23 FEBRUARY 2022

El Palmar gold-copper discovery, northern Ecuador

Strong assays from two more holes confirm El Palmar is a large mineralised porphyry

Significant grades and widths continue to extend the size of the discovery; Plus, Sunstone moving to 70% ownership

Key Points

- **Assays now show significant grades and widths of gold and copper porphyry mineralisation in several holes associated with specific intrusives within the 700m-diameter main El Palmar target**
- **Immense upside remaining, with drilling to date limited to the south-eastern portion; The western and northern portions remain largely untested**
- **Strong assays from holes EPDD004 and 6 include:**
  - **97m at 0.43g/t gold and 0.11% copper from 194m in EPDD004**
  - **124.35m at 0.41g/t gold and 0.16% copper from 10.65m in EPDD006, and**
  - **50.0m at 0.43g/t gold and 0.24% copper from 314m in EPDD006**
  - **These are within broad mineralised zones from surface**
  - **Assays pending on holes 7-11**
- **Deep drilling is ongoing; Hole EPDD012 is 930m deep and has intersected intervals of copper mineralisation.**
- **Ongoing concession-wide exploration is highlighting a clustering of targets within a 2.5km x 1.5km domain**
- **In light of the clear picture emerging at El Palmar, Sunstone has initiated the process to move to 70% ownership of the project**
- **New assay results from the exciting Alba discovery at the Bramaderos Project are expected soon**
- **Sunstone remains well funded with ~A$14m in cash and equities**

Sunstone Metals Ltd (ASX: STM) is pleased to announce strong assays from two more holes which confirm that the El Palmar deposit in northern Ecuador (Figure 4) is a significant gold-copper porphyry discovery.

In light of these results and the abundant evidence that El Palmar is a major discovery, Sunstone has initiated the process to increase its interest in the project from 51% per cent to 70% by paying US$300,000 to the project vendor under the Staged Acquisition Agreement (see ASX announcement dated 12 August 2020).

The project is located in northern Ecuador in the vicinity of the 1.0Bt Llurimagua copper-molybdenum porphyry deposit, and in the same regional structural belt that hosts the 2.6Bt Alpala copper-gold deposit within the Cascabel project (Figures 1 & 2).

The El Palmar results reported in this release comprise all assays from drill holes EPDD004, 005 (abandoned), and 006 (Table 1). Previously released results are included in table 2 (see ASX release dated 25th November 2021).

Sunstone MD Malcolm Norris said it was now clear that El Palmar is a large mineralised system with an expanding footprint.

"We now have abundant evidence that El Palmar is a substantial copper-gold discovery," Mr Norris said. "We have intersected significant widths of ore-grade mineralisation over a rapidly growing area.

"We believe we are at the top of the system and that the deeper portions are highly prospective. For example, drill hole EPDD004 has drilled the top of a series of narrow intrusives, and we interpret these to widen and coalesce at depth where the magnetic signature broadens.

"We have not explored below hole EPDD004, nor the sub-vertical magnetic anomaly that was targeted in hole EPDD005. We are also commencing exploration of the satellite targets.

"We are confident that further drilling will create significant value as we define the geometry of the gold-copper mineralisation, which we know extends from surface to in excess of 500m deep."

Drill hole EPDD004 targeted the central portion of the large circular magnetic zone that makes up the main El Palmar target (Figure 1). The hole drilled 2 intervals of gold-copper mineralisation within a large broad lower grade domain. The intervals of mineralisation are interpreted to relate to the upper portions of the very large El Palmar system (Figure 2).

Drill hole EPDD005 was stopped at 330m at the intersection with an aquifer which compromised the hole. The hole did not reach the main target zone. Consequently, the western target domain of the main 700m diameter El Palmar magnetic anomaly remains untested (Figure 3), despite a significant magnetic signature.

Drill hole EPDD006 has further tested the southeast part of the El Palmar complex. Hole EPDD006 commenced from the collar of historical hole CED01 and drilled towards the SSW as a scissor hole to EPDD002 which was well mineralised (Table 2 and Figures 1 and 4).

All holes to date have intersected various, and sometimes multiple, phases of syn-mineral intrusives which are associated with the higher-grade gold-copper intervals.

Drill holes EPDD007 – 011 have now been completed (assays pending), and holes EPDD0012 and 13 are in progress (Table 2).

Deep drilling is progressing well. Hole EPDD009 was completed at 901m depth and hole EPDD012 is underway at 930m depth. Both holes exhibit mineralisation over several intervals, but assays are required to define the grade (Figure 5).

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
EPDD004	138.00	592.75	454.75	0.26	0.09	3.9	0.34
incl	**194.00**	**291.00**	**97.00**	**0.43**	**0.11**	**5.1**	**0.43**
incl	**194.00**	**237.80**	**43.80**	**0.51**	**0.13**	**6.1**	**0.47**
and	**424.00**	**491.00**	**67.00**	**0.34**	**0.13**	**8.0**	**0.42**
EPDD005	10.35	82.50	72.15	0.27	0.10	2.3	0.37
Abandoned at 330m	10.35	328.49	318.14	0.17	0.06	3.1	0.24
EPDD006	10.65	495.00	484.35	0.27	0.12	4.22	0.63
incl	**10.65**	**135.00**	**124.35**	**0.41**	**0.16**	**1.70**	**1.10**
and	**314.00**	**364.00**	**50.00**	**0.43**	**0.24**	**4.55**	**0.79**

