15 FEBRUARY 2023

El Palmar gold-copper discovery, northern Ecuador

Gold and copper mineralisation intersected on edge of huge geophysical anomaly at T2

The broad intercept in close proximity to the Toachi Fault highlights the immense potential of the T2 target.

Key Points

- **First three holes (EPDD022, 23 and 24) drilled at the new T2 target at El Palmar have returned broad gold and copper intersections from the top and the edge of the target**
- **The results include:**
  - **767m at 0.21g/t gold and 0.04% copper from 24m in EPDD024, including:**
    - **Shallow intervals up to 2m at 3.2g/t gold from 72m, and 13.5m at 1.1g/t gold from 97.5m**
    - **There is a clear transition from high level porphyry-epithermal gold to deeper copper-gold**
- **Geophysical modelling shows T2 is a very large target bound by the Toachi Fault – a geological scenario very similar to the giant Alpala deposit at SolGold's Cascabel Project 65km away**
- **Further drilling at T2 to start next month**
- **Separately, drilling at the Tituana epithermal target at El Palmar has intersected an epithermal system and further holes are planned – assay results expected in March**
- **Sunstone remains well-funded with A$11.2m in cash and equities reported at December 31, 2022**

Sunstone Metals Ltd (ASX: STM) is pleased to announce extremely promising assays from drilling at the large T2 geophysical anomaly at its El Palmar porphyry gold-copper discovery in northern Ecuador.

The assays contain gold grades of up to 2m at 3.2g/t from 72m, and 13.5m at 1.1g/t from 97.5m, from the edge of the anomaly, which is 1km long x 450m wide.

Furthermore, the anomaly is bound by the regionally-significant Toachi Fault zone and associated orthogonal structures – a scenario strongly similar to the 3 billion-tonne SolGold Alpala copper-gold porphyry deposit, within the Cascabel project, located 65km to the north-east.

Recent preliminary age dating has confirmed that the mineralised gold-copper porphyry at Sunstone's El Palmar project is the same geological age as Alpala.

"These results are highly significant," said Sunstone Managing Director Malcolm Norris. "They confirm that the T2 target is mineralised, is very prospective and is very large.

"Independent datasets show that T2 could deliver a significant gold-copper porphyry discovery. The team at Sunstone are very excited by these recent results and look forward to drilling the target in March.

"In the meantime, we will complete the current program at the Tituana epithermal target, where we have drilled an epithermal system that is mineralised. Assay results from the first three holes are expected in late March."

T2 drilling results

Target T2, located east of the El Palmar T1 porphyry system (Figures 1, 2, and 3), is developing as a very compelling large porphyry gold-copper target based on several independent datasets. Three drill holes have been completed and further drilling to test the target is planned to commence in late March.

Surface rock chip sampling defined an area of at least 220m x 50m averaging 0.4g/t gold and 0.1% copper in a strong porphyry stockwork underlying a silica-clay altered cap. The rock chip samples were consistently mineralised and included six samples which returned assays of greater than 1 g/t gold, which is encouragingly very high for porphyry systems. The geological interpretation is that this outcrop is part of the upper zones of a large porphyry system.

Soil sampling at T2 defined a significant and coherent gold-copper-molybdenum anomaly coincident with an extensive alteration cap (Figures 1 and 5).

Geophysical surveying defined a conductive body coincident with the surface metal anomalism and recent drilling results (Figure 4). This conductive body plunges, expands and intensifies southward for a further 800m where it abuts the regional Toachi Fault zone. The structural scenario at T2 is very significant and can be compared to the nearby Alpala copper-gold porphyry deposit at the SolGold Cascabel Project.

Geological age dating from samples from El Palmar T1 have returned preliminary results that indicate these systems have a similar geological age as Alpala.

The recent drilling results reinforce the concept of an upper-level porphyry/epithermal system with significant gold mineralisation grading down to a copper-gold system with porphyry B veins in the lower parts of EPDD024 (Figure 4).

Additional porphyry targets for testing at El Palmar

Drill hole EPDD021 (Table 1) was drilled into the T1 target. It intersected 866.6m at 0.26g/t gold and 0.1% copper from surface, including 24m at 0.39g/t gold and 0.19% copper from 45.5m, and 11.25m at 0.81g/t gold and 0.2% copper from 501m. This result confirms the significant vertical extent of mineralisation at T1 which requires follow-up drilling.

3-D geological modelling is being undertaken at T1 based on the 21 drill holes completed to date and follow-up drilling will be planned to target mineralisation in the down plunge extent.

One hole has been completed into target T5 (EPDD025, with assay results expected in late March).

One hole is planned to be drilled into porphyry target T4 in Q2 2023 (Figures 2 and 5).

Tituana Epithermal Gold Targets preliminary results

Several epithermal gold targets have also been defined within the El Palmar concession, with the highest priority being the Tituana target (Figure 5). Three drill holes have now been completed and assay results are expected in late March.

Holes 1 and 3 have intersected an epithermal system with mineralisation (Figure 6).

The Tituana target is located on a NNE-trending structure, which may link to the south to the main El Palmar porphyry system – a common scenario in porphyry and epithermal systems (Figure 5). The target exhibits coincident zinc and arsenic anomalies in soil sampling. Trenching has returned results of up to 6.7g/t gold. Rock chip sampling has yielded a >85m-long (and open) zone from which 101 surface samples averaged 1.2 g/t Au, 25 g/t Ag and 0.16% Cu, with peak values for these elements being 6.47 g/t Au, 225g/t Ag and 0.78% Cu.

