

SUNSTONE METALS



STM

17 May 2023

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Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

Sunstone Snapshot

Ecuador focussed, gold-copper explorer and discoverer

ASX - STM

Market Capitalisation ¹ A\$98.6 mill
 Cash reported March 31 A\$5.0 mill
 Funds raised (net) May 13 A\$11.4 mill
 Equities A\$0.4 mill

Shares on Issue 3,082 million
 Top 20 Shareholding ~40%
 Institutional and Family Office Shareholding 32%
 Board and Management Shareholding 5.0%

Desk notes and Analyst Coverage

- Taylor Collison
- Morgans
- MineLife
- Far East Capital



¹ Post May 13 cap raise; based on share price of A\$0.032 (30 day VWAP)

Investment Opportunity

- **Simple proposition – discovery adds significant shareholder value**
- **The Sunstone team has a track record of globally significant copper-gold porphyry discovery**
 - Tujuh Bukit, Indonesia (2008)
 - Alpala, Cascabel, Ecuador (2013)
- **The Sunstone team is now delivering a high discovery success rate with multiple mineralised porphyry deposits**
 - **At the Bramaderos Project (STM 87.5%) in southern Ecuador, drilling has confirmed a number of distinct epithermal and porphyry discoveries and delivered an Inaugural MRE of 2.7Mozs AuEq* with an ADDITIONAL Exploration Target of between 3.3 and 8.6 Mozs AuEq*. Drilling continues to make new discoveries to grow resources and define higher grades**
 - **At the El Palmar Project (STM 70% up to 100%) in northern Ecuador, drilling has discovered several well mineralised porphyries, in the same regional belt which hosts the 3Bt Cascabel deposit. Drilling continues to make new discoveries**
- **Goals during 2023 to deliver additional discoveries at both Bramaderos and El Palmar**
 - Bramaderos – at Limon higher grade gold-silver from surface, grow the Exploration Target
 - El Palmar – T2 and T3 targets intersecting porphyry copper mineralisation
- **This will lead to value creation and market recognition for high value gold-copper deposits**

* See slides 14, 17 & 24

Ecuador



- Support for responsible mining
- Responsible mining and exploration contributing significantly to FDI, taxes, employment, infrastructure, communities, environmental studies and management
- Investment Protection Agreements signed on several projects
- Major mining companies present and some active in JVs

Two Large Modern Operating Mines

Fruta del Norte

Lundin Gold (TSX:LUG) - Ecuador's first modern underground gold mine
2022 produced 476,329 ozs gold at 10.6g/t, at an AISC of \$805/oz

Mirador

Ecuacorriente – producing copper-gold concentrate from open pit for export to smelters in China; 673Mt at 0.58% copper and 0.19g/t gold

Several Advanced Projects and Large Exploration Projects

Cascabel

SolGold (LSE, TSX:SOLG)

Alpala deposit - 2,663 Mt @ 0.37% copper and 0.25g/t gold in the Measured and Indicated categories

Top of main orebody ~500m below surface

Tandayama-America – 263 Mt @ 0.23% copper and 0.19 g/t gold in Indicated and Inferred in open pit

Warintza

Solaris (TSX.V:SLS); 7km x 5km area containing cluster of porphyry systems

Warintza Central deposit - 579Mt at 0.47% copper (and 0.03% Mo and 0.05g/t gold) in Indicated category, and 887Mt at 0.39% copper in Inferred category – April 2022

Capital	Quito
Population	17.8 million
Form Of Government	Multiparty republic with one legislative house (National Assembly)
Official Language	Spanish
Total Area (Sq Km)	256,700
Length	650km (~Sydney to Cobar, or ~Perth to Kalgoorlie)
Monetary Unit	US \$
Density: Persons Per Sq Km	68.6
Urban-Rural Population	Urban: 63% • Rural: 37%
Literacy Rate	Male: (2016) 95.4% • Female: (2016) 93.3%
Gross National Income Per Capita (US\$)	5,530
Mining Exports in 2022 (US\$)	2.78 billion (+600% vs 2019)
Exports Top 4 in order	Oil, Prawns, Bananas, Metals

ESG considered across the business



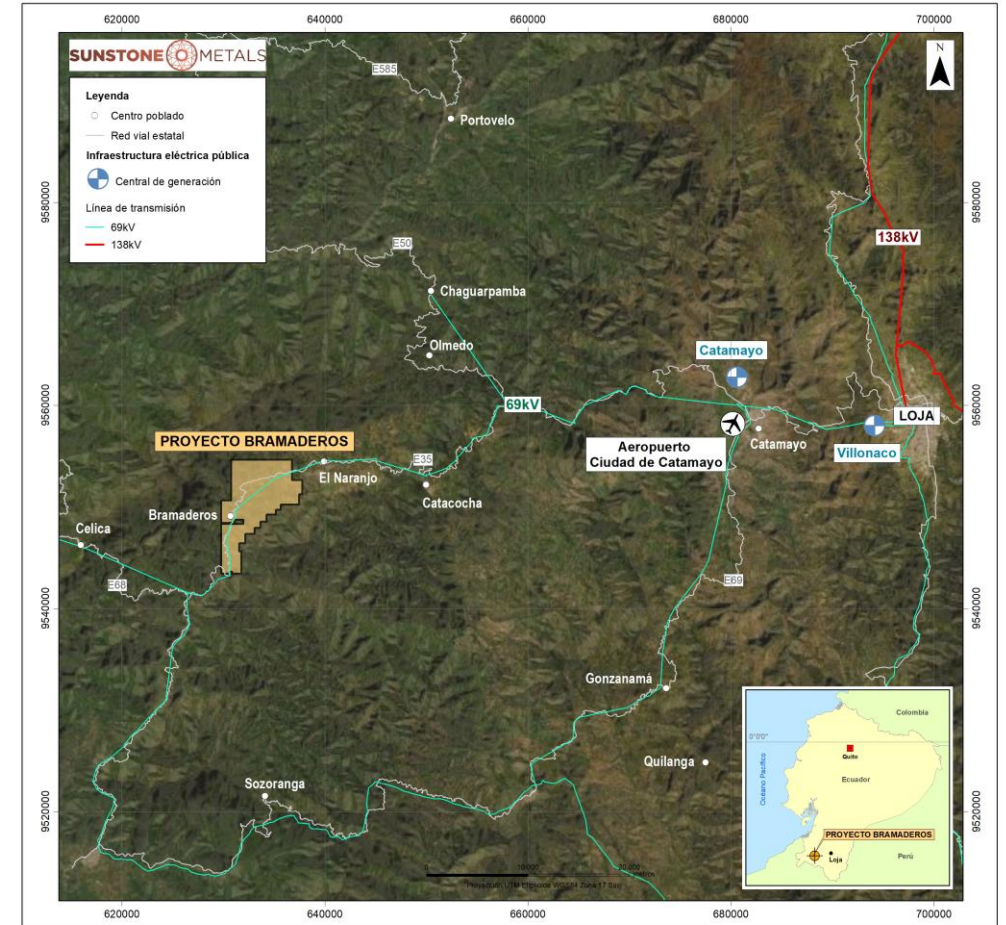
Sunstone appreciates the strong community support that it has at its projects and takes its **environmental, social and governance** issues very seriously. It is committed to advance its social performance in the areas where we work

