

SUNSTONE
METALS

AUSTRALIAN
**ENERGY &
MINERALS**
INVESTOR CONFERENCE

ASX
STM

March 2021

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Investment Highlights

- **Sunstone is undervalued**
 - Market Capitalisation = ~A\$30 mill (@1.35cps; 30 day VWAP)
 - Equity Investments + Cash = ~A\$22 mill
 - Delivering Enterprise Value of Ecuador exploration projects = ~A\$8 mill – we would argue, this is grossly undervalued
- **Sunstone owns 87.5% of the Bramaderos Gold-Copper-Silver Project in southern Ecuador**
 - The Bramaderos Project has delivered ore grade intercepts of gold and copper in the Brama porphyry system. Phase 2 drilling in progress
 - The Bramaderos Project has also delivered ore grade intercepts of silver-gold-lead-zinc in the Espiritu epithermal system. Ongoing drilling
 - And there remains 5 additional highly ranked porphyry gold-copper systems – all of which are mineralised and only partially tested
 - And a belt of epithermal gold-silver opportunities
- **Sunstone is acquiring 100% of the El Palmar copper-gold porphyry project in northern Ecuador**
 - Through a Staged Acquisition Agreement based on cash payments linked to milestones
 - Sunstone is targeting the discovery of a giant copper-gold porphyry deposit
 - The project is located in northern Ecuador, in the same regional belt as the giant Cascabel copper-gold deposit, and Llurimagua copper deposit
 - 3 historical diamond drill holes intersected porphyry copper-gold mineralisation
 - A ground magnetic survey is nearing completion, and a drilling rig will be mobilised to site in Q2
- **Sunstone owns ~154 million shares in NASDAQ First North Stockholm listed Copperstone Resources AB**
 - Sunstone's interest is valued at ~A\$19.5 million (at 0.83 SEK per Copperstone share); fully tradeable

We are optimistic because ...

- Sunstone has a vision to build a gold-copper discovery business in Ecuador. Our strong funding position can help deliver the vision
- Opportunity for investors to participate in the discovery of multiple gold-copper and gold-silver deposits within at least 2 projects. **Discovery adds significant value – investment return proposition is very compelling**
- At **Bramaderos**, Phase 1 exploration has delivered extremely encouraging results and solved some technical questions. **We have commenced Phase 2 of the exploration process.** We are optimistic about delivering a porphyry gold-copper discovery
- The **El Palmar** copper-gold porphyry project has great discovery potential
- **Ecuador is building a significant mining sector**; Lundin Gold producing from the high grade Fruta del Norte deposit; Mirador exporting copper-gold concentrate; BHP-Newcrest-Anglo American-Fortescue-Codelco all in country with active exploration programs and long term commitment
- The Sunstone team has a **track record of discovery and generating significant share price increase**

Corporate

A\$30M

MARKET CAPITALISATION
Tightly held
At share price of A\$0.0135
(30-day VWAP)

A\$3.3M

CASH
As at Mar 2021 – unaudited

A\$19M

EQUITY INVESTMENTS
In Nasdaq Stockholm listed
Copperstone Resources AB,
and in ASX listed NewPeak
Metals (ASX:NPM)

2,210M

SHARES ON ISSUE
As at Sep 2020

~39%

TOP 20 SHAREHOLDERS
Hold almost half of all
shares on issue

3.7%

BOARD & MANAGEMENT
Have participated in most
placements in last 4 years

Substantial Shareholders

Valbonne II

5.8%

Ecuador

Building an exploration and mining sector

Ecuador is managing through the coronavirus pandemic.

The mining and exploration industry is deemed to be an 'essential industry' during the pandemic and is encouraged to continue operating if it is safe to do so

We are mid way through a Presidential election process. The first round elections have been completed. Round 2 will be held on April 11 and is contested between the top 2 candidates from Round 1. Both candidates support responsible mining. New President is inaugurated May 24.

