ASX ANNOUNCEMENT

22 APRIL 2021

Brama drill hole hits 450m gold-copper intersection from surface

Key Points

- **Sunstone has received assays from the upper 576m of hole BMDD008 which has intersected a broad gold-copper mineralised porphyry**
- **Assays include:**
  - **84.3m of 0.80g/t gold, 0.11% copper, and 42ppm molybdenum, within**
  - **450m at 0.47g/t gold, 0.10% copper, and 27ppm molybdenum**
- **Sunstone remains well capitalised with ~A$2.5m cash and 150m Copperstone shares valued at A$20m**
- ***"These are strong assays which are comparable with other significant gold-copper porphyry deposits and support our view of the huge potential at Brama. In addition to these very good results today, we are eagerly awaiting the outcome of ongoing drilling to test the deeper target."- Sunstone MD Malcolm Norris***

Sunstone Metals Ltd (ASX: STM) is pleased to announce strong assay results from hole BMDD008 at the Brama porphyry prospect within its Bramaderos project in Ecuador. The results further highlight the potential for Brama to host a substantial gold-copper porphyry system.

Drillhole BMDD008 targeted a vertically extensive porphyry system interpreted from 3-D processing of detailed magnetics. The system comprised two targets:

1. The upper part of the targeted porphyry comprises a mineralised intrusive breccia previously drilled, on the margins, in hole BMDD005 which intersected 127m at 0.57g/t gold and 0.1% copper, including 39m at 0.72g/t gold and 0.13% copper (see ASX announcement dated 21 January 2020), and historical hole CURI-13.
2. A deep magnetic anomaly targeted from 850m downhole.

Assays for the upper 576m of BMDD008 have returned wide intersections of gold and copper including:

- 450.45m at 0.47g/t gold, 0.1% copper, and 26.9ppm molybdenum, from surface; including
  - 15.8m of 0.71g/t gold and 0.08% copper from 5.2m
  - 84.3m at 0.80g/t gold and 0.11% copper from 179.7m, within;
  - 128.9m at 0.68g/t gold and 0.10% copper from 135.1m

For comparison, and to provide context, these drill results are comparable to those in other porphyry deposits in Ecuador including the Cangrejos deposit under development by Lumina Gold Corp. (TSXV: LUM) and located 60km north of Bramaderos. Other 'gold-copper' porphyry deposits include Red Chris in BC, Canada, owned by Newcrest and Imperial Metals, and the Cadia deposits owned by Newcrest in NSW. It is these types of deposits on which Sunstone is basing its mineral exploration model, and aiming, over time to define a cluster of zones of mineralisation that will have significant scale.

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)
BMDD008	0.55	450.45	449.9	0.47	0.10	26.9
including	5.2	21.0	15.8	0.71	0.08	7.50
and	135.1	437.1	302.0	0.54	0.12	30.4
including	135.1	264.0	128.9	0.68	0.10	36.2
including	**179.7**	**264.0**	**84.3**	**0.80**	**0.11**	**42.1**
	328.0	437.1	109.1	0.44	0.16	27.6

Table 1: Summary of intervals in the upper 576m of drill hole BMDD008

The deep magnetic anomaly that was to be tested in BMDD008 has not been adequately tested with this drill hole. The drill hole deviated to the east as it progressed down hole and continued to drill away from the target area. A wedge hole has commenced from 347m downhole in BMDD008 and is expected to be in the target zone in mid-May. An updated magnetic model incorporating magnetic susceptibility measurements from BMDD008 has allowed us to refine the interpreted position and shape of the deep magnetic target.

Encouragingly, the drill hole, at depth, did intersect a weakly mineralised diorite from 850 – 1,000m (assays pending). The mineralisation comprised sporadic traces of chalcopyrite, sphalerite, galena and molybdenite within weakly veined and altered diorite suggesting a marginal position to a potential porphyry centre (Figure 3).

Sunstone Managing Director Malcolm Norris said: “These are strong assays which are comparable with other significant gold-copper porphyry deposits and support our view of the huge potential at Brama. In addition to these very good results today, we are eagerly awaiting the outcome of ongoing drilling to test the deeper target”.

There are now a number of key intersections in drilling and trenching of the outcropping Brama porphyry system that together are building a compelling picture of higher-grade pods. There are now at least 2 of these (Figure 2) – one centred on this drilling with BMDD008, and one incorporating historical hole CURI-03. The zones are about 100m apart and appear to have surface diameters of 100-200m with considerable vertical extent.