Sunstone is aiming to produce its inaugural Sustainability Report in Q4 2023

Sunstone

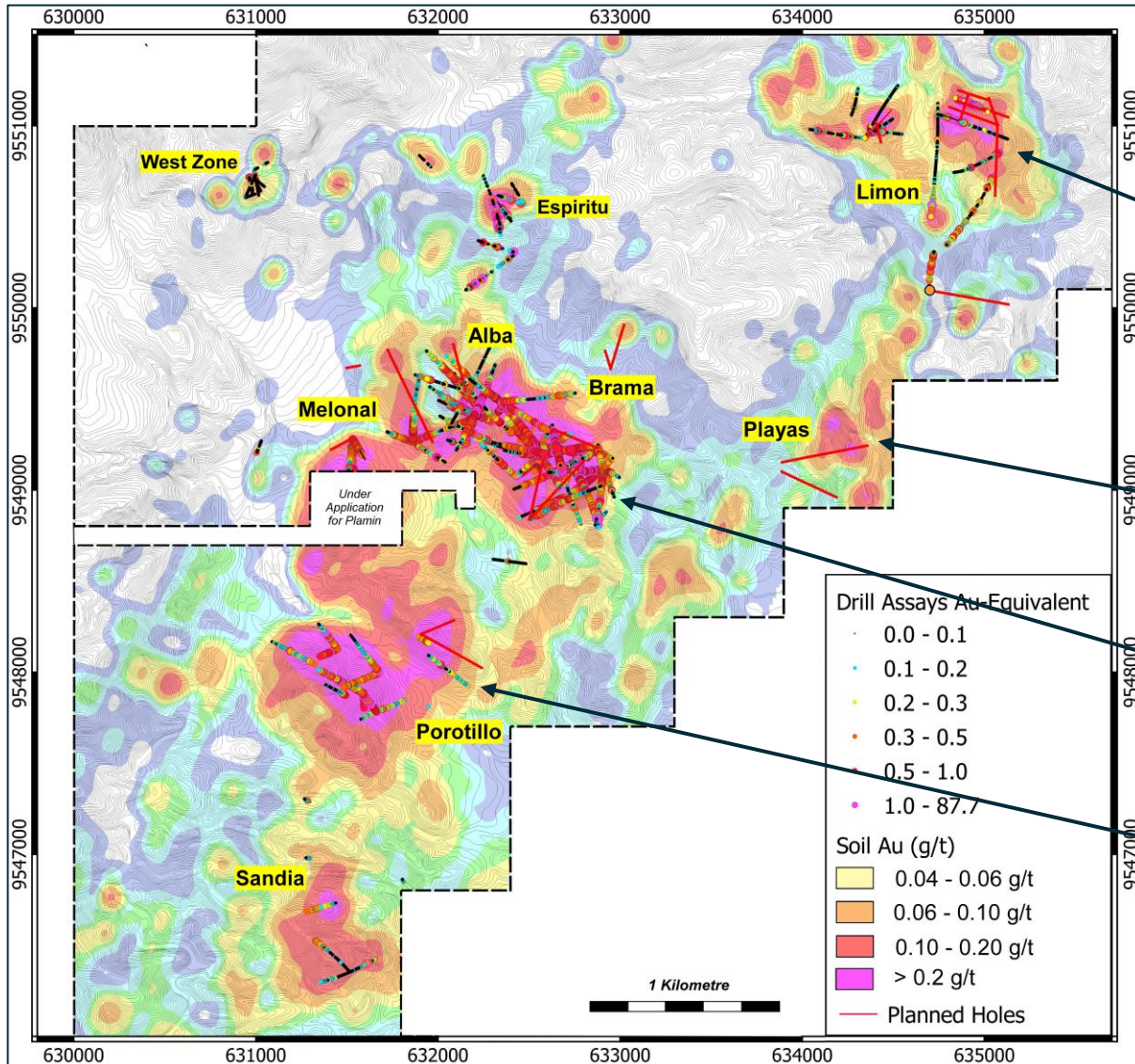
- has significant **environmental monitoring programs** across its projects
- is involved in various **community programs** at Bramaderos and El Palmar
- undertakes considerable **training programs** across a large range of skills for workers and the communities in which we operate
- **works with the local communities** to assist where possible, for example, during the coronavirus pandemic
- offers employment and skills development
- has implemented strict coronavirus operating plans while not compromising local health and safety

Bramaderos, Southern Ecuador



- 4,984ha concession
- Adjacent to the Pan American Highway
- At ~900m asl
- Multiple gold-copper and gold-silver targets within the concession all easily accessible
- The project is supported by good infrastructure (hydroelectric power, regional airport nearby)
- 93% of Ecuador's power is generated from renewables, primarily hydro power

Bramaderos – rich with gold-copper-silver targets



Background image is gold-in-soils

LIMON - Outcropping gold-copper porphyry and epithermal
 97.6m at 0.71g/t gold and 0.23% copper in trench
 LMDD010 in 2022 delivered 79m at 0.52g/t gold, 0.19% copper, 9.4g/t silver (0.9g/t AuEq) from 90m
 LMDD017 in 2023 delivered 177m at 0.97g/t gold, 10.1g/t silver (1.1g/t AuEq) from 7m
 Sunstone drilling (4 holes) in 2019-20 delivered 13.3m at 0.11 gold and 0.43% copper in shallow High Sulphidation epithermal, and 40.5m at 0.1g/t gold, 0.12% copper, 19ppm molybdenite in porphyry 'halo'
Drilling 2022-23; follow-up to LMDD017 and 020 in progress

PLAYAS – Outcropping gold-copper porphyry
Drilling starting in May 2023; not yet included in Exploration Target

BRAMA-ALBA – Outcropping gold-copper porphyry >1.2km x 400m
Initial MRE pit constrained; extensions within the Exploration Target

MELONAL drilling 2022-23; included in Exploration Target

POROTILLO – Porphyry gold-copper system with historical drill hole
 CURI-05 drilled 24m at 1.2g/t gold
Drilling 2023; not yet included in Exploration Target

SANDIA – Outcropping low-grade gold-copper porphyry
 Drilling 2022

Brama-Alba – initial Mineral Resource estimate

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	AuEq* (Mozs)
Indicated	9	0.38	0.09	1.1	0.53	0.2
Inferred	147	0.35	0.11	1.3	0.53	2.5
Total	156	0.35	0.11	1.3	0.53	2.7

- Due to the effect of rounding, the total may not represent the sum of all components