Table 1: Mineralised intervals in holes EPDD004, EPDD005 (abandoned), and EPDD006

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
EPDD001	**11.30**	**492.15**	**480.85**	**0.41**	**0.15**	**3.4**	**0.74**
incl	**52.35**	**215.90**	**163.55**	**0.71**	**0.20**	**1.4**	**1.14**
incl	**66.90**	**96.80**	**29.90**	**0.73**	**0.20**	**0.7**	**1.06**
incl	**147.25**	**163.30**	**16.05**	**0.80**	**0.20**	**1.4**	**2.69**
EPDD002	4.7	34	29.30	0.18	0.06	1.3	0.57
	52.65	58.70	6.05	0.22	0.07	0.7	1.48
	250.00	**463.75**	**213.75**	**0.48**	**0.22**	**3.8**	**1.58**
incl	**250.00**	**417.50**	**167.50**	**0.58**	**0.26**	**3.5**	**1.81**
incl	**252.00**	**274.00**	**22.00**	**1.06**	**0.33**	**3.9**	**1.49**
and	**388.75**	**398.00**	**9.25**	**1.22**	**0.19**	**4.4**	**6.92**
EPDD003	**10.44**	**270.00**	**259.56**	**0.41**	**0.14**	**1.8**	**0.80**
	27.30	**203.00**	**175.70**	**0.55**	**0.18**	**1.5**	**0.80**
	31.91	**137.00**	**105.09**	**0.75**	**0.20**	**1.1**	**0.89**
	46.10	**106.10**	**60.00**	**0.89**	**0.21**	**1.0**	**0.91**

Table 2: Previously reported mineralised intercepts from drill holes EPDD001, EPDD002, EPDD003.

El Palmar Technical Discussion

Detailed geological work on the 10 drill holes (3 historical and 7 Sunstone) is starting to define the relationship between host intrusions and several generations of mineralised intrusions in the upper parts of the El Palmar complex. This work will allow us to model the geometry of the upper part of the system, and this in turn allows us to be more predictive with the deep target environment. From a geophysical perspective the latter may be much more significant - but remains to be tested.

In summary, we have defined several highly mineralised high-level intrusives (apophyses) in the south of the intrusive complex and several narrower dyke-like apophyses in the northern (poorly tested) parts of the magnetic complex (Figures 1 – 4). It is at depth below these northern mineralised intrusions that the most significant magnetic target is defined (Figure 5).

The wallrocks around these high-level intrusions are also mineralised but at lower tenor.

Whilst chalcopyrite is the dominant copper-sulphide mineral that is being observed in drilling, there is bornite, covellite and chalcocite associated with more strongly mineralised sections of drill core. These sulphides have higher copper tenor and are being modelled to understand their distribution as drilling progresses.

The exploration program beyond the main El Palmar target is moving quickly to test the potential scale of surrounding opportunities. Whilst deep drilling is testing the vertical extent of mineralisation at El Palmar, soil sampling, mapping and ongoing assessment of magnetic data are testing the broader El Palmar extent.

Hole EPDD013 is being drilled towards the SE satellite target, which at surface exhibits stockwork veining, and rock chip samples over a strike length of 60m returning an average of 0.33g/t gold and 0.12% copper.

The NE satellite target is being reviewed and drill targets are being defined. The 3-D magnetic data suggests this satellite porphyry target may be linked to the main El Palmar system (Figure 6) – delivering a combined target in excess of 1km diameter in the NE direction within the 2.5km x 1.5km cluster of exploration targets.

Sunstone's cash and equity investments remain strong at ~$14m, allowing expanded exploration activities at both El Palmar and Bramaderos.