- BMDD008 – 450.45m at 0.47g/t gold, 0.1% copper, and 26.9ppm molybdenum, from surface, including, 84.3m at 0.8g/t gold, 0.11% copper, and 42.1ppm molybdenum from 179.7m
- Longitudinal surface trench BM14 - 615.14m at 0.52g/t gold and 0.11% copper and including 62.8m at 0.77g/t gold and 0.03% copper, amongst other higher-grade intervals
- Orthogonal trench above hole BMDD005 - 121.8m at 0.61g/t gold and 0.09% copper
- BMDD005 – 98m at 0.61g/t gold and 0.11% copper from 236m
- Historical hole CURI-03 – 62m at 1.0g/t gold and 0.22% copper from 68m

“We are now seeing the higher-grade intervals in the Brama system and have several additional targets to test. We are confident that we will find additional higher-grade pods,” Mr Norris said. “The current wedge hole, testing the deeper target, will continue to build the potential scale of this system.”

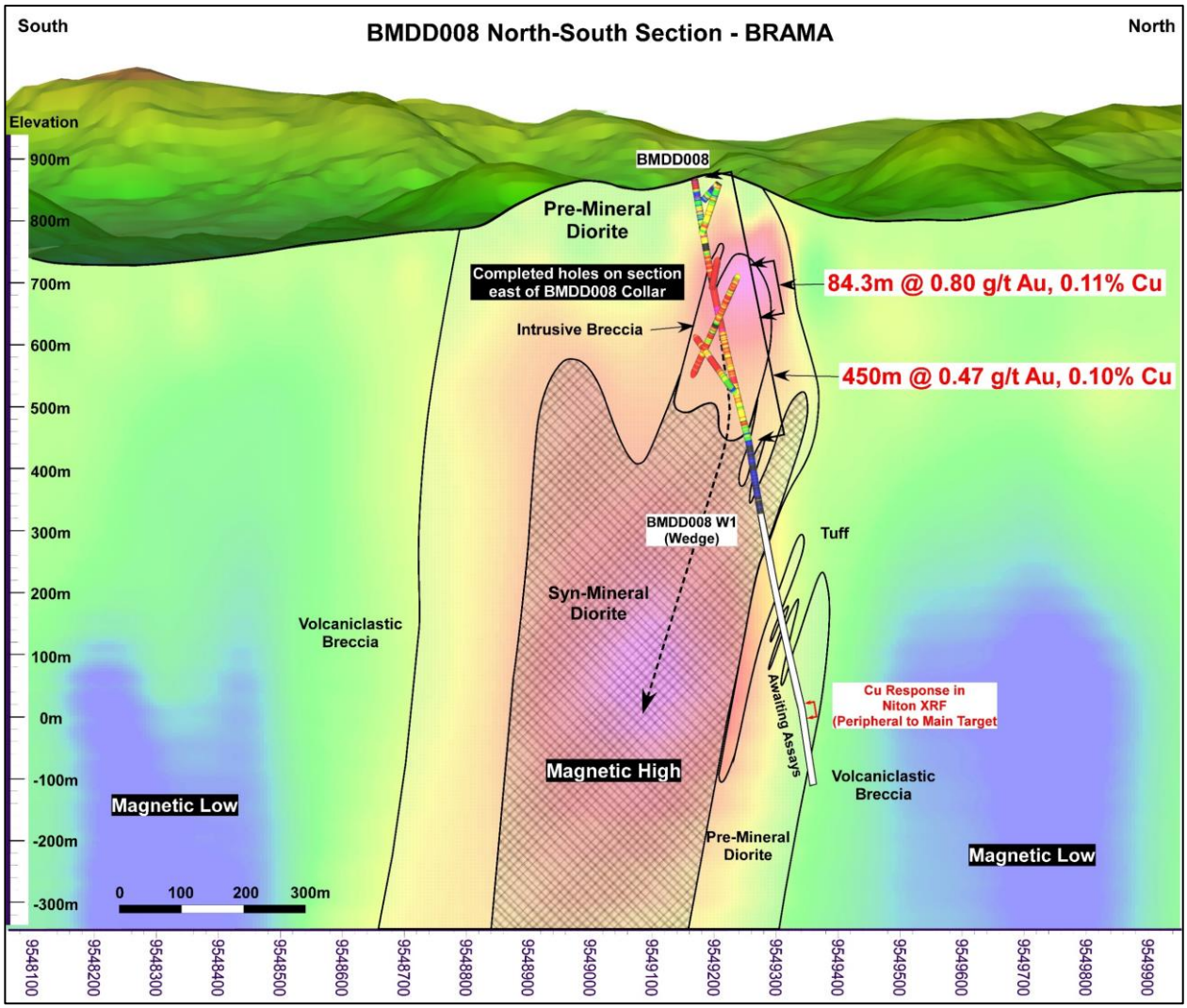

Figure 1: Brama cross section showing a slice through the new 3-D magnetic model with drill hole BMDD008 and new wedge hole BMDD008W1.

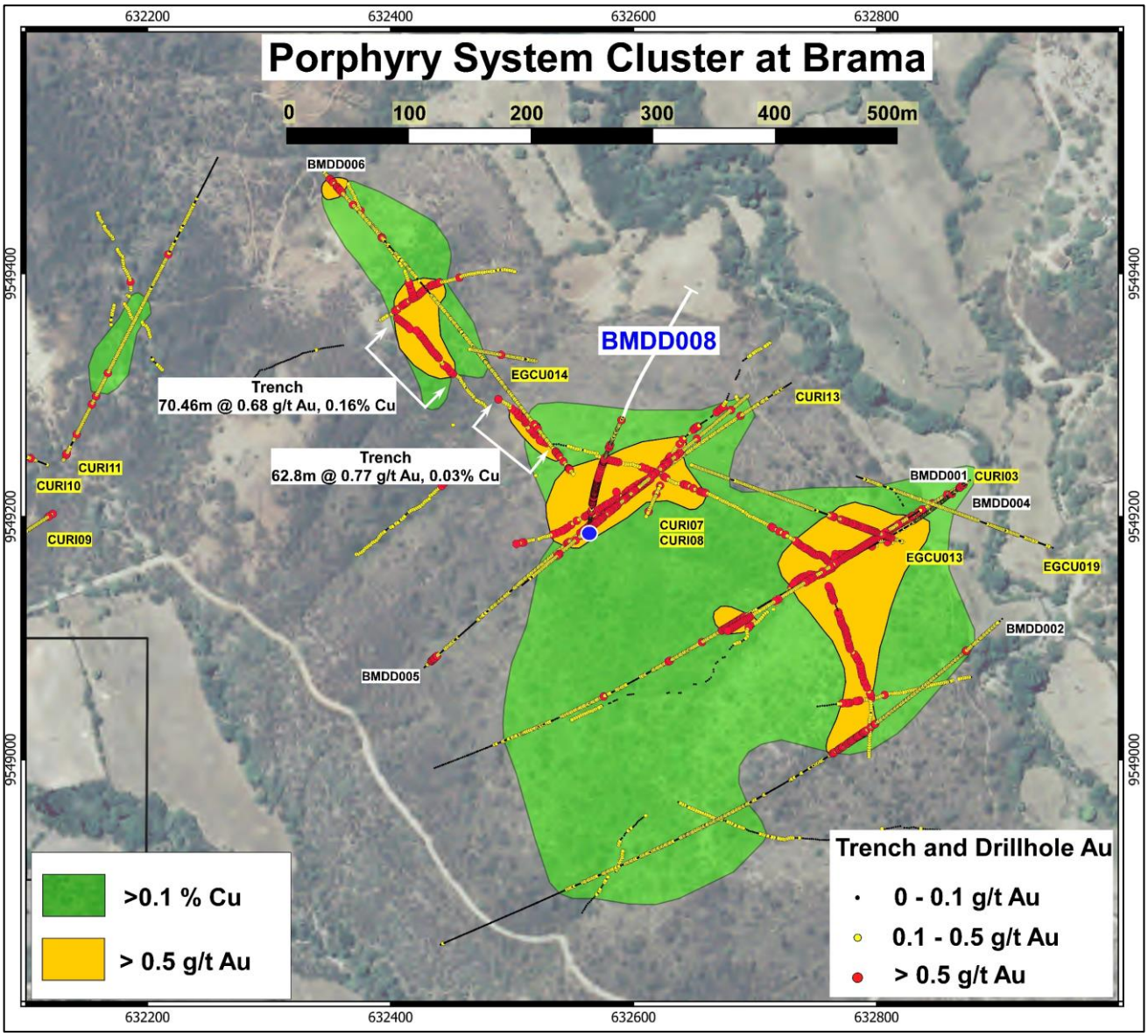

Figure 2: Brama gold-copper porphyry plan view showing higher grade gold domains within a broad lower grade copper halo covering 700m x 500m.