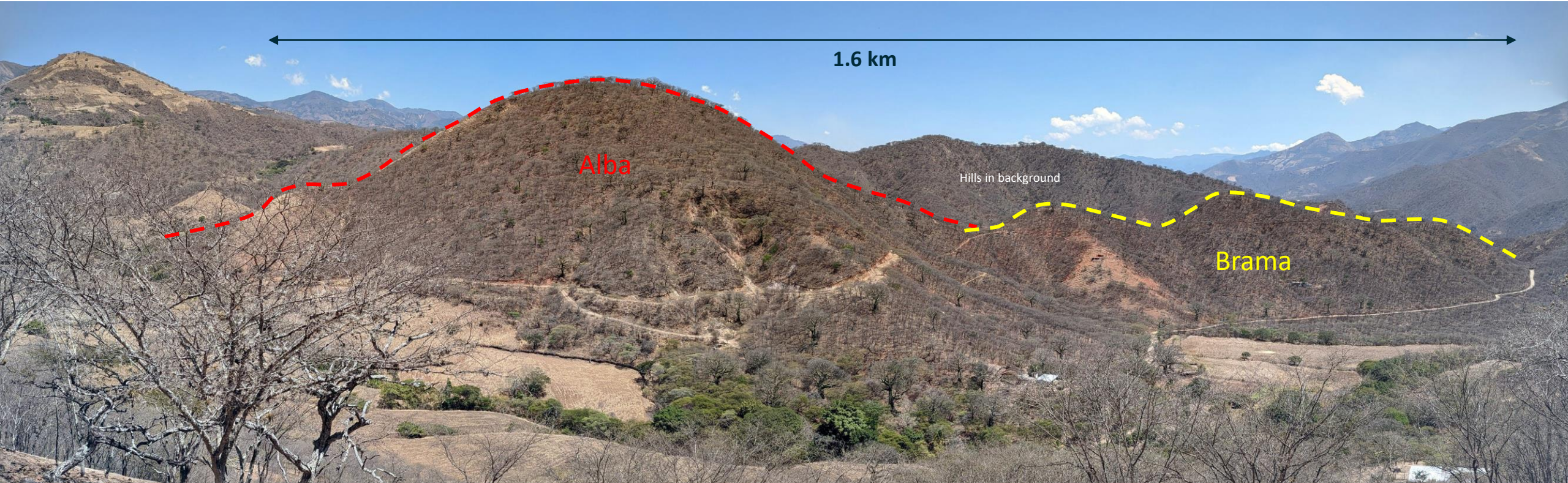
-- A reporting cut-off grade of 0.3 g/t AuEq was adopted.

--- Metal equivalent recovery assumptions are supported by metallurgical test work.

- See ASX announcement dated 13th December 2022 and slide 23 for detail
- Initial MRE – this is expected to grow; see discussion on Exploration Target and other targets
- Pit constrained, mineralisation from surface; **Brama-Alba porphyry systems only**
- MRE is based on data from 53 drill holes for 27,338m, and on 3,064 linear meters of trenching in 13 trenches
- Positive metallurgy (flotation and leach)
- 2.7Mozs AuEq*
 - 1.77Mozs gold
 - 169 kt copper
 - 6.5Mozs silver

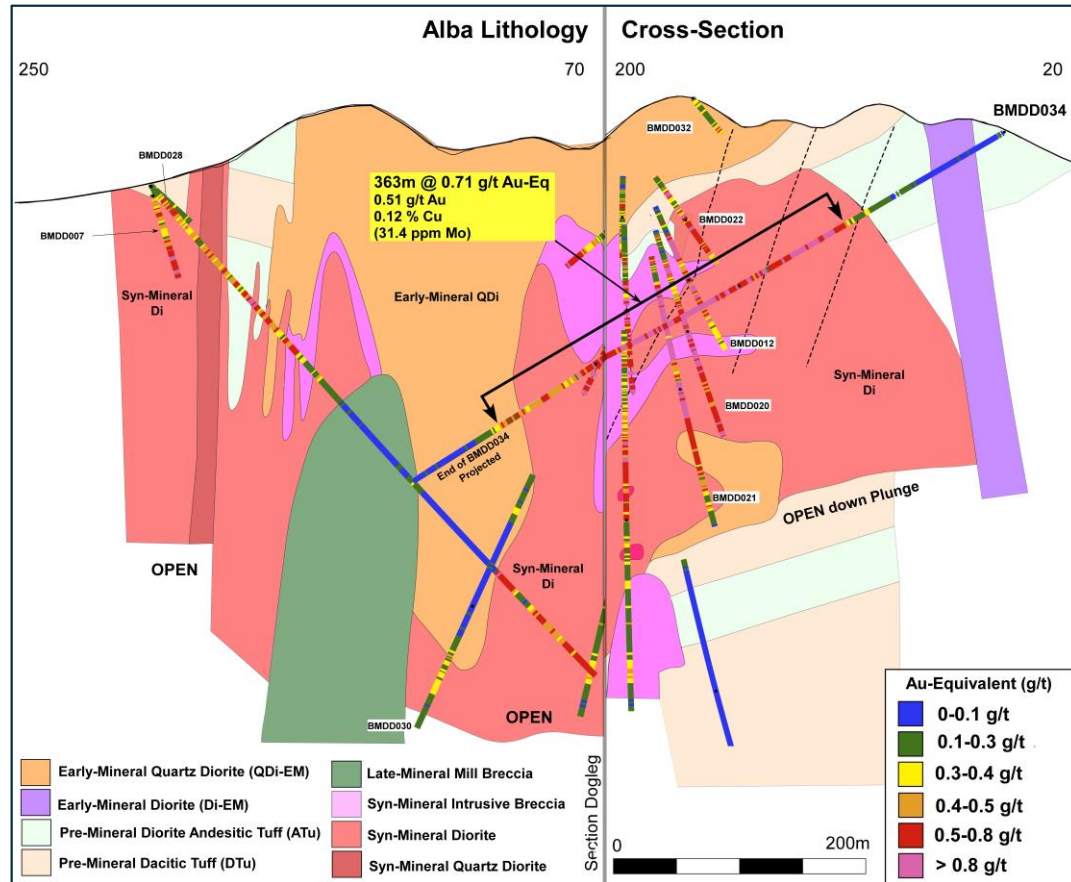
*The gold equivalent calculation formula is $AuEq(g/t) = (Au\ grade \times Au\ price \times Au\ recov / 31.1035) + (Ag\ grade \times Ag\ price \times Ag\ recov / 31.1035) + (Cu\ grade \times Cu\ price \times Cu\ recov / 100) / (Au\ price \times Au\ recov / 31.1035)$. The prices used were US\$1,800/oz gold and US\$9,500/t copper and US\$22/oz silver. Recoveries are estimated at 89% for gold, 85% for copper, and 60% for silver based on metallurgical studies. In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

Brama-Alba – mineralisation from surface



- View looking NE; December 2022
- 1.2km long mineralised system – so far
- Outcropping gold-copper
- Development would initially mine a hill – very low strip ratio
- Higher grade domains close to surface
- Many opportunities to grow resource, and define higher grades