Table 1: Mineralised intervals in holes EPDD021, EPDD022, EPDD023 and EPDD024

Drill Hole	Target Area	EOH (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
EPDD021	**T1**	**876**	5.45	872.00	866.55	0.26	0.10	1.9	0.5
incl.			**45.50**	**69.50**	**24.00**	**0.39**	**0.19**	**1.8**	**0.7**
and incl.			425.00	513.25	88.25	0.39	0.11	1.8	0.5
incl.			**437.00**	**449.00**	**12.00**	**0.42**	**0.13**	**3.6**	**0.5**
incl.			**501.00**	**512.25**	**11.25**	**0.81**	**0.20**	**1.3**	**0.7**
and incl.			576.10	597.65	21.55	0.29	0.11	1.8	0.4
and incl.			629.00	635.00	6.00	0.29	0.10	1.5	0.4
and incl.			650.50	756.00	105.50	0.20	0.12	1.5	0.5
and incl.			800.00	840.00	40.00	0.19	0.12	1.0	0.7
and incl.			868.00	872.00	4.00	0.26	0.13	2.0	0.3
EPDD022	**T2**	**494**	45.50	121.20	75.70	0.20	0.10	9.1	0.1
incl.			**110.50**	**121.20**	**10.70**	**0.35**	**0.16**	**16.9**	**0.2**
			153.00	173.00	20.00	0.22	0.09	94.9	0.3
incl.			217.42	245.00	27.58	0.33	0.09	7.3	0.3
incl.			**435.00**	**445.00**	**10.00**	**0.25**	**0.27**	**15.4**	**0.4**
EPDD023	**T2**	**645**	137.00	153.00	16.00	0.27	0.05	11.5	0.1
			341.00	347.00	6.00	0.28	0.05	14.1	0.7
			412.00	438.00	26.00	0.24	0.06	4.7	0.3
EPDD024	**T2**	**791**	24.00	791.00	767.00	0.21	0.04	8.7	0.4
incl.			**72.00**	**74.00**	**2.00**	**3.15**	**0.02**	**7.7**	**0.1**
and incl.			**93.00**	**139.40**	**46.40**	**0.62**	**0.01**	**7.6**	**0.2**
incl.			**97.50**	**111.00**	**13.50**	**1.10**	**0.01**	**5.3**	**0.2**
and incl.			202.00	212.00	10.00	0.46	0.01	4.1	0.1
and incl.			**235.00**	**255.00**	**20.00**	**0.62**	**0.05**	**18.9**	**0.2**
and incl.			**265.00**	**267.00**	**2.00**	**3.30**	**0.00**	**6.9**	**0.1**
and incl.			305.00	345.00	40.00	0.43	0.03	5.1	0.1

and incl.	373.00	417.00	44.00	0.39	0.03	7.8	0.2
incl.	453.00	458.50	5.50	0.50	0.04	7.4	0.2
incl.	471.00	477.00	6.00	0.40	0.04	9.2	0.2
and incl.	631.00	645.00	14.00	0.26	0.08	12.5	0.9
and incl.	685.00	699.00	14.00	0.14	0.10	6.8	0.4
and incl.	781.00	787.00	6.00	0.48	0.13	12.3	7.9

El Palmar is located in northern Ecuador in the same regional structural belt that hosts the 2.66Bt Alpala copper-gold deposit grading 0.25g/t gold and 0.37% copper, and the 0.53Bt Tandayama-America deposit grading 0.19g/t gold and 0.24% copper, within the Cascabel project (Figure 7; see also www.solgold.com.au for MRE details), and in the vicinity of the 1Bt Llurimagua copper-molybdenum porphyry deposit grading 0.89% copper and 0.04% molybdenum.

Sunstone is also active at it's southern Ecuador Bramaderos project where drilling is in progress at the Limon target. One drilling rig is drilling follow-up holes to LMDD010 which intersected 79m at 0.52g/t gold and 0.19% copper in a shallow porphyry system, and another rig is drilling holes into a near surface high sulphidation epithermal system within the broader Limon porphyry target.

Sunstone's cash and equity investments remain strong at ~A$11.2 million (end December 2022), allowing expanded exploration activities at both El Palmar in northern Ecuador and Bramaderos in southern Ecuador.

EPDD022

From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)
45.50	121.20	75.70	0.20	0.10	9.1	0.35
110.50	**121.20**	**10.70**	**0.35**	**0.16**	**16.9**	**0.60**
153.00	173.00	20.00	0.22	0.09	94.9	0.36
217.42	353.00	135.58	0.18	0.11	9.5	0.35
217.42	245.00	27.58	0.33	0.09	7.3	0.47
423.00	445.00	22.00	0.19	0.17	21.4	0.46
435.00	**445.00**	**10.00**	**0.25**	**0.27**	**15.4**	**0.68**

EPDD023

From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)
137.00	153.00	16.00	0.27	0.05	11.5	0.36
172.65	**198.00**	**25.35**	**0.13**	**0.08**	**12.7**	**0.25**
231.00	237.00	6.00	0.05	0.10	27.7	0.22
341.00	347.00	6.00	0.28	0.05	14.1	0.35
412.00	438.00	26.00	0.24	0.06	4.7	0.34
538.00	550.00	12.00	0.20	0.08	9.6	0.33
598.00	**612.00**	**14.00**	**0.17**	**0.09**	**9.3**	**0.31**