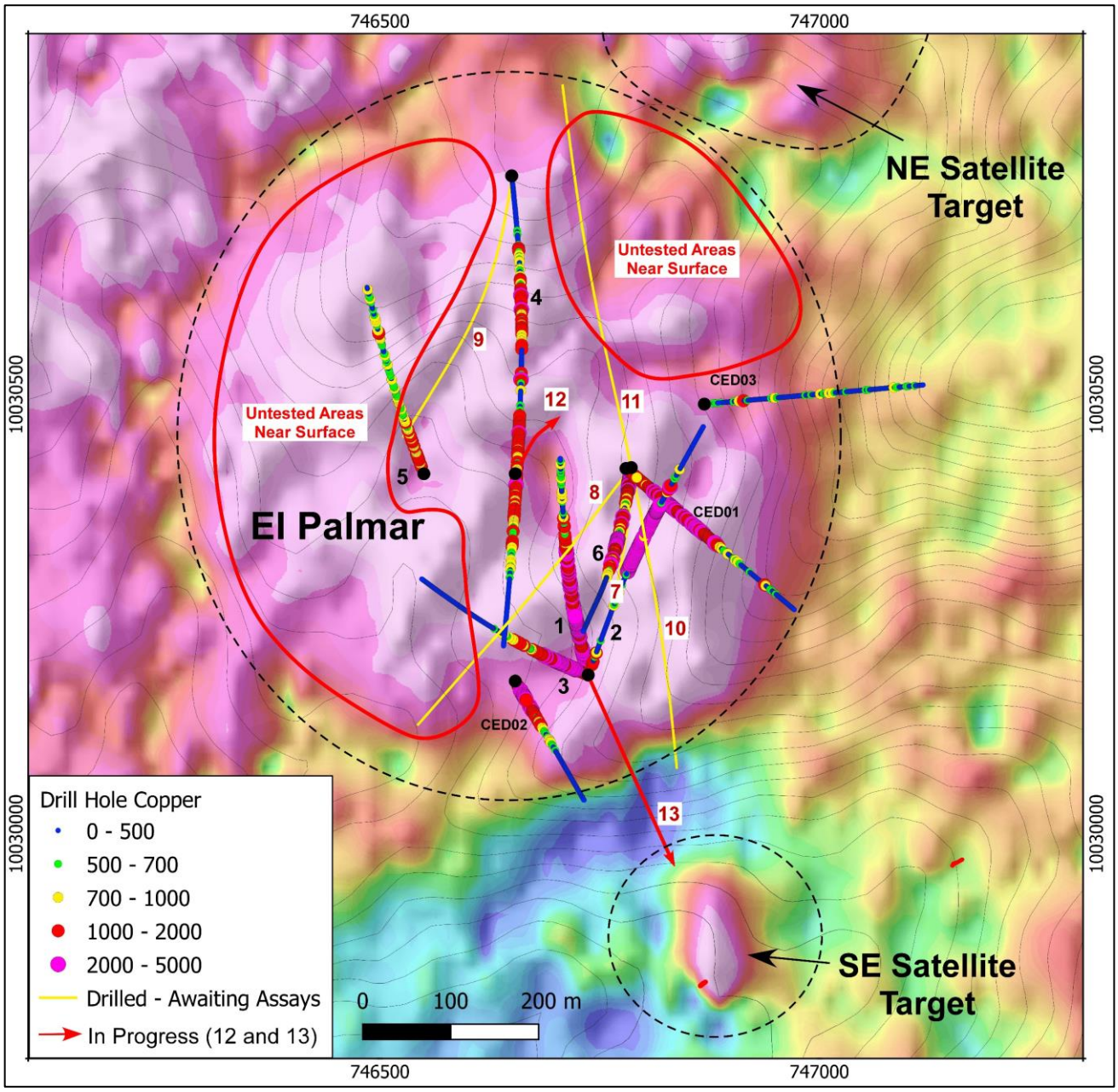

Figure 1: Distribution of copper in drillholes at El Palmar. Assays are awaited for holes 7, 8, 9, 10 and 11 (yellow traces) whilst holes 12 and 13 (red traces) are currently being drilled. Extensive domains within the El Palmar system will be tested as drilling progresses.