Brama-Alba – opportunities for higher grade domains



- BMDD034 – intersected 202m at 0.86g/t AuEq close to surface at Alba
- BMDD008 – intersected 302m at 0.73g/t AuEq close to surface at Brama
- BMDD012 – intersected 111m at 2.35g/t gold from 93m, including 7.2m at 27g/t gold from 124.8m at Alba

For context

- Cadia East (Newcrest, NSW) underground Indicated MRE grades 0.78g/t AuEq
- Alpala (Cascabel, SolGold, Ecuador) planned underground development, Measured and Indicated, and Inferred MRE grades 0.84 and 0.49g/t AuEq respectively (also a high-grade core at 1.2 – 2.2g/t AuEq)
- Tandayama-America (Cascabel, SolGold, Ecuador) M&I MRE 528Mt at 0.57g/t AuEq
- Boddington (Newmont, WA) M&I MRE grades 0.7g/t AuEq
- Boda (Alkane, NSW) inferred MRE 624Mt at 0.51g/t AuEq
- Kaiser (Alkane, NSW) inferred MRE 270Mt at 0.54g/t AuEq

Bramaderos – initial Exploration Target

3.3 to 8.6Mozs AuEq – in addition to the MRE

Comprising

2.1 to 6.6Mozs gold

255 to 432kt of copper

11 to 15Mozs silver

Within 255 to 360Mt of mineralised rock

At grades of between 0.35 and 0.8g/t AuEq

Our aim is to grow the Bramaderos inventory to 10Mozs AuEq with further drilling

And to increase the grade, particularly to define domains of higher grade near surface mineralisation for the ‘front end’ of an operation

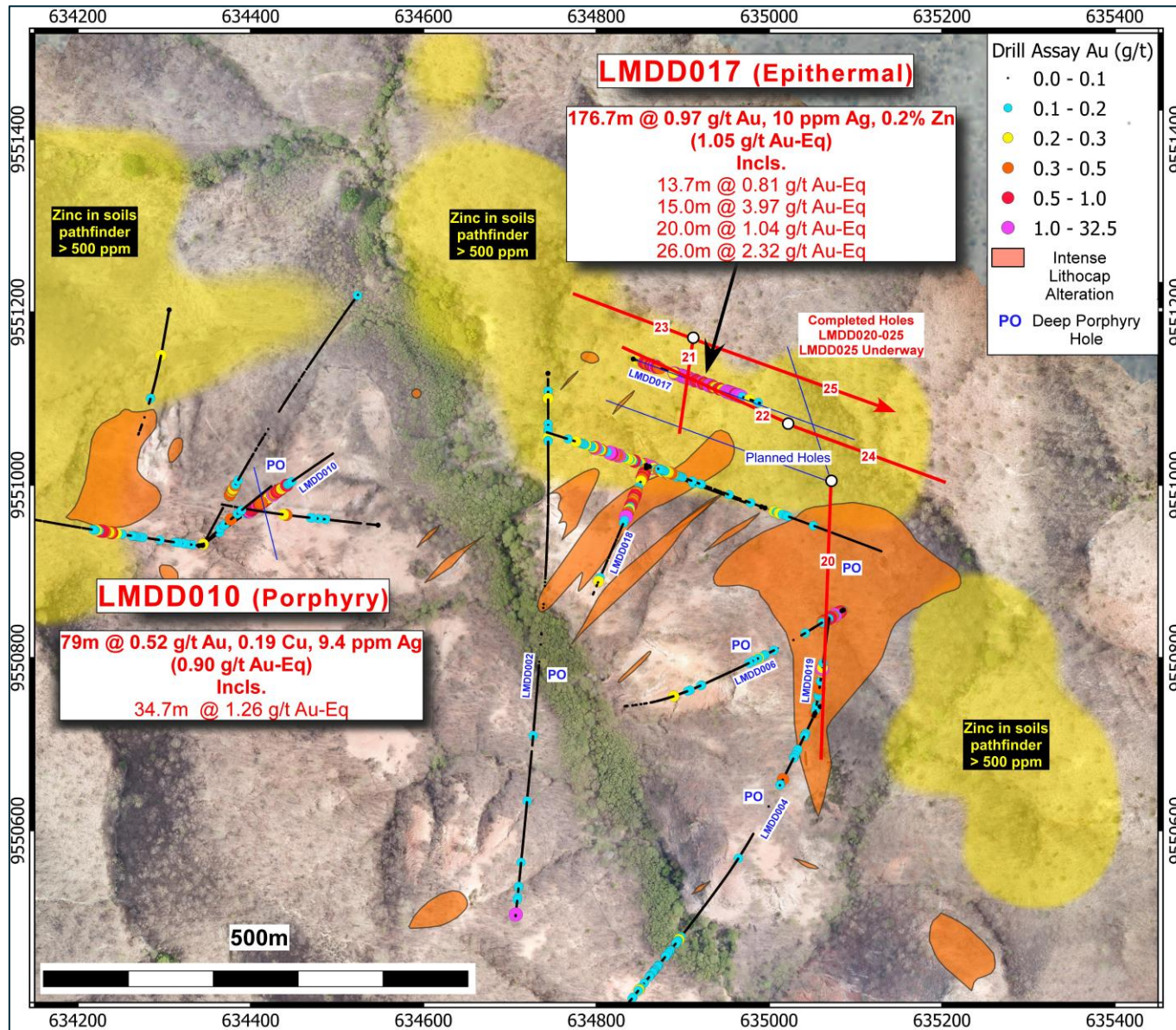
Limon results expected to trigger a review and increase in the Exploration Target

Limon porphyry (gold-copper-silver) and Limon epithermal (gold-silver-base metals) are delivering ~1g/t AuEq