EPDD024

From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	AuEq (g/t)
24.00	**791.00**	**767.00**	**0.21**	**0.04**	**8.6**	**0.27**
93.00	**139.40**	**46.40**	**0.62**	**0.01**	**7.6**	**0.64**
97.50	**111.00**	**13.50**	**1.10**	**0.01**	**5.3**	**1.11**
235.00	**255.00**	**20.00**	**0.62**	**0.05**	**18.9**	**0.69**
305.00	345.00	40.00	0.43	0.03	5.1	0.48
373.00	417.00	44.00	0.39	0.03	7.8	0.44
439.00	477.00	38.00	0.24	0.03	7.7	0.30

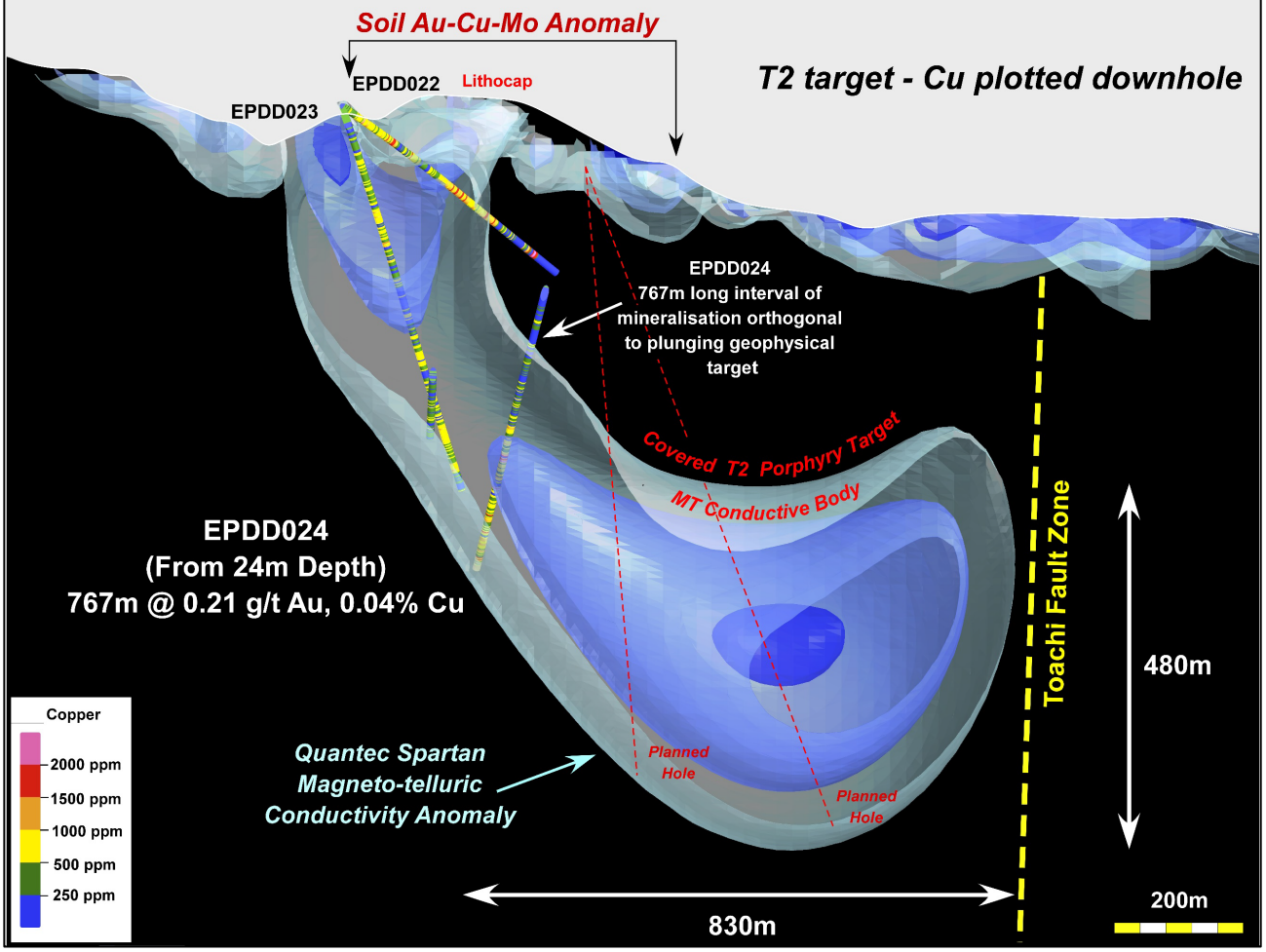

Figure 1: North-South section through the T2 target, showing outcropping porphyry stockwork near the collar of holes EPDD023/024 in the area of anomalous copper, gold and molybdenum in soils and coincident with a large area of weakly conductive material. This conductive body expands and strengthens southward and extends 800m south of the 767m-long intersection in hole EPDD024 that cuts the conductive body orthogonally. Two drill holes are planned and shown on section.