Major resource companies have committed to Ecuador for the long term

Mining is now playing an important part in Ecuadorian economic growth; mineral resources now represent one of Ecuador's top five exports; US\$810 million in exports generated by the mining sector in 2020

There will be several very significant gold and copper discoveries and developments in Ecuador over the next few years. Sunstone will be part of that industry growth

Ecuador

Exploration and development is active



Fruta del Norte

Lundin Gold (TSX:LUG)

High grade underground gold mine; Reserve of 20.8Mt at 8.1g/t gold + 11.8g/t silver; 5.4Moz gold In production; 2021 guidance 380,000 - 420,000 ounces gold; AISC US\$800/ounce; 10.4g/t head grade Ecuador's first modern underground gold mine

Mirador

Ecuacorriente

Open Pit producing and exporting concentrate; 62,000t copper and 34,000 ounces gold annual production

673Mt at 0.58% copper and 0.19g/t gold

Cascabel

SolGold 85%/ Cornerstone 15%

Alpala resource

2,663 Mt @ 0.37% copper and 0.25g/t gold in the Measured and Indicated categories, and 544 Mt @ 0.24% copper and 0.11g/t gold in the Inferred category.

Top of main orebody ~500m below surface

Cangrejos

Lumina Gold (TSX.V:LUM) 100%

568Mt at 0.55g/t gold and 0.11% copper in the Indicated category, and 476 Mt @ 0.41g/t gold and 0.08% copper in the Inferred category.

Llorimagua

Codelco/Enami (Ecuador) JV; 982Mt at 0.89% copper and 0.04% molybdenum

(1.55Bt at 0.51% copper)

Sunstone Metals

Community, Safety and Environment



Sunstone appreciates the strong community support it has at its projects

Sunstone has active environmental monitoring programs and is involved in various community programs at Bramaderos.

Community engagement at El Palmar is developing well

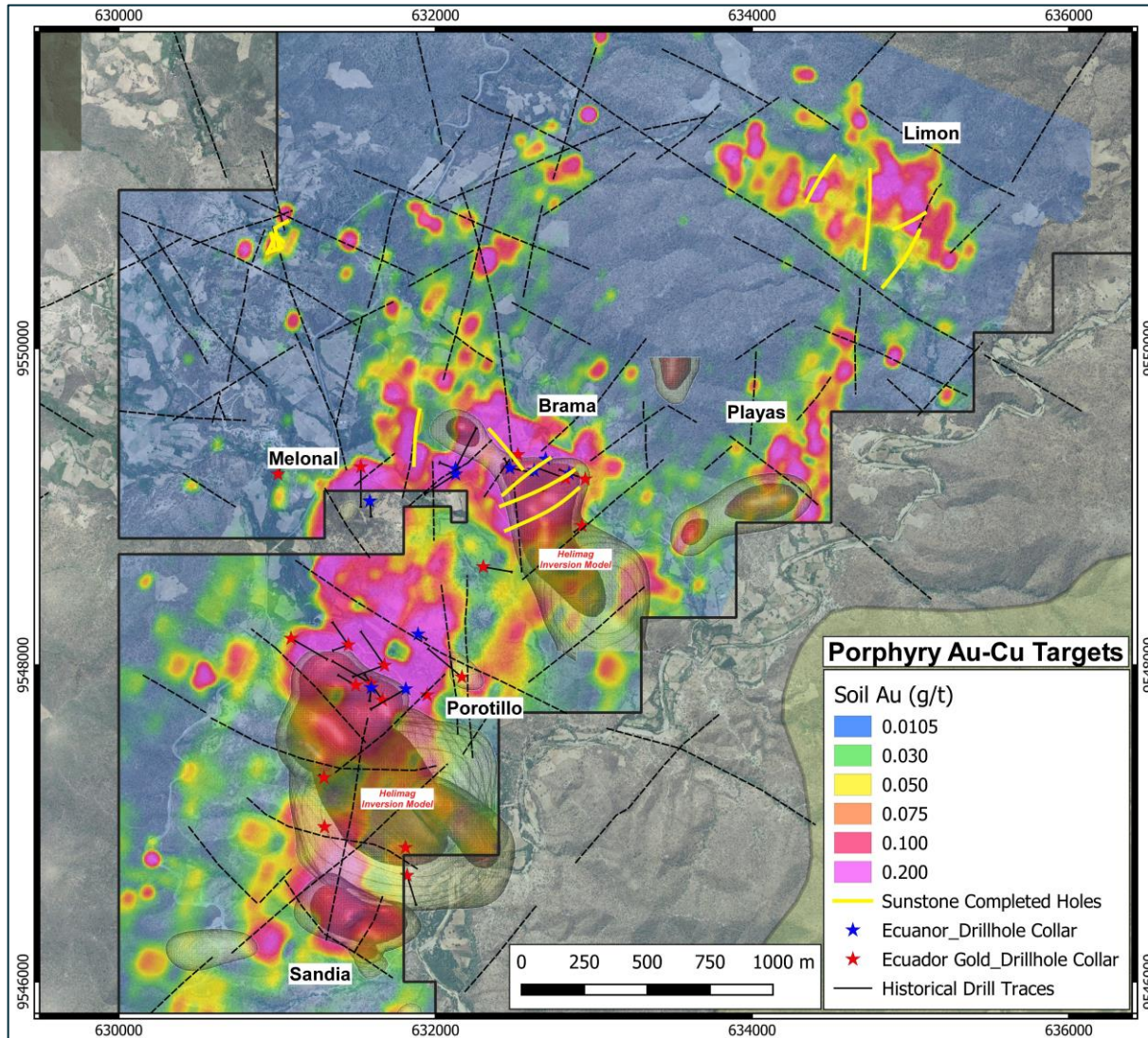
At Bramaderos we have been working with the local communities to assist where possible during the coronavirus pandemic