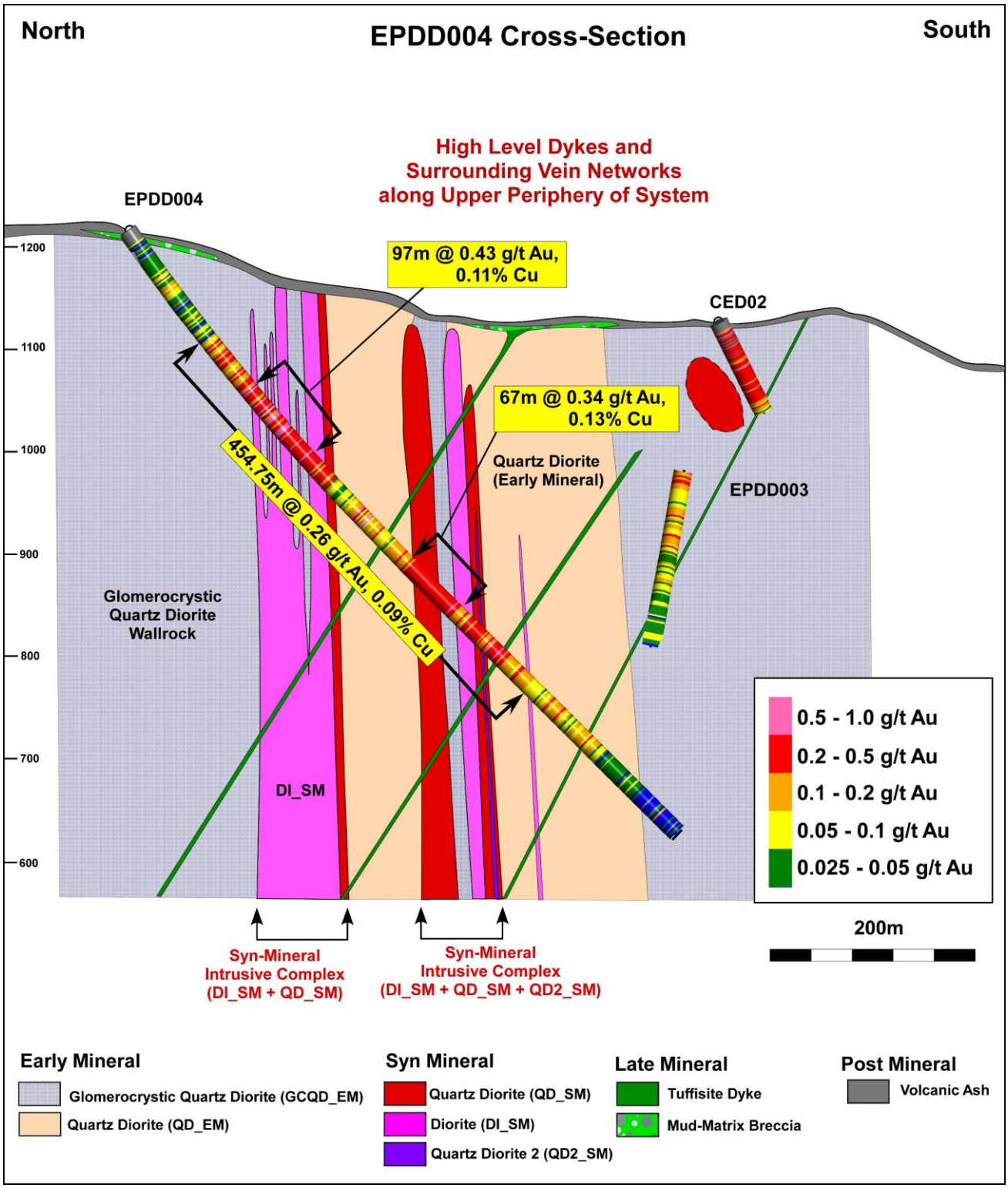

Figure 2: North-South section along EPDD004. Two clusters of mineralising dyke-like intrusions were intersected by hole EPDD004 around 130m to 180m below surface, and which coincide with stronger Au and Cu grades relative to surrounding wall-rock. These are interpreted as high-level mineralised dykes emanating from a deeper parental target.

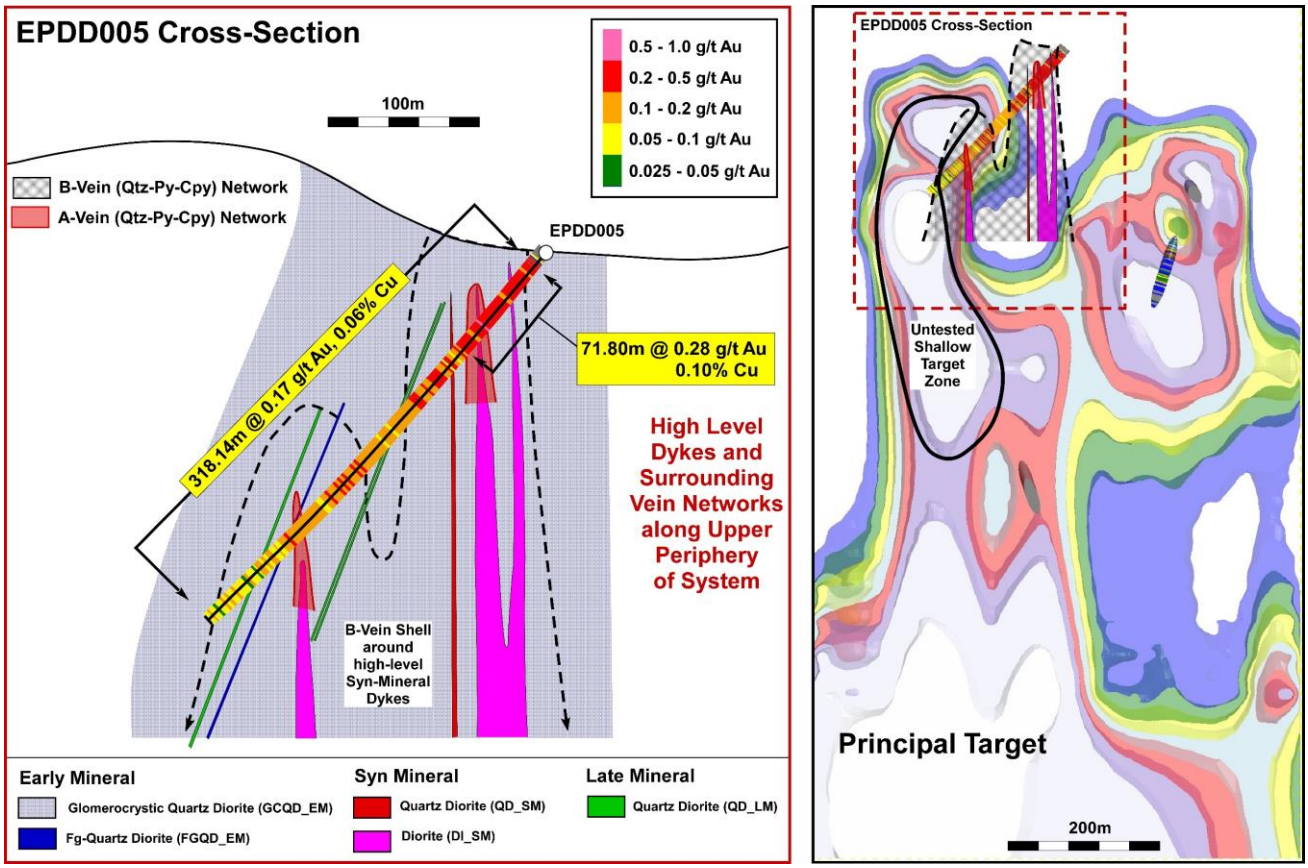

Figure 3: (Left) NNW-SSE section along EPDD005. The most magnetic part of this section lies beyond end-of-hole and was not reached due to an aquifer that caused the hole to be abandoned. Better grades are associated with vein networks that are concentrated around narrow high-level, dyke-like intrusions emplaced into Quartz Diorite wall rocks. (Right) Scale of the EPDD005 drill hole relative to the El Palmar magnetic complex, suggesting that only a minor and shallow part of the magnetic target has been tested in the north and west side of the El Palmar magnetic complex. The shallow target zone remains to be tested.

