

1 JULY 2024

Sunstone appoints specialist resources financial executive as CFO

Sunstone Metals Limited (ASX:STM) is pleased to advise that it has appointed experienced resources executive Lucas Welsh (CA, MBA, GAICD) as Chief Financial Officer and Company Secretary, effective July 1, 2024.

Mr Welsh was most recently the CFO of St Barbara Mines (ASX: SBM), where he had previously held the positions of Head of Transformation and General Manager Finance and Procurement. His experience also includes senior finance roles at WMC and PwC.

His appointment is part of Sunstone's transition aimed at enabling the Company to unlock the full value of its discoveries in Ecuador and secure wider market recognition of their worth and substantial growth potential.

These changes saw Sunstone appoint Patrick Duffy as Managing Director and CEO in April this year while retaining Malcolm Norris as Executive Director – Exploration. In April, the Company also appointed former Xstrata Copper General Counsel Neal O'Connor as a Non-Executive Director.

Mr Welsh will be based in Melbourne with Mr Duffy. He has replaced Gavin Leicht, who will continue in a hand-over capacity until 31 July 2024.

Mr Duffy said: *"We are assembling a team of resources specialists as part of a wider strategy to maximise shareholder value for our world-class gold and copper projects in Ecuador.*

"Lucas' international mining and capital markets experience will be invaluable as we implement our long-term growth plans - through further discovery and development opportunities and to have this value fully recognised in financial markets for the benefit of shareholders.

"On behalf of the Board, I would like to sincerely thank Gavin for his commitment and contribution to Sunstone over a long period and we wish him all the best for the future".

Mr Graham Ascough, Non-Executive Chairman of Sunstone Metals Limited, 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:

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 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 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), and the Limon epithermal gold-silver exploration target of 0.9 – 1.7mill oz AuEq within 30 – 44mill tonnes at a grade of between 0.9 – 1.2g/t AuEq.

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 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.

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.