Limon – view to NE

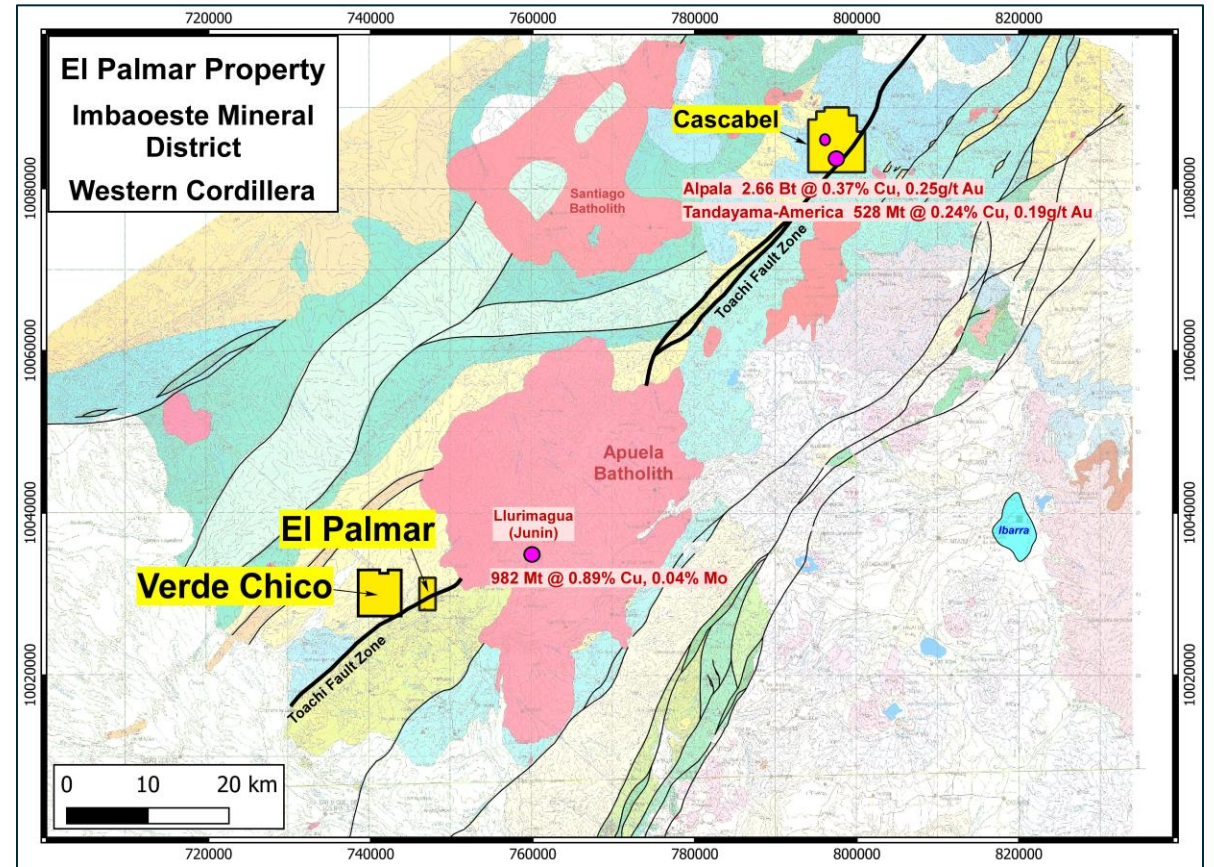
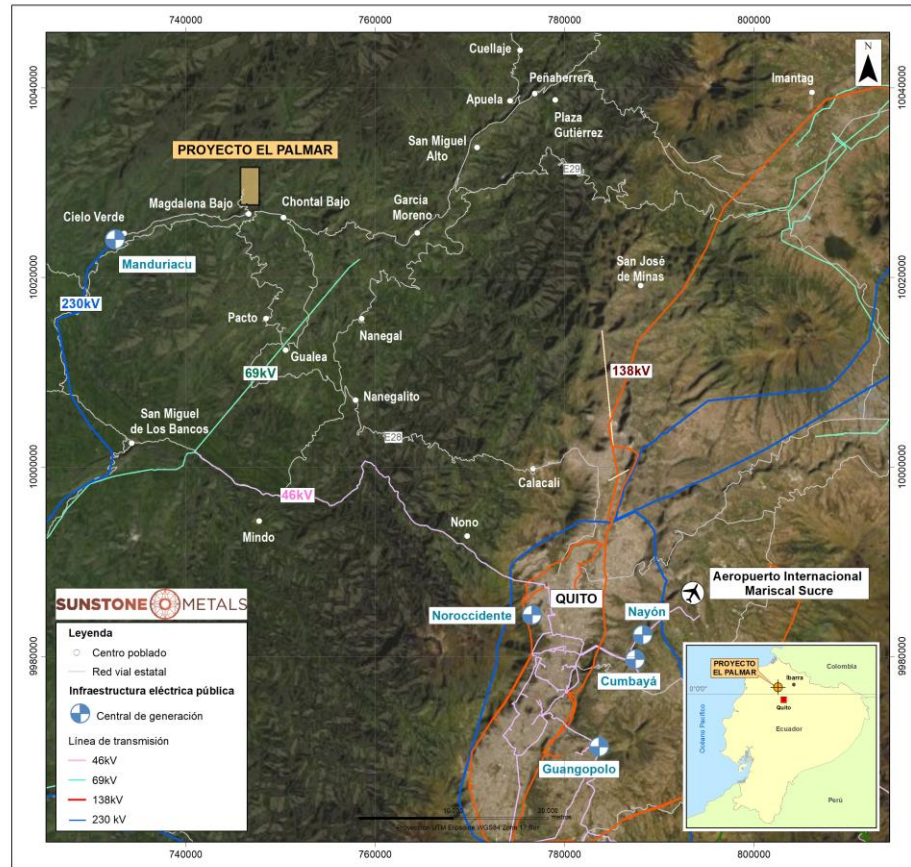