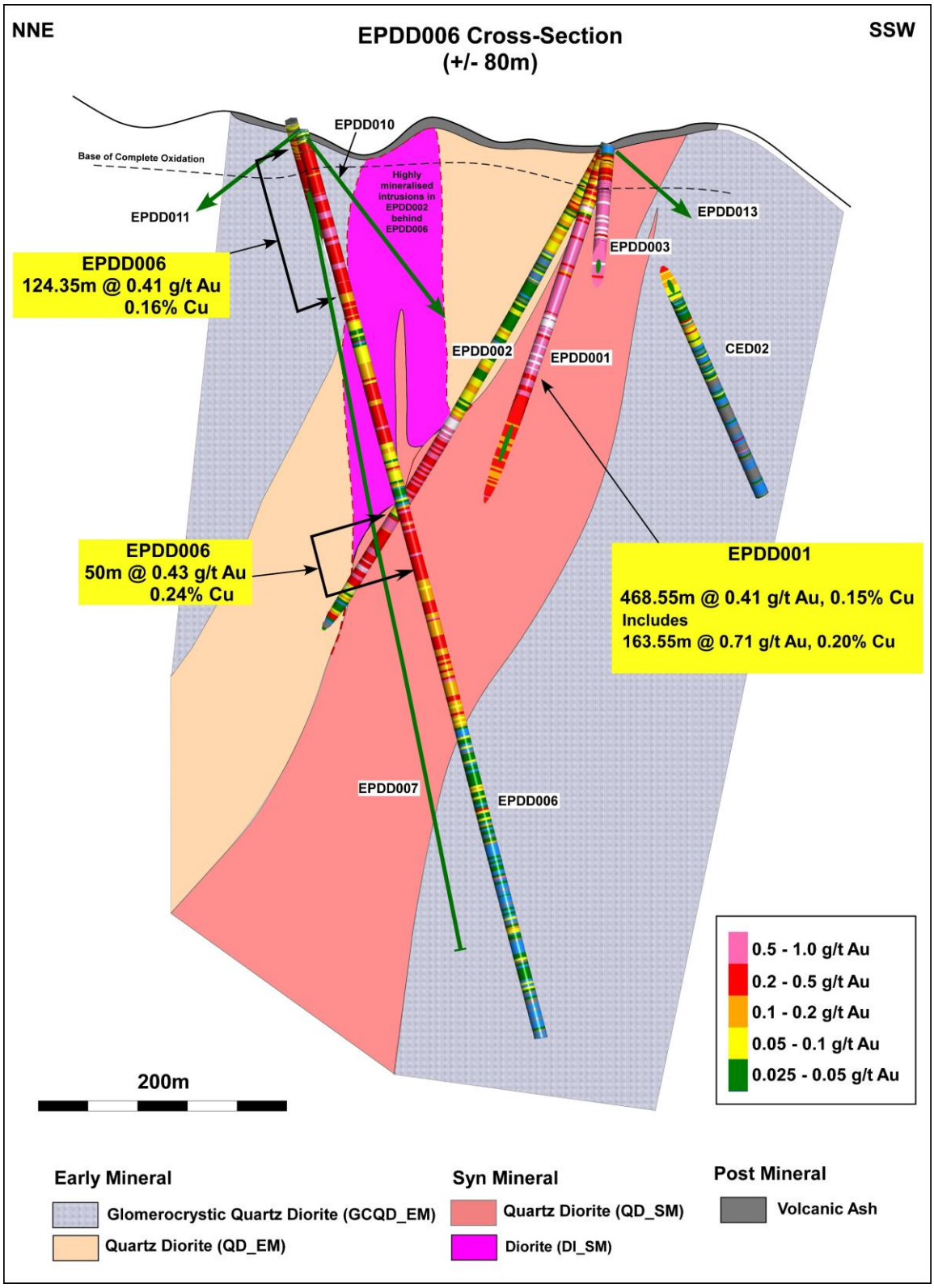

Figure 4: Cross section through BMDD006, as scissor hole to BMDD002. Note holes BMDD001 and 003 are directed off the section. Mineralisation is associated with the syn-mineral intrusives, and with the wall rock adjacent to the syn-mineral intrusives.