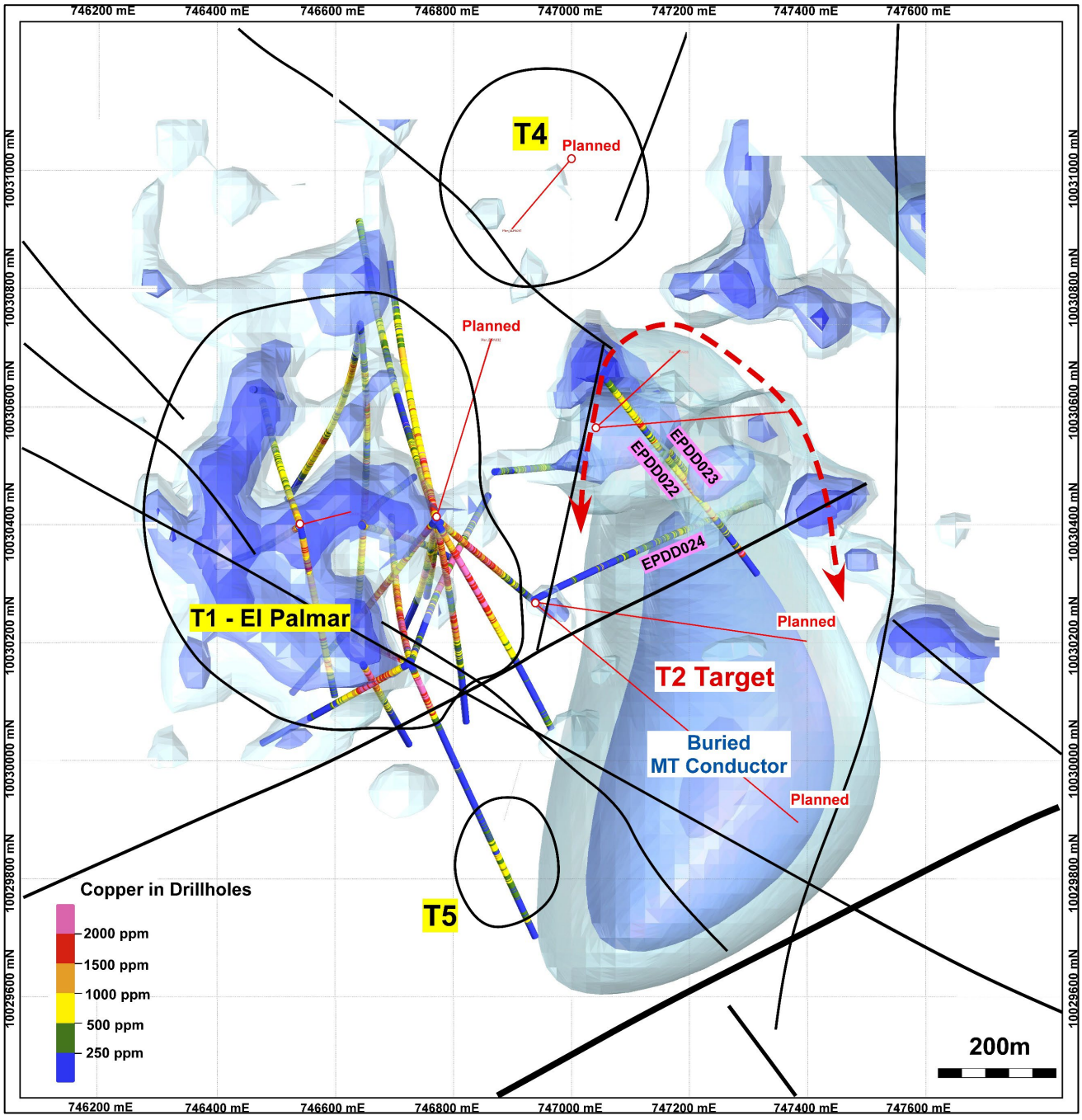

Figure 2: Close up porphyry targets T1 (El Palmar) and large T2 target plus porphyry targets T4 and T5.