Limon – gold-silver epithermal



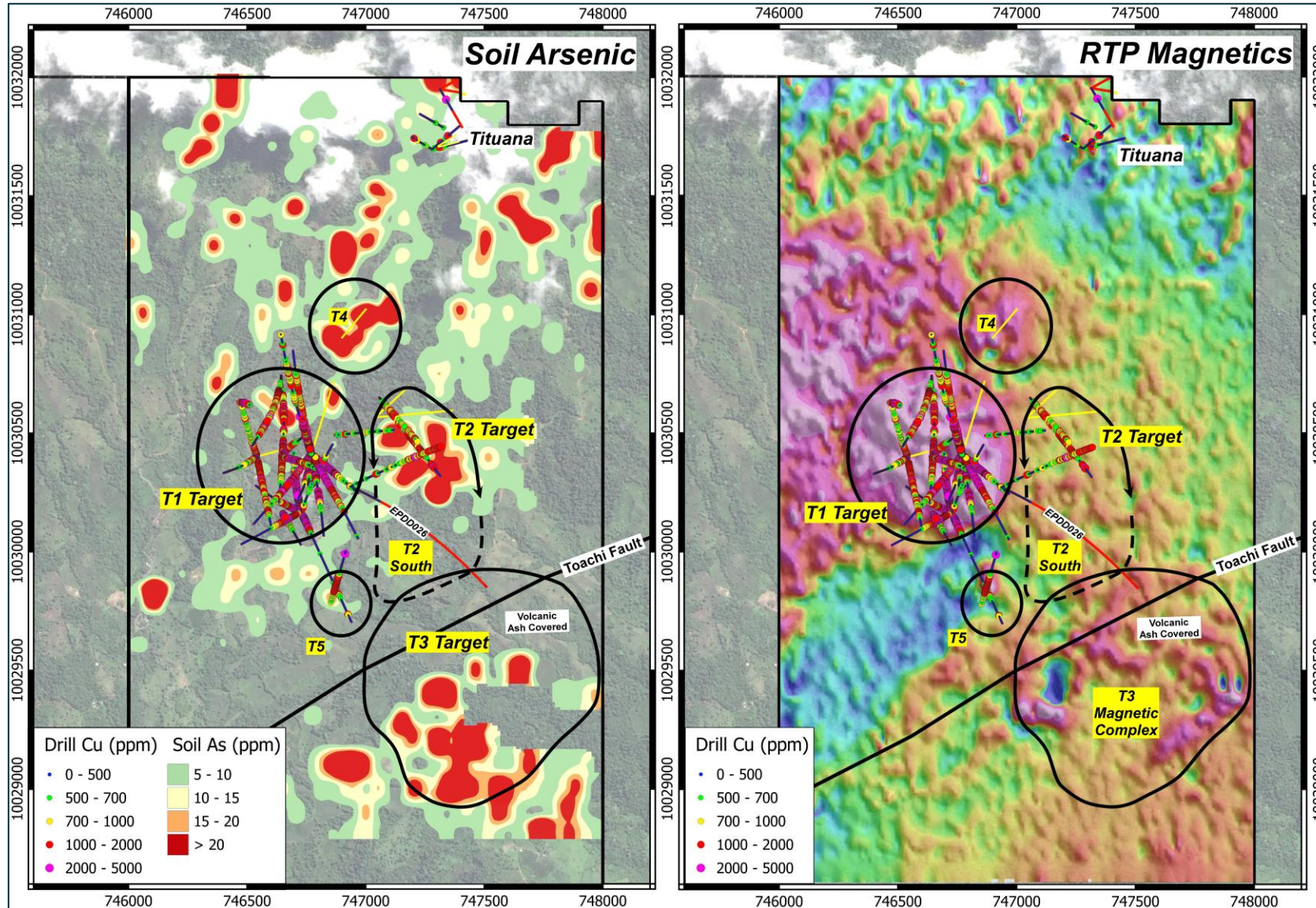
- **LMDD017** - 176.7m at 1.1g/t AuEq* (0.97g/t gold and 10.1g/t silver), from 6.8m.
- Epithermal gold-base metal vein identified in hole **LMDD020** at 665m
- Large search space for epithermal gold-silver-base metal mineralisation
- Follow-up drilling is underway with hole **LMDD025 in progress**, and is expected to comprise at least 20 holes for ~5,000 m
- Assay results from holes **LMDD021 and 022** expected in late May-early June, and **LMDD023 and 024** in June
- Metallurgy underway

El Palmar, northern Ecuador



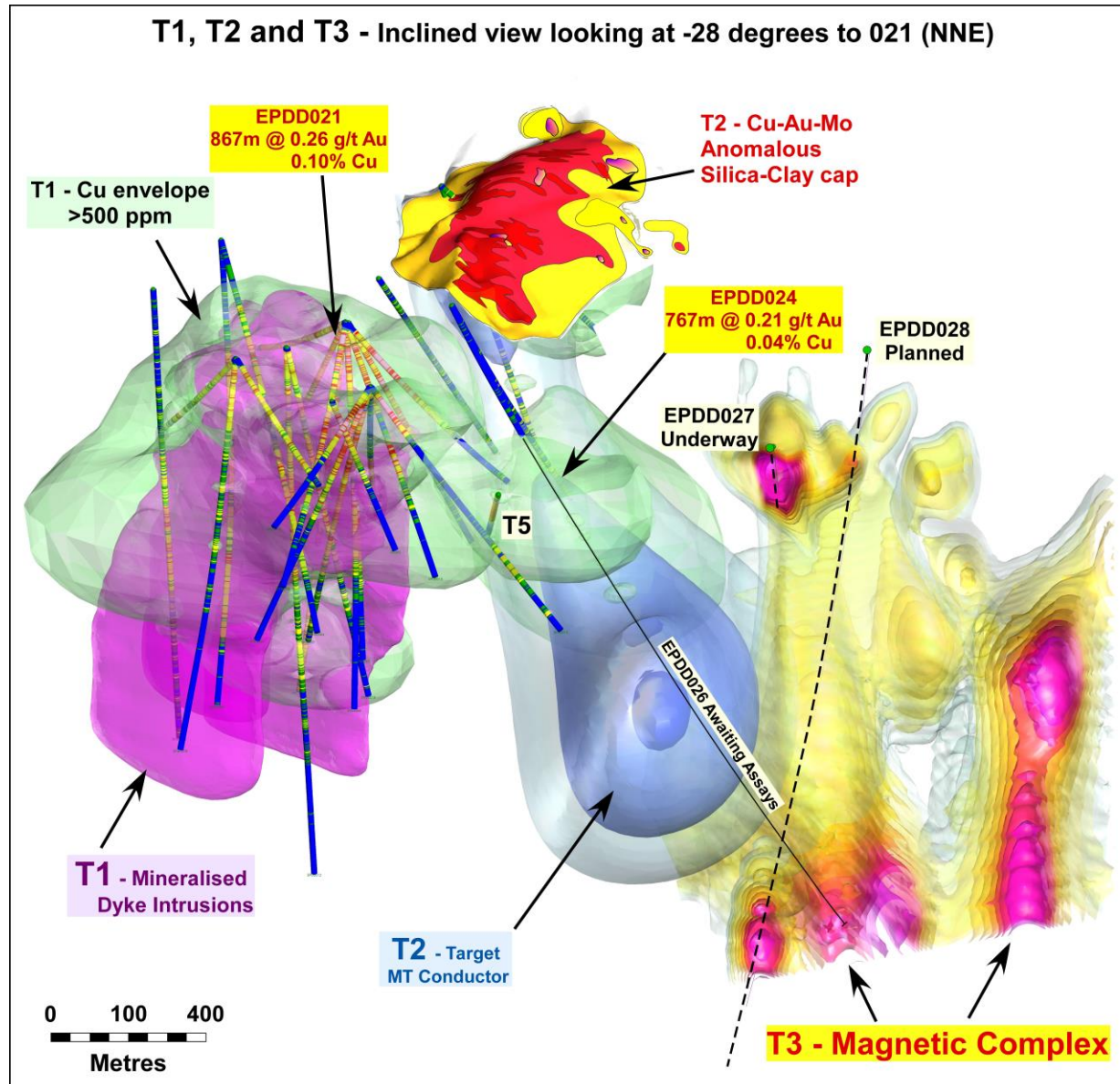
- Highly prospective belt of rocks related to the Toachi Fault Zone
- To date includes the >2.7Bt Alpa copper-gold porphyry deposit at Cascabel, the >0.53Bt Tandayama-America copper-gold porphyry deposit at Cascabel, and the >1Bt Lurimagua copper-moly porphyry deposit
- Together with orthogonal structural control delivers target zones for porphyry mineralisation

El Palmar; T1-T2-T3-T5 relationships



- Mineralisation from surface at T1, T2, and T5
- 2.6km long cluster of porphyry targets identified to date; T1 to T5
- Targets could all be related and have geometries that relate to their position on or adjacent to the Toachi fault, and subsidiary orthogonal faults
- Results from hole EPDD026 suggests that T3 is related to the deep portion of T2