We have implemented a strict coronavirus operating plan to allow our exploration programs to continue across 2 projects while not compromising local health and safety



Bramaderos Project

Multiple Targets – Porphyry gold-copper and epithermal silver-gold



Multiple targets now being tested in Phase 2 of our exploration program

At least 2 known mineralised epithermal gold-silver systems

Currently drilling the Espiritu target

6 porphyry gold-copper systems have been identified and all are mineralized

Currently drilling the Brama target

Brama – existing drilling; ore grade intercepts

Limon – existing drilling; drilled outside edge of porphyry

Playas – no drilling

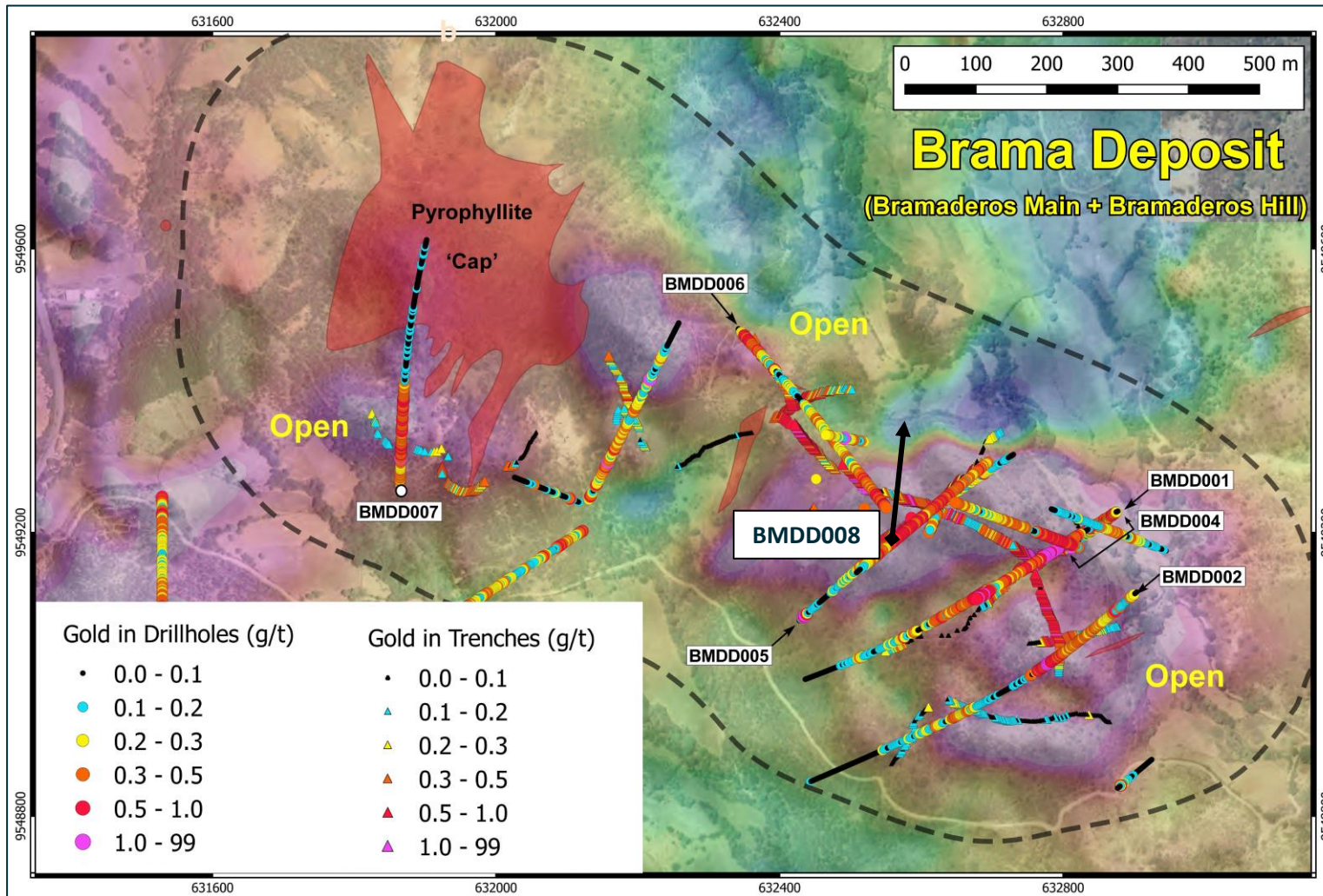
Melonal – very minor drilling found copper and gold

