

24 MAY 2024

Entitlement Offer – Closing Date Reminder 27 May 2024

Sunstone Metals Limited (ASX:STM) (**Sunstone** or the **Company**) wishes to remind Eligible Shareholders that the Entitlement Offer despatched to shareholders on 13 May 2024 will close at 5:00pm (AEST) on Monday, 27 May 2024 and will not be extended.

On 3 May 2024, Sunstone announced a non-renounceable pro-rata Entitlement Offer of one (1) New Share for every nine (9) shares held (**Entitlement**) by Eligible Shareholders on the Record Date, at the Offer Price of 1.1 cents (\$0.011) per New Share, being the same price as the Placement announced on the same date.

A total of up to approximately 389.0 million New Shares will be issued under the Entitlement Offer to raise up to A\$4.3 million (before the costs of the issue).

Proceeds from the Entitlement Offer and Placement will be used primarily to accelerate drilling at the Limon gold-silver epithermal discovery within the Company's Bramaderos concession.

To participate in the Entitlement Offer, payment of the application moneys must be made per the instructions set out on the Entitlement and Acceptance Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (AEST) on the Closing Date of Monday 27 May 2024.

Participation in the Entitlement Offer is optional and is subject to the terms and conditions set out in the Offer Document. You may obtain a copy of the Offer Document along with information about how to apply online at:

www.computersharecas.com.au/stmoffer.

Enquiries

Any questions concerning the Offer should be directed to the Company on +61 7 3368 9888, or via email at info@sunstonemetals.com.au.

Yours sincerely
Patrick Duffy
Managing Director and CEO

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TIMETABLE

The timetable for the Entitlement Offer is set out below.

Activity	Business Day	Date
Announcement of Offer, Lodge Appendix 3B and Section 708AA Cleansing Notice	0	Fri, 3 May 2024
Shares trade on an "ex" Entitlement basis*	3	Wed, 8 May 2024
Record Date for Entitlement to participate in the Rights Issue (5.00pm AEDT)	4	Thu, 9 May 2024
Rights Issue Offer Document and Entitlement and Acceptance Form dispatched to Shareholders and lodged with ASX	6	Mon, 13 May 2024
Closing Date for the Rights Issue (5.00pm AEDT)	16	Mon, 27 May 2024
Securities quoted on deferred settlement basis	17	Tue, 28 May 2024
ASX notified of under subscriptions	19	Thu, 30 May 2024
Issue of New Shares under the Rights Issue	20	Fri, 31 May 2024
Holding statements are dispatched to Shareholders	21	Mon, 3 Jun 2024

The above dates are indicative only and may change without notice. The Directors reserve the right to amend this indicative timetable at any time (subject to the Corporations Act and the Listing Rules), to extend the Closing Date to accept late Entitlement and Acceptance Forms either generally or in particular cases, to close the Offer early or to cancel the Rights Issue without prior notice in its absolute discretion. The commencement of quotation of new securities is subject to confirmation from the ASX.

**Shareholders should consult their professional advisors in regards to the definition of 'Ex' Date and Record Date to ensure that their entitlement to participate in the Rights Issue is assured. Where fractions arise in the calculation of entitlements, they will be rounded down to the nearest whole number.*

Mr Patrick Duffy, Managing Director of Sunstone Metals Ltd., has authorised this announcement to be lodged with the ASX.

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

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ASX ANNOUNCEMENT

About Sunstone Metals

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

1. **The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest, and SolGold Canada, Inc. (formerly Cornerstone Capital Resources) a subsidiary of SolGold, holding 12.5% (loan carried through to start of commercial production) (see ASX announcement dated 10 April 2017, 28 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 porphyry gold-copper-silver 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 porphyry gold-copper-silver 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 13 December, 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

An Exploration Target for the Limon epithermal gold-silver deposit was released on 9 November 2023 (also refer to ASX announcement 5 February 2024) consisting of between approximately 30 and 44 million tonnes at a grade of between 0.9 and 1.2g/t AuEq*, for between 0.9 and 1.7mill oz AuEq*

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 for porphyry gold-copper-silver mineralisation is $AuEq(g/t) = (Au \text{ grade} \times Au \text{ price} \times Au \text{ recov} / 31.1035) + (Ag \text{ grade} \times Ag \text{ price} \times Ag \text{ recov} / 31.1035) + (Cu \text{ grade} \times Cu \text{ price} \times Cu \text{ recov} / 100) / (Au \text{ price} \times Au \text{ recov} / 31.1035)$. 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.

*The gold equivalent calculation formula for epithermal gold-silver mineralisation is $AuEq(g/t) = Au(ppm) + (Ag(ppm)/82)$. The prices used were US\$1,800/oz gold and US\$22/oz silver. Recoveries are estimated at over 90% for gold and 90% for silver from metallurgical studies.

In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

2. **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 Llorimagua porphyry copper-gold and copper-molybdenum deposits.