El Palmar; T1 T2 T3 T5 gold-copper targets



T1 target; original discovery in 2021

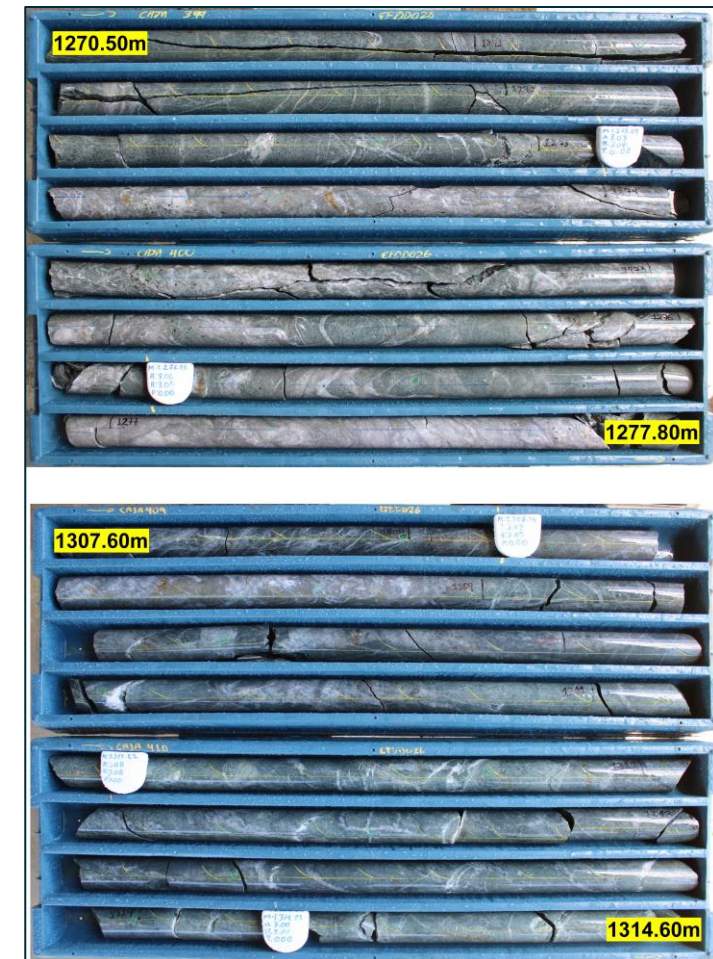
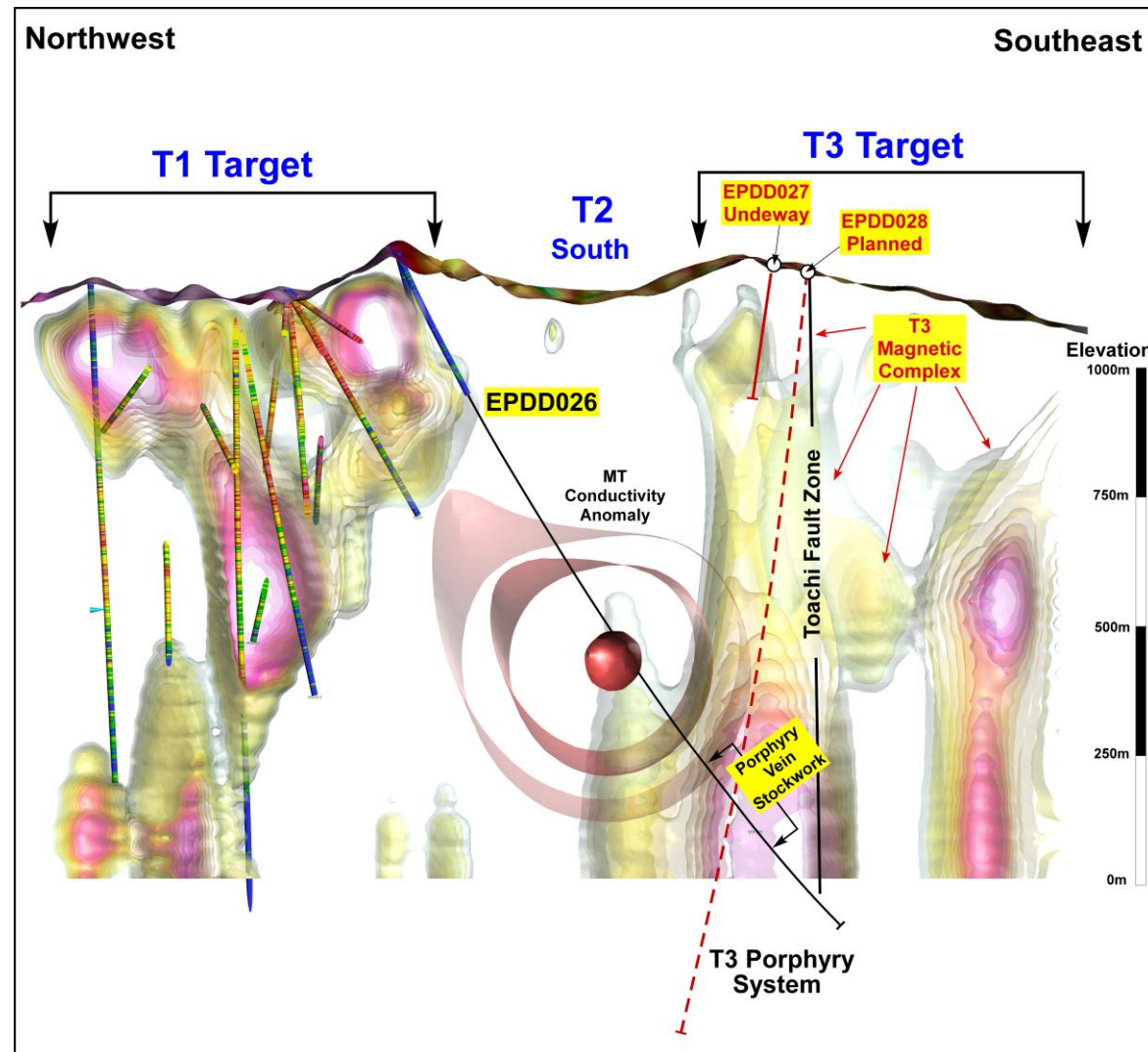
- Gold-copper porphyry deposit mineralised from surface
- Hole **EPDD001** intersected
 - 163.6m at 0.71g/t gold and 0.2% copper from 52.35m, within
 - 480.9m at 0.41g/t gold and 0.15% copper from 11.3m
- Hole **EPDD021** drilled in 2022 intersected mineralisation to a down hole depth of 872m;
 - 866.55m at 0.26g/t gold and 0.1% copper, including
 - Higher grade intervals such as 11.25m (from 501m) of 0.81g/t gold and 0.2% copper
- 3-D model being constructed to enable targeting of next round of drill holes