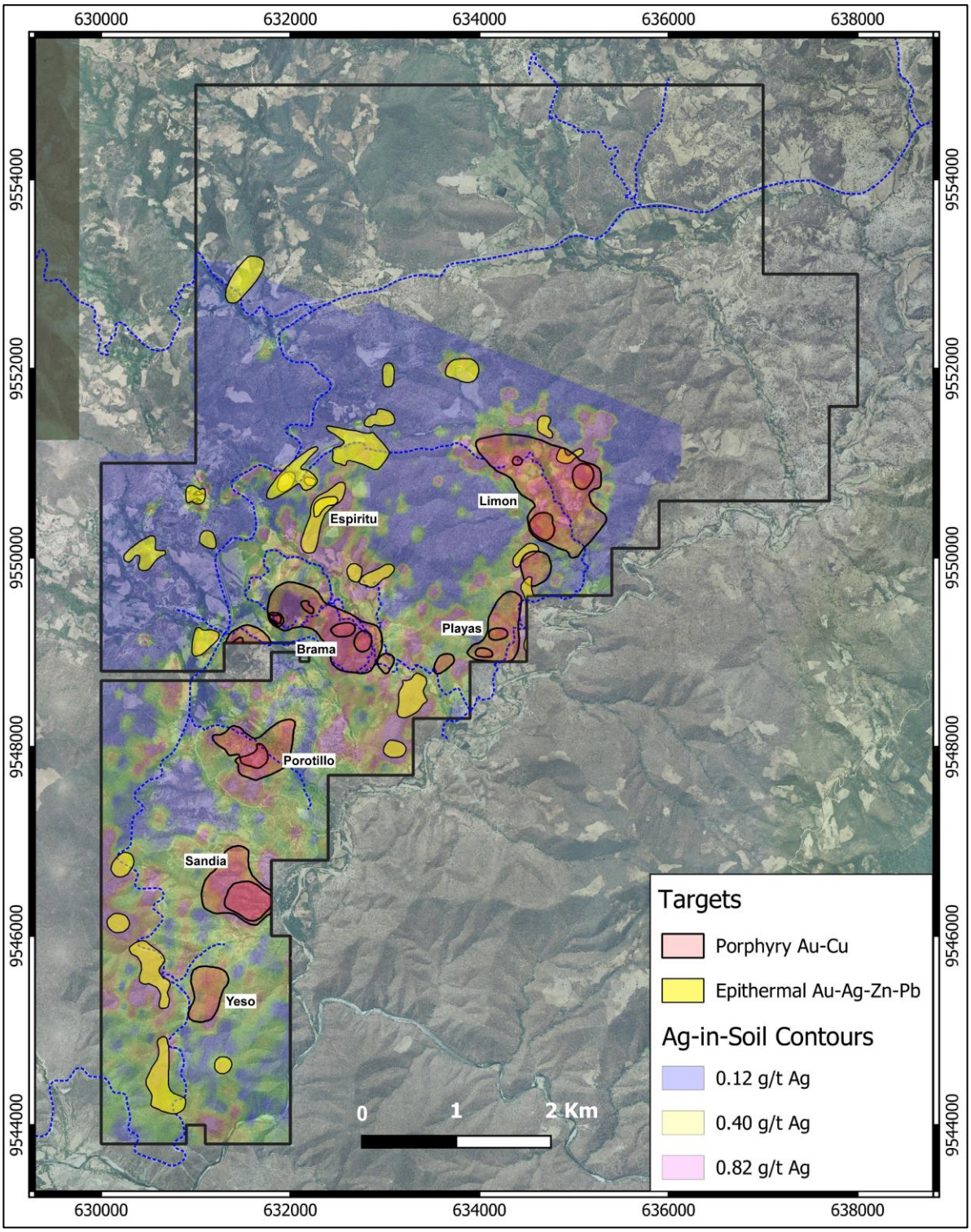

Figure 3: Bramaderos project and Brama gold-copper porphyry target location. Other porphyry gold-copper targets are also labelled.