Porotillo – historical drilling, some good grades

Sandia – no drilling

Brama Porphyry

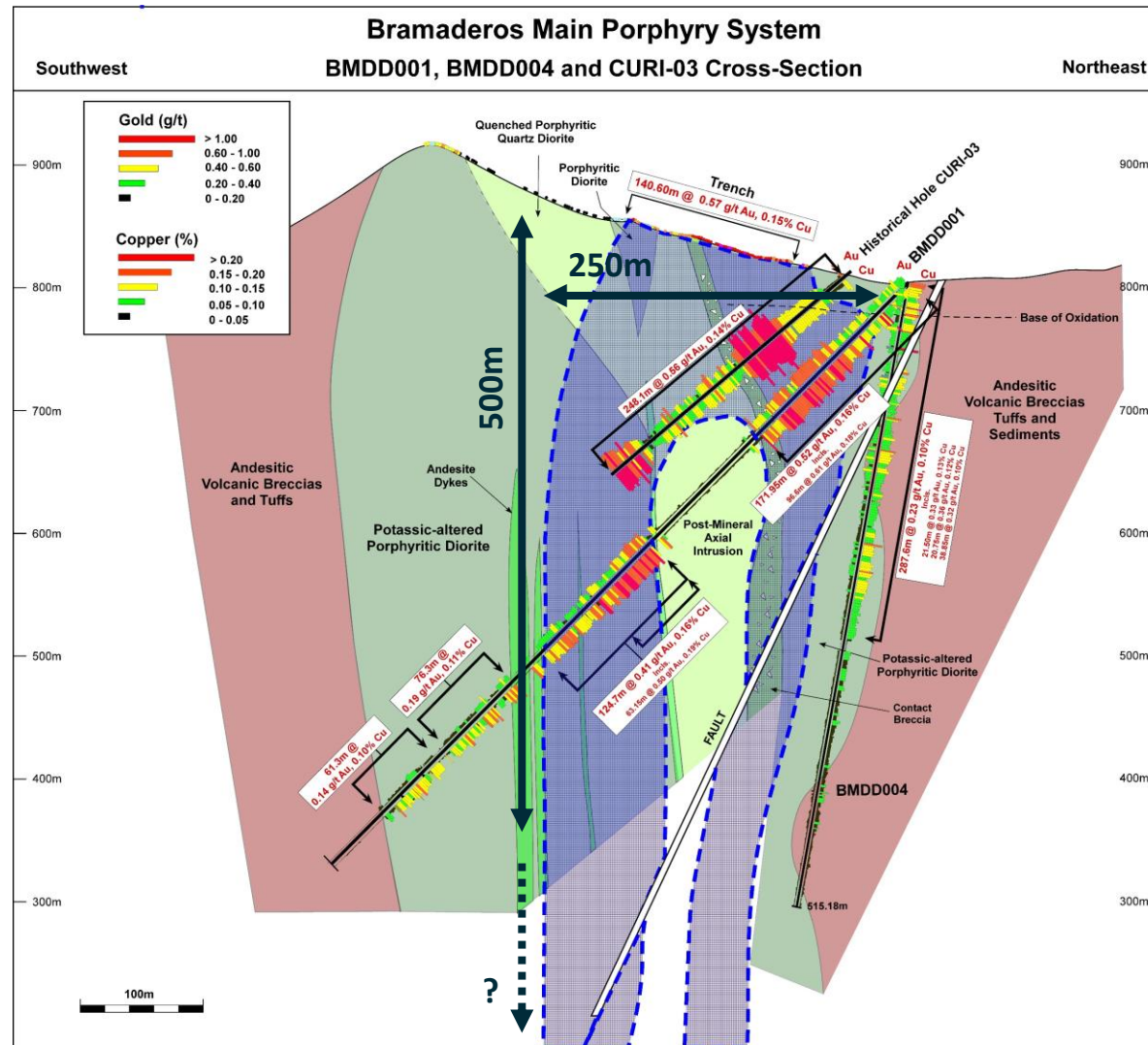
6 effective drill holes - all mineralized, some ore grade



- Longitudinal trench **BM14** – **615.14m** at **0.52g/t Au** and **0.11% Cu**, includes
 - **122.6m** at **0.55g/t gold, 0.17% copper**, and
 - **97m** at **0.61g/t gold, 0.16% copper**, and
 - **179.7m** at **0.6g/t gold, 0.09% copper**
- Cluster of higher grade porphyry systems within large lower grade system
- Original exploration focussed on large bulk tonnage lower grade system
- Results to date now allow us to focus on clusters of smaller, sub-vertical, higher grade systems
- Ground magnetics delivered a breakthrough
- **Integrated data – trenching, drilling, magnetics, geology telling us the same story = high confidence**

