or implied.

A gifts register will be maintained by the CFO & Company Secretary, and it is a requirement for all employees to inform the CFO & Company Secretary of any gifts received or given, unless they are an exception under this policy as below:

- Gifts such as t-shirts, pens, trade show bags and all other items that employees obtain, as members of the public, at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event;
- Attendance at and food and beverages provided at events, exhibitor trade show floor locations, press events, and parties funded by conference or event sponsors;
- Cards, thank you notes, certificates, or other written forms of thanks and recognition;
- Small value promotional items such as pens, hats, t-shirts, mugs, calendars, bags, key chains, portfolios, etc;
- Food, beverages, and moderately priced tickets to local events that are supplied by and also attended by current customers, partners, and vendors or suppliers in the interest of building positive business relationships. This moderately priced entertainment is provided as part of a “working” meeting or session to benefit and advance positive working relationships and company interests.

Employees are required to professionally inform vendors, potential vendors and others of this gift policy, and the reasons the company has adopted the policy. Employees will request that vendors respect our company policy and not purchase and deliver any gift that would breach this policy for our employees, a department, an office or the company, at any time, for any reason.

If an employee or department receives a non-exempt gift:

- If feasible, the gift is returned to the vendor;
- If not feasible to return the gift, the employee must notify the CFO & Company Secretary;
- The gift must be raffled off to all employees. Proceeds from the raffle will be allocated towards the staff Christmas party or similar function;
- If employees are not interested in the raffled item, the gift will be donated to a designated charity;
- Gifts of food/alcohol that may arrive during the holidays, and at other times of the year when gift giving is traditional, belong to the entire staff even if addressed to a single employee. Under no circumstances may an employee take a food/alcohol gift home; food/alcohol gifts must be shared with and distributed to all staff.

The Company appreciates that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

Within these parameters, local management may define specific guidelines and policies to reflect local professional and industry standards. Where this policy requires written approval to be given, the Company Secretary shall put in place a process to maintain a register of all such approvals.

If any employee has questions about and / or needs clarification of any aspect of this policy, the employee should check with their manager or the Company Secretary, who is the arbiter of the gift policy to ensure consistent employee treatment across the company. Any exceptions to the gift policy may be made only with the permission of the Company Secretary.

4.4 Facilitation payments and kickbacks

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine government action, and not to obtain or retain business or any improper business advantage. Facilitation payments tend to be demanded by low level officials to obtain a level of service which one would normally be entitled to.

The Company's strict policy is that facilitation payments must not be paid. It is recognised however that our employees may be faced with situations where there is a risk to the personal security of an employee or his/her family and where a facilitation payment is unavoidable, in which case the following steps must be taken:

- Keep any amount to the minimum;
- Create a record concerning the payment; and
- Report it to your manager.

In order to achieve the Company's aim of not making any facilitation payments, each business of the Company will keep a record of any payments made, which must be reported to the Company Secretary, in order to evaluate the business risk and to develop a strategy to minimise such payments in the future.

4.5 Political Contributions

The Company does not make donations, whether in cash or kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

4.6 Charitable contributions

Charitable support and donations are acceptable (and indeed are encouraged), whether of in-kind services, knowledge, time, or direct financial contributions. However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. The Company only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the relevant manager. All charitable contributions should be publicly disclosed.

5. Your responsibilities

You must ensure that you read, understand, and comply with this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify your manager or the Company Secretary as soon as possible if you believe or suspect that a conflict with or breach of this policy has occurred or may occur in the future.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Company reserves our right to terminate our contractual relationship with other workers if they breach this policy.

6. Record-keeping

The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

You must ensure all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, emails and other documents and records relating to dealings with third parties, such as clients, suppliers, and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

7. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised with your manager or the Company Secretary.

8. What to do if you are a victim of bribery or corruption

It is important that you tell your manager and/or the Company Secretary as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

9. Protection

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The Company is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Company Secretary immediately. If the matter is not remedied, and you are an employee, you should raise it formally using the company's Grievance Procedure.

10. Training and communication

Training on this policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy. In addition, all employees will be asked to formally accept conformance to this policy on an annual basis.

The Company's zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them and as appropriate thereafter.

11. Who is responsible for the policy?

The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Company Secretary has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

12. Monitoring and review

The Company Secretary will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy, and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions, and queries should be addressed to the Company Secretary.

This policy does not form part of any employee's contract of employment, and it may be amended at any time.