T2 & T3 targets; 4 holes drilled, 5th hole in progress

- T2 - Porphyry deposit, upper levels gold-copper
- Hole **EPDD024** intersected 767m (from 24m) at 0.21g/t gold and 0.04% copper, with higher-grade gold in upper intervals and copper increasing with depth
- At depth, targets T2 and T3 merge
- Hole **EPDD026** has intersected copper anomalous porphyry mineralisation in T3 (see next slide)
- Assays pending

El Palmar; T2-T3 relationships

- Targets could all be related and have geometries that relate to their position on or adjacent to the Toachi fault
- Drilling of hole EPDD026 suggests that T3 is related to the deep portion of T2



What's ahead

✓ Bramaderos

- **Limon gold-silver discovery – follow-up to LMDD017 and LMDD020 – will fundamentally change Bramaderos**
- **Drill to grow Exploration Target**
- **Drill to convert Exploration Target to Mineral Resources, and demonstrate higher grade ‘front end’ optionality for a development**
- **Deliver additional discoveries** at Playas, Melonal, Limon, Porotillo
- **Strengthen expectation of 10Mozs AuEq district**

✓ El Palmar

- **Deliver additional discoveries** through:
 - **Drill compelling T2-T3 target** – to deliver discovery
- **Continue to drill and expand main mineralised area at T1** beyond 500 x 300m, and to depth
- **Drill to enable delivery of an Exploration Target**
- **Complete first pass metallurgy**

✓ Advance early-stage exploration at Verde Chico

✓ Move drill rigs to highest priority targets across all projects

Competent Persons Statement

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Aaron Meakin. Mr Aaron Meakin is a full-time employee of CSA Global Pty Ltd and is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Aaron Meakin has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Aaron Meakin consents to the disclosure of the information in this report in the form and context in which it appears.

Exploration Target Competent Person

The information in this report that relates to exploration results and exploration targets and results is based upon information reviewed by Dr. Bruce Rohrlach who is a member of the Australasian Institute of Mining and Metallurgy. Dr. Rohrlach is a full-time employee of Sunstone Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr. Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

See ASX announcements

28th April 2023 – El Palmar drilling intersects porphyry copper system
14th April 2023 – Limon emerging as major discovery with visible gold in hole
29th March 2023 – Limon epithermal drilling results
16th March 2023 – Drilling commences at T2 porphyry target, El Palmar
18th January 2023 – Limon delivers porphyry discovery
13th December 2022 – Bramaderos MRE and Exploration Target
27th October 2022 – AGM Presentation
20th October 2022 – More wide intersections at Brama-Alba to support initial MRE
27th September 2022 – El Palmar drilling results and new target defined
30th August 2022 – Brama-Alba – best porphyry intersection to date
21st July 2022 – Corporate Presentation
19th July 2022 – Brama-Alba drilling, met test work, resource preparation
29th June 2022 – El Palmar drilling expands gold-copper discovery
21st June 2022 – Sunstone expands land position near El Palmar discovery
1st June 2022 – Brama-Alba, Large and with higher grade zones

About Sunstone Metals

Sunstone has an advanced portfolio of exploration projects in Ecuador. The portfolio comprises:

•**The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest with Cornerstone Capital Resources, a subsidiary of SolGold, holding 12.5% (see ASX announcement dated 10th April 2017, 28th August 2019, and 7 January 2020). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is highly prospective for the discovery of large porphyry gold-copper systems, and high-grade epithermal gold systems. The Bramaderos concession is host to multiple fertile mineralised systems with significant discovery potential. The Brama-Alba deposit, within the Bramaderos concession contains an initial Mineral Resource estimate of 156Mt at 0.53g/t AuEq for 2.7Moz gold-equivalent*. In addition to this is the Bramaderos project Exploration Target of between 3.3Moz and 8.6Moz AuEq within 255 to 360Mt at a grade between 0.40 and 0.74g/t AuEq (see ASX release dated December 13, 2022).

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	AuEq (Mozs)
Indicated	9	0.38	0.09	1.1	0.53	0.2
Inferred	147	0.35	0.11	1.3	0.53	2.5
Total	156	0.35	0.11	1.3	0.53	2.7

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement for the Mineral Resource estimate and Exploration Target referred to above and, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the target area reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

*The gold equivalent calculation formula is $AuEq(g/t) = (Au\ grade \times Au\ price \times Au\ recov / 31.1035) + (Ag\ grade \times Ag\ price \times Ag\ recov / 31.1035) + (Cu\ grade \times Cu\ price \times Cu\ recov / 100) / (Au\ price \times Au\ recov / 31.1035)$. The prices used were US\$1,800/oz gold and US\$9,500/t copper and US\$22/oz silver. Recoveries are estimated at 89% for gold, 85% for copper, and 60% for silver based on metallurgical studies. In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

•**The El Palmar Copper-Gold Project** where Sunstone holds 70% of the highly prospective 800ha El Palmar gold-copper porphyry project in Ecuador. Sunstone can acquire 100% through a Staged Acquisition Agreement. A Staged Acquisition Agreement to acquire the nearby Verde Chico Project has also been signed. The El Palmar and Verde Chico gold-copper projects are located in Imbabura province, northern Ecuador, within the same geological belt that includes the giant Alpala, Tandayama-America and Llurimagua porphyry copper-gold and copper-molybdenum deposits.

Brama-Alba – initial Exploration Target

Exploration Target	Min. Tonnage (Mt)	Max. Tonnage (Mt)	Metal Content Min. AuEq (Mozs)	Metal Content Max. AuEq (Mozs)
Brama-Alba (excluding MRE areas)	70	100	0.79	2.57
Melonal	150	200	1.93	4.50
Limon	35	60	0.56	1.54
TOTAL	255	360	3.30	8.60

Exploration Target	Min. Tonnage (Mt)	Max. Tonnage (Mt)	Min. Grade Au (g/t)	Min. Grade Cu (%)	Min. Grade AuEq (g/t)
Brama-Alba (excluding MRE areas)	70	100	0.20	0.10	0.35
Melonal	150	200	0.25	0.10	0.40
Limon	35	60	0.33	0.10	0.50
TOTAL	255	360			0.40

Exploration Target	Min. Tonnage (Mt)	Max. Tonnage (Mt)	Max. Grade Au (g/t)	Max. Grade Cu (%)	Max. Grade AuEq (g/t)
Brama-Alba (excluding MRE areas)	70	100	0.60	0.12	0.80
Melonal	150	200	0.50	0.12	0.70
Limon	35	60	0.60	0.12	0.80
TOTAL	255	360			0.74

3.3 to 8.6Mozs AuEq

Comprising

2.1 to 6.6Mozs gold

255 to 432kt of copper

10.7 to 15.1Mozs silver

Within 255 to 360Mt of mineralised rock

- Due to the effect of rounding, the total may not represent the sum of all components
- See ASX announcement dated 13th December 2022 and slide 23 for full details

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CALL
+61 7 3368 9888



EMAIL
info@sunstonemetals.com.au



WEB
sunstonemetals.com.au



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