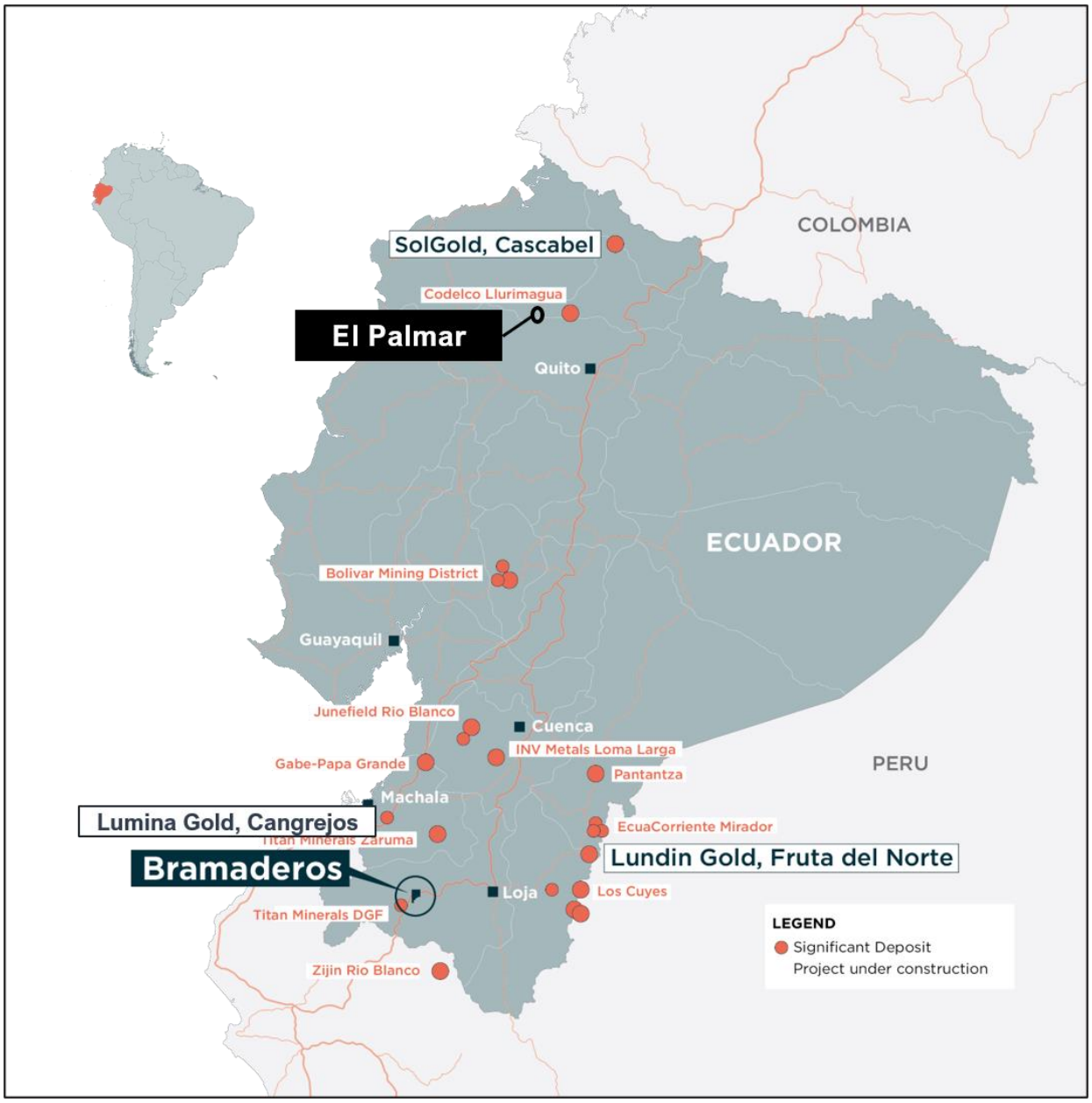

Figure 4: Location of Sunstone's Bramaderos and El Palmar projects, Ecuador

Table 2: Brama drill hole (BMDD008 and BMDD008W1) location details

Hole ID	Easting_PSAD56	Northing_PSAD56	RL	Dip	Azimuth GRID	EOH
BMDD008	632563	9549187	967	-80	7	1039.34
BMDD008W1	632563	9549187	Wedge from 347m, directional drilling			

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 the highly prospective 800ha El Palmar copper-gold porphyry project in Ecuador will be acquired through a Staged Acquisition Agreement, which will ultimately deliver 100 per cent ownership to Sunstone.
3. **Sunstone has a significant equity interest** of ~15% in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019.
4. **The Scandinavian Lithium Project** includes the Kietyönmäki lithium prospect. Drilling by Sunstone has delivered 24.2m at 1.4% Li2O in a spodumene-bearing pegmatite. Kietyönmäki is also part of the JV with Nortec Minerals.