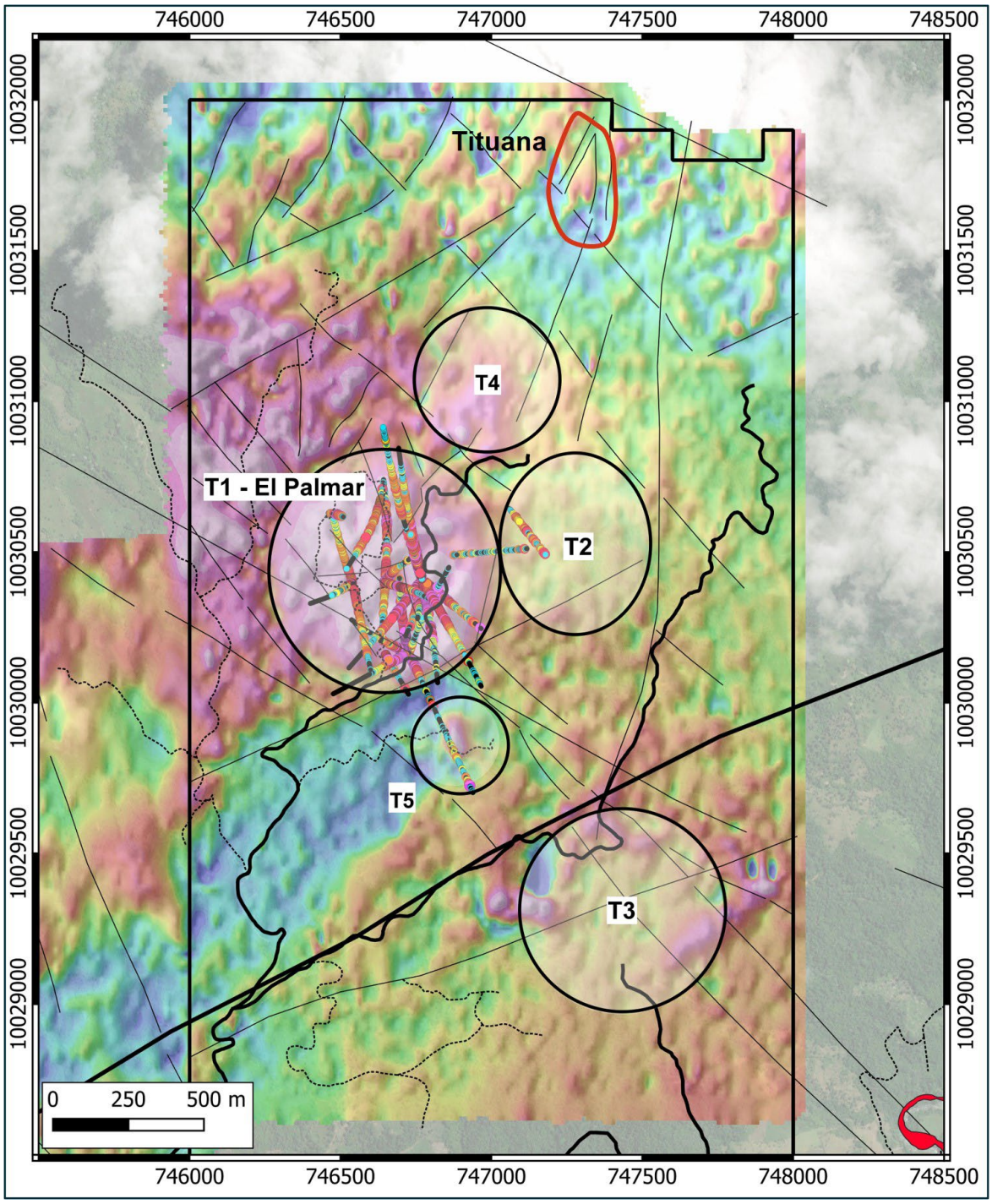

Figure 3: El Palmar project showing porphyry target areas.

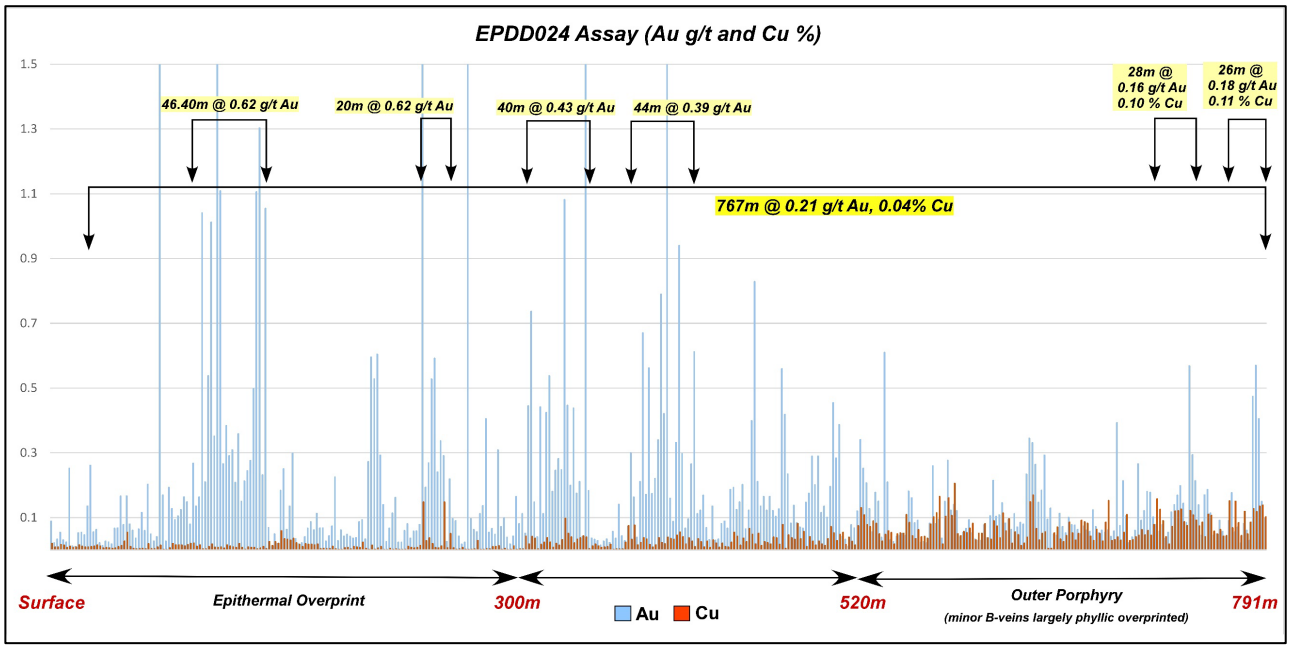

Figure 4: Drill hole EPDD024 down hole assay plot clearly showing upper-level epithermal overprint dominated by gold, and lower copper-gold porphyry signature.