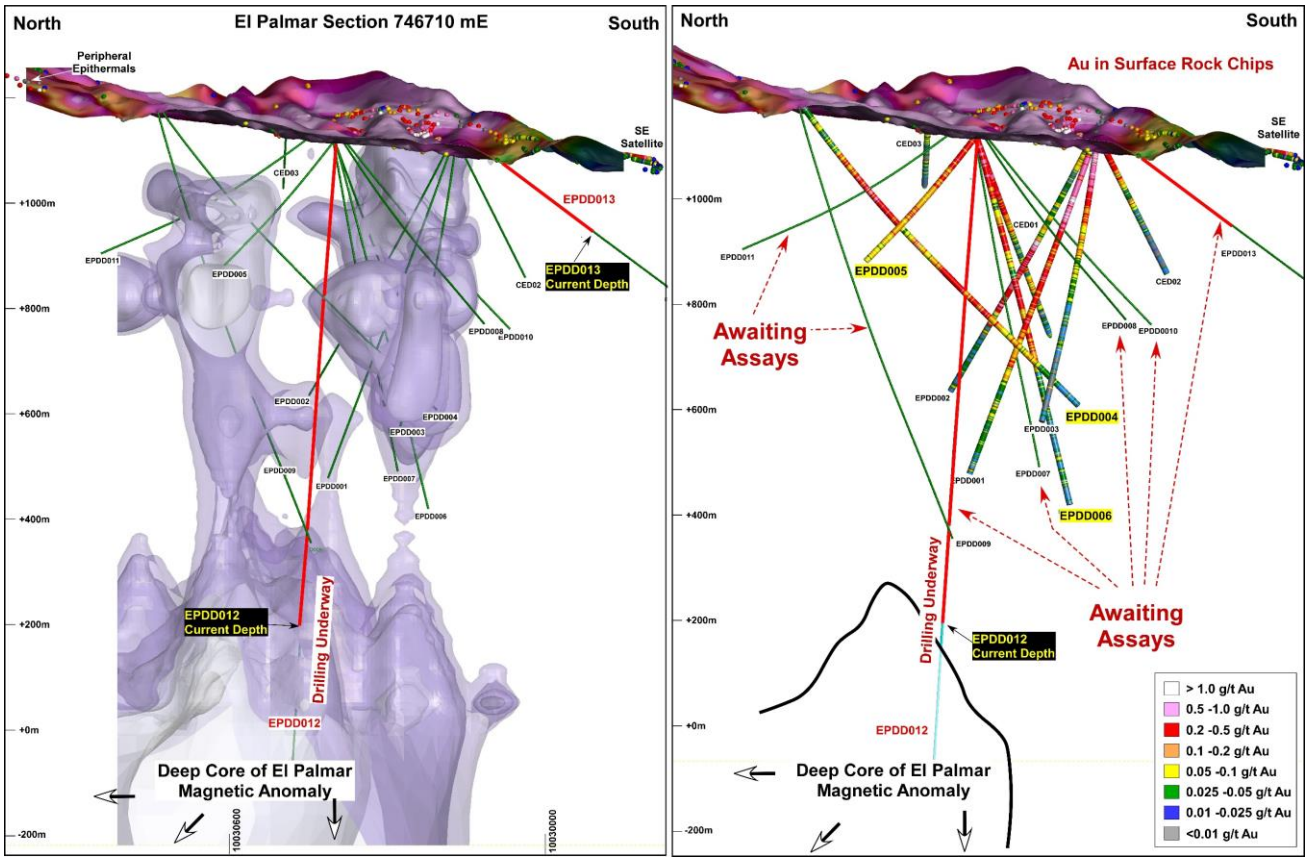

Figure 5: North-south section through El Palmar with the majority of drillholes projected onto section.
(Left) – The deep northern magnetic target is currently being tested by deep drilling to ascertain if it is the parental mineralised body to the two shallower (northern and southern) mineralised apophyses. (Right) – Gold (Au) in drill holes and surface rock chips. Core processing and assays for 7 holes yet to be received (EPDD007 to EPDD013).