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.

For further information, please visit www.sunstonemetals.com.au
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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 results announced here are from drilling samples and historical trench rock chip samples. The drill core sampling was carried out using half core, generally at 1-2m intervals.
	• *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.
	• *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 Brama 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 Brama target area is now undergoing Phase 2 exploration. • Current drilling by Sunstone is diamond core drilling and has drilled to various depths up to 1,000m. The diamond core was drilled delivering either HTW (70.9mm) or NTW (56mm) core. Drill core is oriented using a Reflex ACT II tool for bottom of hole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recovery data for the Brama drilling was measured for each drill run and captured in a digital logging software package. The data has been reviewed and core recovery was approximately 100% throughout.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Core recovery at Brama was good, no extra measures were taken to maximise sample recovery.
	• *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, trench samples and rock chips were logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features. Logging and sampling 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, and trench and rock chip 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 and trenches are logged in full, from start to finish of the excavation.
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. Quarter core samples were taken ~1 in every 28 samples for duplicate sampling. The remaining core is left in the core trays.
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• N/A.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Surface and drill core samples from Brama were sent to the LAC y Asociados Cia. Ltda. Sample Preparation Facility in Cuenca, Ecuador for sample preparation.

Criteria	JORC Code explanation	Commentary
		The standard sample preparation for drill core samples (Code PRP-910) is: Drying the sample, crushing to size fraction 70% <2mm and splitting the sample to a 250g portion by riffle or Boyd rotary splitter. The 250g sample is then pulverised to >85% passing 75 microns and then split into two 50g pulp samples. Then one of the pulp samples was sent to the MS Analytical Laboratory in Vancouver (Unit 1, 20120 102nd Avenue, Langley, BC V1M 4B4, Canada) for gold and base metal analysis. • The sample preparation 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.*	• Handheld XRF data, together with detailed geological logging, are used as a guide to areas of potential mineralisation and samples from these areas are sent for laboratory analysis as described above.
	• *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.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></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 were collected from one diamond drill hole from the Brama target, and with sample length generally ranging between 1.0 – 2.0m.</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.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		• 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 Bramaderos Exploration Concession is located in the Loja Province of southern Ecuador. The concession was granted to La Plata Minerales S.A. ("PLAMIN") in January 2017. PLAMIN is a subsidiary of Sunstone Metals Ltd. The concession is subject to a Joint Venture between Cornerstone Capital Resources Inc. (12.5%) and Sunstone Metals Ltd. (87.5%). There are no declared wilderness areas or national parks within or adjoining the concession area. There are no established native title interests.
	• *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 Bramaderos Exploration Concession was granted to La Plata Minerales S.A. ("PLAMIN") in January 2017. PLAMIN is now a subsidiary of Sunstone Metals Ltd. The Bramaderos Concession is subject to a Joint Venture between Sunstone Metals and Cornerstone. Sunstone has an 87.5% interest in the JV.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The historic exploration at Bramaderos was completed by various groups over the period 1970-1984, 2001-2002 and 2004-2007. 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 (888 samples) and grid-based soil sampling (1324 samples), trenching and channel sampling (17 trenches), ground magnetic surveys (31 line kilometres), electrical IP surveys and diamond drilling (10426m).
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 Brama is a volcanic arc setting of Cretaceous 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 Figures 1-3 for the location of soil sampling, drilling, and trenching activities at Brama, and nearby areas.

Criteria	JORC Code explanation	Commentary
	• *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.*	• No aggregating of intervals undertaken at this stage.
	• *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.*	• Figures 1-3 shows the interpreted strike orientation of the mineralised lodes based on mapping and interpretation of detailed magnetic data.
	• *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 1-3 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 1-3 above show 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.*	• Figures 1-3 above show 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 1-3 which show areas for further exploration.