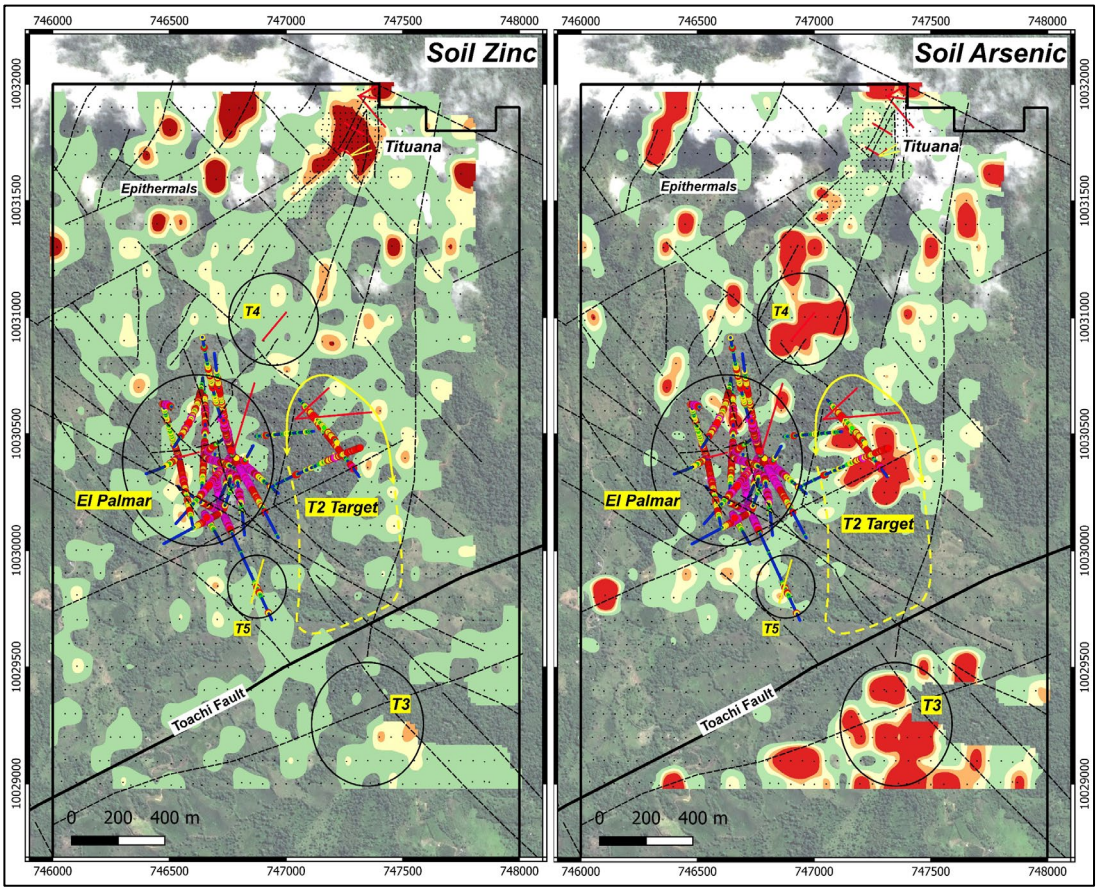

Figure 5: Extent of soil sampling at El Palmar (fine black dots), soil zinc anomalies that define epithermal targets in the northern part of the concession, and soil arsenic anomalies that define both epithermal targets and the locus of underlying porphyry targets at T2 plus T3 and T4 (both untested by drilling). The outline of the T2 target has expanded

southward to cover the full extent of the MT conductivity anomaly that coincides with mineralisation in holes EPDD022-024.

Figure 6: Drill core from Tituana drilling showing epithermal vein systems and mineralisation.