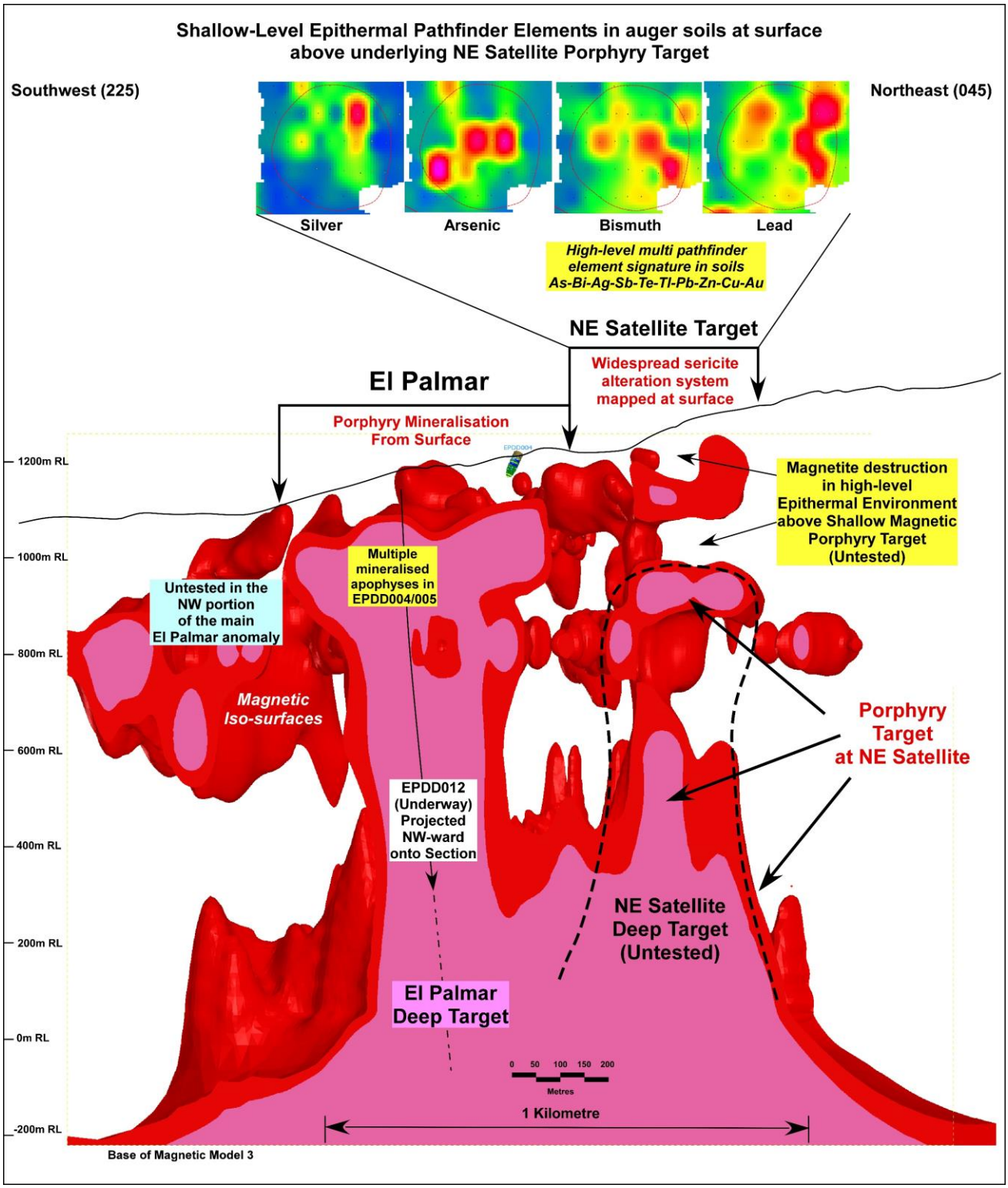

Figure 6: Cross section through the El palmar 3-D magnetic model showing the main area of El Palmar drilling to date, and the NW satellite anomaly which is being prepared for drill testing.

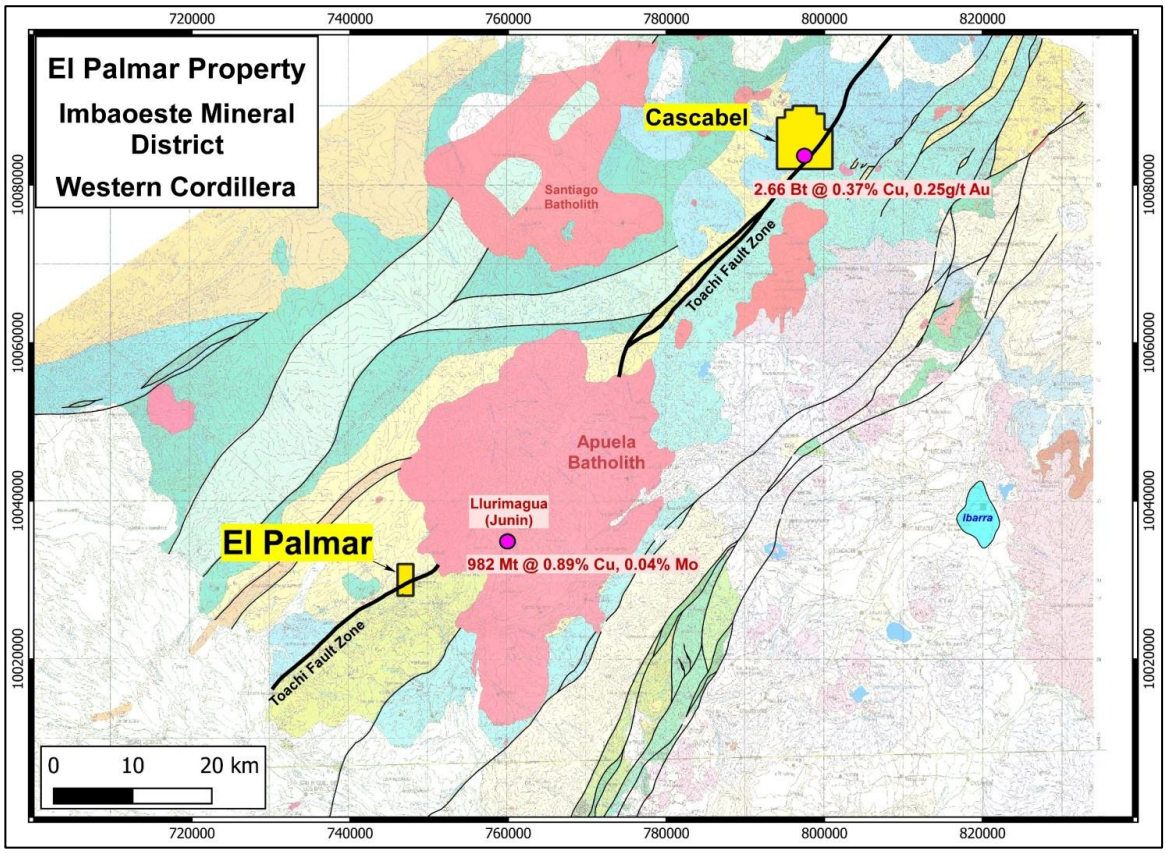

Figure 7: Location of the El Palmar project relative to the giant Llurimagua and Alpala (Cascabel) porphyry deposits, and the Toachi fault system.

Drill Hole ID	Easting (m)	Northing (m)	Dip (degrees)	Azimuth (UTM) (PSAD56 Grid) (degrees)	EOH (m)
EPDD001	746,737	10,030,181	-70	348	708.50
EPDD002	746,737	10,030,181	-60	018	595.05
EPDD003	746,737	10,030,181	-70	290	605.30
EPDD004	746,650	10,030,749	-55	175	796.33
EPDD005	746,550	10,030,410	-50	338	328.49
EPDD006	746,786	10,030,417	-75	190	759.00
EPDD007	746,786	10,030,417	-80	170	675.00
EPDD008	746786	10030417	-45	215	540.00
EPDD009	746650	10030749	-75	190	901.00
EPDD010	746,786	10,030,417	-50	165	523.00
EPDD011	746,786	10,030,417	-35	345	509.00
EPDD012	746,654	10,030,410	-85	20	In progress
EPDD013	746,737	10,030,181	-35	153	In progress

Table 3: Drill hole details for the El Palmar Project.

