

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to welcome you to the 2023 Annual General Meeting for Sunstone Metals Limited ('Sunstone' or 'Company').

I note that Malcolm Norris, our Managing Director, will be presenting an update on our activities at the end of today's meeting but before we get underway with the formal agenda there are a few points that I wanted to highlight.

It has been a year of significant growth for the Company highlighted by a maiden Mineral Resource Estimate at Bramaderos along with two very significant discoveries; Limon at Bramaderos and T3 at El Palmar.

At Bramaderos in Southern Ecuador, Sunstone announced the initial Mineral Resource Estimate in December 2022 for Brama-Alba which stands at 2.7Moz gold equivalent¹, along with a large Exploration Target, with the ultimate goal of defining a 10 million ounce gold district. Subsequent to this, a near surface high grade gold silver epithermal system was discovered at Limon demonstrating the potential for a significant increase in the overall size and grade of the Mineral Resource estimate at Bramaderos. Drilling results from Limon continue to impress with large intervals of gold and silver mineralisation being intersected from very near surface to depths of up to 300m.

At El Palmar in Northern Ecuador, promising assay results have been received in the first holes drilled into the very large T3 target showing substantial gold and copper widths and grades in line with other prominent porphyry deposits globally. The El Palmar targets are located in the same structural belt hosting the 2.6Bt Alpala copper-gold deposit (within the Cascabel project owned by SolGold) and bear many geological similarities, including the same geological age, with the Alpala system. Its early days at T3, but from the drill results to date in combination with the magnetics it appears that we are onto a very large system.

The Company has built a team in the junior resource sector that we believe is second to none. The teams previous work in Ecuador and overseas has led to significant discoveries and shareholder value growth, and the Sunstone team will work towards repeating that success at Bramaderos and El Palmar.

In 2023 we will publish our first sustainability report which marks an important milestone for the Company. Sunstone has continued its efforts to provide a safe, healthy and diverse workplace, which is essential to being able to attract and retain employees of the highest calibre. Our health and safety performance, as well as the representation of women within our technical teams, are steps in the right direction within our ESG strategy. We firmly believe that responsible mining can be transformative for the development of communities in Ecuador, and we are committed to being a part of this positive change.

The investment markets remain challenging for most junior resource companies and Sunstone is no exception. We believe that the excellent work we are undertaking now will be recognised and reflected in our share price as commodity markets recover. This work underpins the further growth of the Company in Ecuador, a highly prospective, pro-mining jurisdiction that continues to attract investment from major mining companies.

I would like to take this opportunity to express my thanks to Sunstone's staff, management and my fellow directors for their dedication and work during the past 12 months. We are committed to delivering strong shareholder returns and growing the Company through its activities in Ecuador.

Yours sincerely

Graham Ascough - Chairman, Sunstone Metals Limited

¹ See ASX announcement lodged 13th December 2022 –Bramaderos MRE and Exploration Target