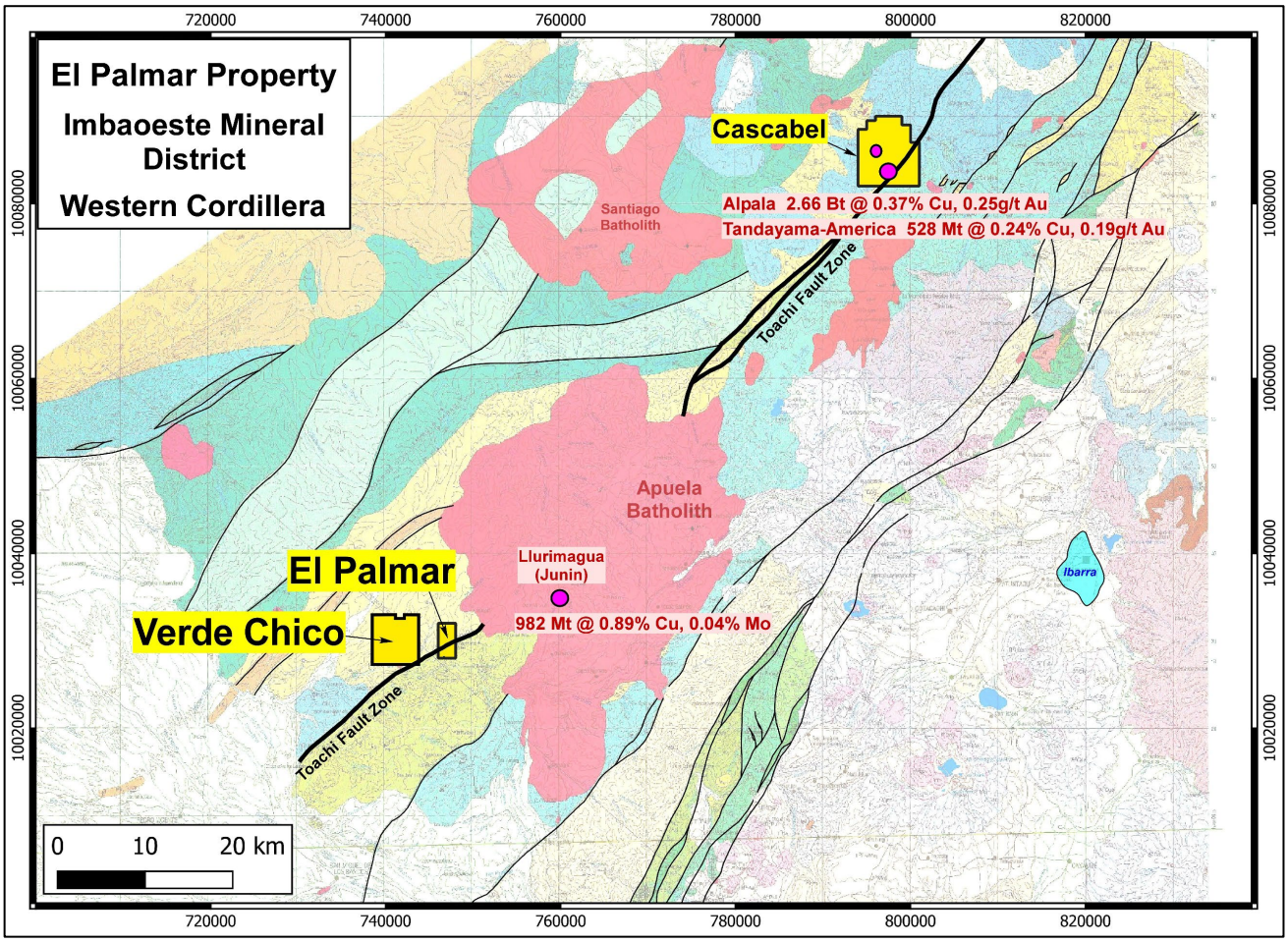

Figure 7: Location of the El Palmar project relative to the giant Llurimagua, Alpala and Tandayama-America (Cascabel project) porphyry deposits, and the Toachi fault system.

Figure 8: Location of the El Palmar project in northern Ecuador, the Verde Chico project nearby, and the Bramaderos Project in southern Ecuador.

Drill Hole ID	Easting (m)	Northing (m)	Dip (degrees)	Azimuth (UTM) (PSAD56 Grid) (degrees)	EOH (m)
EPDD021	746771	10030410	-80	345	876
EPDD022	747059	10030657	-30	142	494
EPDD023	747059	10030657	-67	142	645
EPDD024	746937	10030280	-60	63	791
EPDD025	746851	10029777	-40	16	310

Table 2: Drill hole details for the El Palmar Project.

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

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About Sunstone Metals

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

1. **The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest with TSXV listed Cornerstone Capital Resources 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. Historical exploration results from drilling at Bramaderos together with recent exploration by Sunstone and joint venture partner Cornerstone Capital Resources (TSXV:CGP) indicate multiple fertile mineralised systems with significant discovery potential.
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 Letter of Intent to acquire the nearby Verde Chico Project through a Staged Acquisition Agreement 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.

Competent Persons Statement

The information in this report that relates to exploration 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.

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

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	• The drill core sampling was carried out using half core, generally at 1.5 to 2m intervals. • New results are based on assays of drill core.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Core recovery was good, and core aligned prior to splitting and sampling.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling, rock chip and channel sampling points have been guided by geological mapping. The drill samples from El Palmar were dried, crushed to 70% passing 2mm, Split 1000g and pulverised to 85% passing 75microns. A 20g portion of this sample was used for multi-element analysis (IMS-230) and a 30g sample for Fire Assay Au (FAS-111).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The El Palmar target areas have been drilled with diamond core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recovery data for the El Palmar drilling program was good.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Core recovery at El Palmar was good.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No relationship between sample recovery and grade has been established.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Drill samples were logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features. Recent logging and sampling for the El Palmar project were carried out according to Sunstone's internal protocols and QAQC procedures which comply with industry standards.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	• Drill samples are logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features.
	• *The total length and percentage of the relevant intersections logged.*	• The drill holes have been logged in full. Drill hole lengths are included in the text of the announcement.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Half core was used to provide the samples that were submitted for assay from the El Palmar drilling.
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• This announcement relates to drill core samples.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Historical drill core samples from El Palmar (drilled by Codelco) were analysed by ACME Labs in Vancouver. Samples were crushed and split with 250 grams pulverized to 200 mesh (Method - R200-250). Analysis on drill core was undertaken on a sample split (Method - VAN split pulp). • Surface rocks at El Palmar are historical and were collected by 3 different companies. GOEX S.A. samples were analysed at Bureau Veritas Laboratories