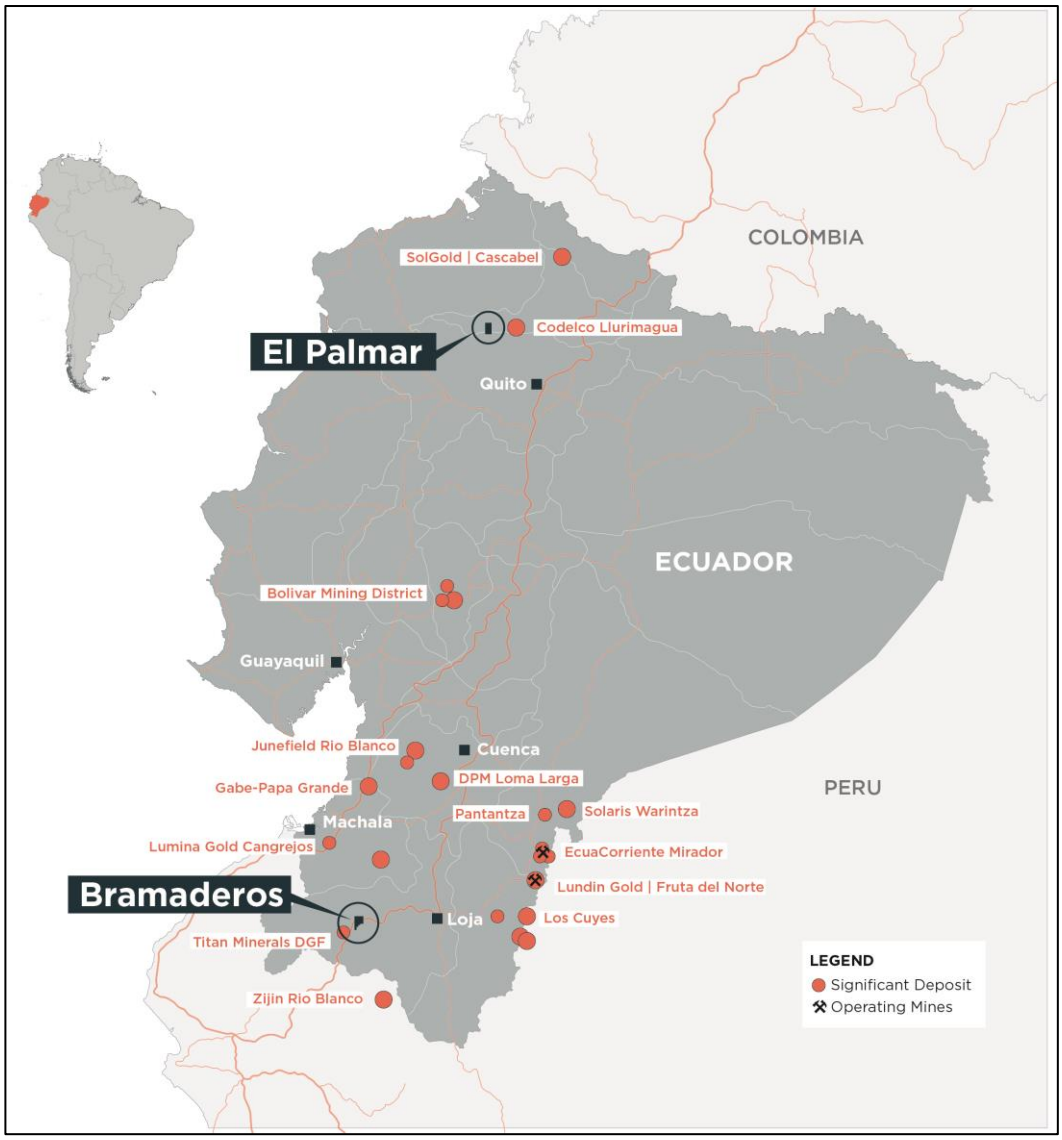

Figure 8: Location of the El Palmar project in northern Ecuador, and the Bramaderos Project in southern Ecuador.

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

Mr Malcolm Norris
Managing Director
Sunstone Metals Ltd
Tel: 07 3368 9888
Email: mnorris@sunstonemetals.com.au

Media:
Paul Armstrong
Read Corporate
+61 8 9388 1474

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 is moving from 51% to 70% ownership of the highly prospective 800ha El Palmar gold-copper porphyry project in Ecuador and can acquire 100% through a Staged Acquisition Agreement. The El Palmar gold-copper project is located in Imbabura province, northern Ecuador, within the same geological belt that includes the giant Alpala and Llurimagua porphyry copper-gold and copper-molybdenum deposits.
3. **Sunstone has a large equity interest** in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019.

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

Criteria	JORC Code explanation	Commentary
		collected by 3 different companies. GOEX S.A. samples were analysed at Bureau Veritas Laboratories 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

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>if necessary.</td></tr>
<tr><td rowspan="4">Verification of sampling and assaying</td><td>• The verification of significant intersections by either independent or alternative company personnel.</td><td>• Procedure checks have been completed by the Competent Person for exploration results for this announcement.</td></tr>
<tr><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</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		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. 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 51% 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.

Criteria	JORC Code explanation	Commentary
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 Figures 1 & 2 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.
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.

Criteria	JORC Code explanation	Commentary
	• *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.