Criteria	JORC Code explanation	Commentary
		in Peru. Lowell Mineral Exploration rocks were analysed by ALS Minerals, with sample preparation involving fine crushing 70% passing 2mm (Method CRU-31), crushed sample split (Method SPL-21) and pulverise 1000g to 85% passing 75um (Method PUL-32). Codelco surface rock samples were analysed by ACME Labs in Vancouver. Samples were crushed and split with 250 grams pulverized to 200 mesh (Method - R200-250) • The sample preparation for the current phase of drilling is carried out according to industry standard practices using highly appropriate sample preparation techniques.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Sunstone used an industry standard QAQC programme involving Certified Reference Materials "standards" and blank samples, which were introduced in the assay batches. • Standards (Certified Reference Materials) or analytical blanks were submitted at a rate of 1 in 28 samples. Field duplicates were also taken at a rate of approximately 1 in 28 samples. • The check or duplicate assay results are reported along with the sample assay values in the final analysis report.
	• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*	• For diamond core, the routine sample procedure is to always take the half/quarter core to the right of the orientation line (looking down hole) or the cut line (in cases where the orientation line was not reliable). • Once assay results are received the results from duplicate samples are compared with the corresponding routine sample to ascertain whether the sampling is representative.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered to be appropriate for the style of sampling undertaken and the grainsize of the material, and correctly represent the style and type of mineralisation at the exploration stage.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Sunstone uses a fire assay gold technique for Au assays (FAS-111) and a four acid multi element technique (IMS-230) for a suite of 48 elements. FAS-111 involves Au by Fire Assay on a 30-gram aliquot, fusion and atomic absorption spectroscopy (AAS) at trace levels. IMS-20 is considered a near total 4 acid technique using a 20g aliquot followed by multi-element analysis by ICP-AES/MS at ultra-trace levels. • This analysis technique is considered suitable for this style of mineralisation.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• A handheld "Niton" XRF instrument is used on site for verification of anomalous metal values and to assist with the geological logging and mineral identification. No specific data from this instrument are referenced in this announcement.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Standards, blanks and duplicates are inserted ~1/28 samples. The values of the standards range from low to high grade and are considered appropriate to monitor performance of values near cut-off and near the mean grade of the deposit. • The check sampling results are monitored, and performance issues are communicated to the laboratory if necessary.
	• *The verification of significant intersections by either independent or alternative company personnel.*	• Procedure checks have been completed by the Competent Person for exploration results for this announcement.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td rowspan="3">Verification of sampling and assaying</td><td>• The use of twinned holes.</td><td>• Twin holes have not been drilled in these areas.</td></tr>
<tr><td>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</td><td>• Sunstone sampling data were imported and validated using Excel.</td></tr>
<tr><td>• Discuss any adjustment to assay data.</td><td>• Assay data were not adjusted. Core loss intervals are assigned assay values of zero where present.</td></tr>
<tr><td rowspan="3">Location of data points</td><td>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</td><td>• Sample co-ordinates are located by GPS and for trench samples measured along the length of the trench.</td></tr>
<tr><td>• Specification of the grid system used.</td><td>• Ecuador projection parameters:
<table><tr><th>Parameter</th><th>Value</th></tr><tr><td>Reference Ellipsoid</td><td>International 1924</td></tr><tr><td>Semi Major Axis</td><td></td></tr><tr><td>Inverse Flattening (1/f)</td><td></td></tr><tr><td>Type of Projection</td><td>UTM Zone -17S (Datum PSAD56)</td></tr><tr><td>Central Meridian:</td><td>-81.0000</td></tr><tr><td>Latitude of Origin</td><td>0.0000</td></tr><tr><td>Scale on Central Meridian</td><td>0.9996</td></tr><tr><td>False Northing</td><td>10000000</td></tr><tr><td>False Easting</td><td>500000</td></tr></table></td></tr>
<tr><td>• Quality and adequacy of topographic control.</td><td>• The topographic control was compared against published maps and satellite imagery and found to be good quality.</td></tr>
<tr><td rowspan="3">Data spacing and distribution</td><td>• Data spacing for reporting of Exploration Results.</td><td>• The drill core samples reported were collected from diamond drill holes from the El Palmar targets, and with sample length generally ranging between 0.5-2m.</td></tr>
<tr><td>• Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</td><td>• The data from these samples does not contribute to any resource estimate nor implies any grade continuity.</td></tr>
<tr><td>• Whether sample compositing has been applied.</td><td>• No sample compositing was done.</td></tr>
<tr><td rowspan="2">Orientation of data in relation to geological structure</td><td>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</td><td>• Drilling orientations were appropriate for the interpreted geology providing representative samples.
• Trench orientations and rock chip locations were appropriate for the interpreted geology providing representative samples.</td></tr>
<tr><td>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</td><td>• No sampling bias is expected at this stage.</td></tr>
<tr><td>Sample security</td><td>• The measures taken to ensure sample security.</td><td>• Sunstone sampling procedures indicate individual samples were given due attention.
• Sample security was managed through sealed individual samples and sealed bags of multiple samples for secure delivery to the laboratory by permanent staff of the joint venture.
• MS Analytical is an internationally accredited laboratory that has all its internal procedures heavily scrutinised in order to maintain their accreditation.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		MS Analytical is accredited to ISO/IEC 17025 2005 Accredited Methods.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sunstone's sampling techniques and data have been audited multiple times by independent mining consultants during various project assessments. These audits have concluded that the sampling techniques and data management are to industry standards. • All historical data has been validated to the best degree possible and migrated into a database.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• The El Palmar property is located in Imbabura province and is held by an Ecuadorian registered company 'GOEX'. Due diligence to date show that there are no wilderness areas or national parks or areas of environmental significance within or adjoining the concession area. There are no native title interests. • Sunstone and GOEX have entered into a Staged Acquisition Agreement where Sunstone may earn up to 100% based on defined milestones.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The El Palmar exploration concession was granted in 2003 and is held 100% by GOEX. • Sunstone owns 70% of GOEX
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The historic exploration at El Palmar was completed by various groups over the period 1990's, 2007-2008, 2011-2012 and GOEX (2012 to 2020). Most of the readily available historic data has been acquired and compiled into databases and a GIS project. Exploration by other parties has included stream sediment surveys, geological mapping, rock chip sampling, some local soil sampling, channel sampling and limited diamond drilling (3 holes).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit style being explored for includes intrusion-related and stockwork hosted porphyry Au-Cu systems plus epithermal gold-silver-polymetallic veins. The setting at El Palmar is a volcanic arc setting of Miocene or Eocene age intrusions.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *a. easting and northing of the drill hole collar* *b. elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *c. dip and azimuth of the hole* *d. down hole length and interception depth* *e. hole length.*	• Details of the samples discussed in this announcement are in the body of the text. • See Figure 1-3 for the location of historical drilling at El Palmar.
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Information included in announcement.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Weighted averages were calculated over reported intervals according to sample length. • No grade cut-offs were applied.
	• *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Aggregating of intervals represent broad intervals consistent with porphyry gold-copper mineralised systems.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Metal equivalents are not presented.
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	• The geometry of the mineralisation relative to the drill holes is not completely known at this stage of exploration. .
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• True widths of mineralised lodes are not known at this stage.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See Figures 1-5 for maps showing distribution of samples.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Figures 1-5 above shows the current interpretations of geology.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Figure 1-5 above shows various datasets that are being used to identify target areas and to guide current and future drilling.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The planned exploration program is outlined in the announcement.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• See Figures 1-5 which show areas for further exploration.