Brama Porphyry

Brama – Curi-03, BMDD001 and BMDD002 drilling



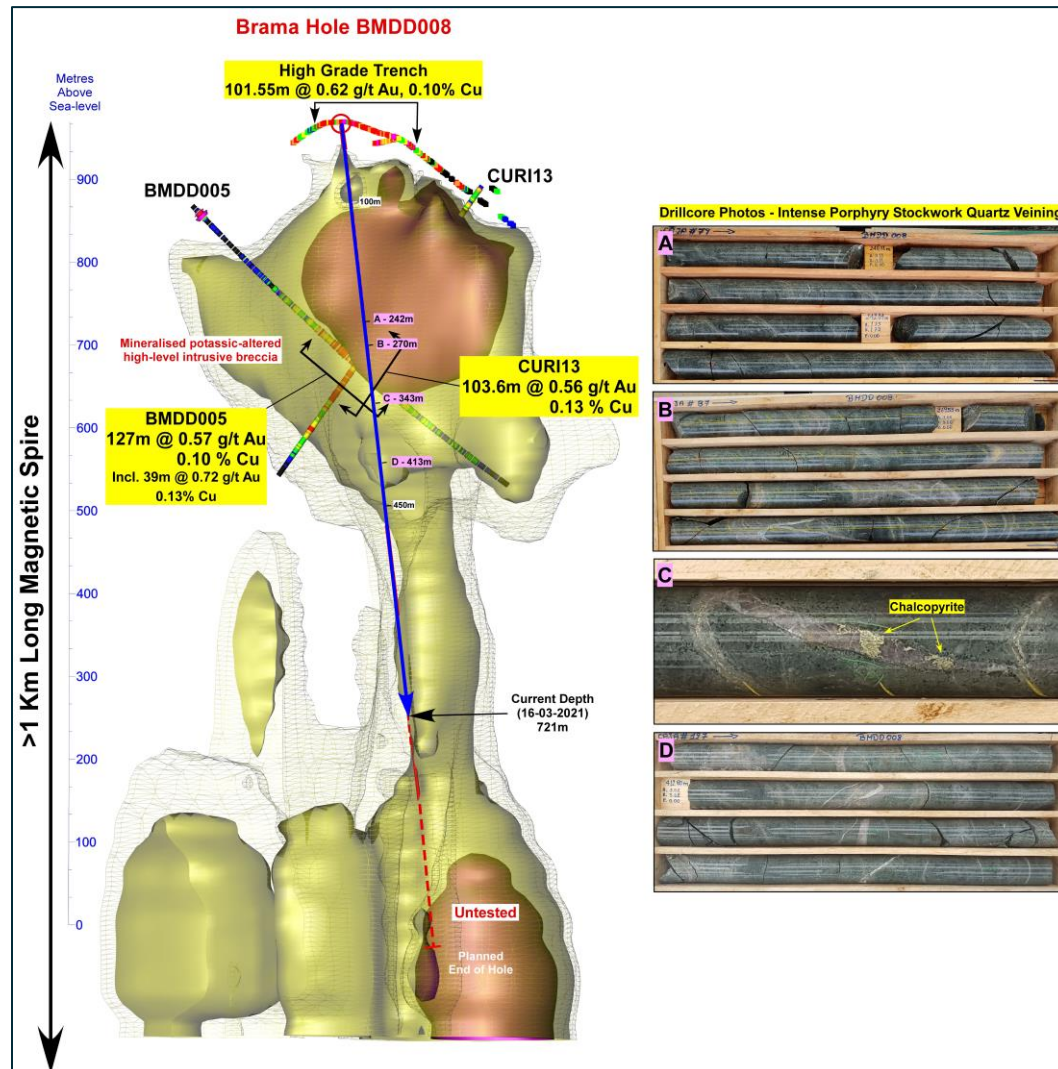
200m diameter outcropping 'pencil porphyry' system on this section

We have at least 4 of these within the Brama porphyry

- In BMDD001 –
 - ✓ 172m at 0.52g/t gold and 0.16% copper downhole, *including*
 - ✓ **96.6m at 0.61g/t gold and 0.18% copper**, and
- In BMDD002 –
 - ✓ 55m at 0.74g/t gold and 0.15% copper, *including*
 - ✓ **18m at 1.0g/t gold and 0.19% copper**
- Historical hole CURI-03:
 - ✓ 248.1m at 0.56g/t gold and 0.14% copper, *including*
 - ✓ **62m at 1.0g/t gold and 0.22% copper**, and
 - ✓ 30.2m at 0.8g/t gold and 0.2% copper at EOH
- Trench above CURI-03 returned
 - 140.6m at 0.57g/t gold and 0.15% copper, *including*
 - ✓ **68.2m at 0.8g/t gold and 0.18% copper**

Brama Porphyry

Current Drill hole BMDD008



BMDD008 will test the 'pencil porphyry' model as defined by 3-D modelling of magnetics

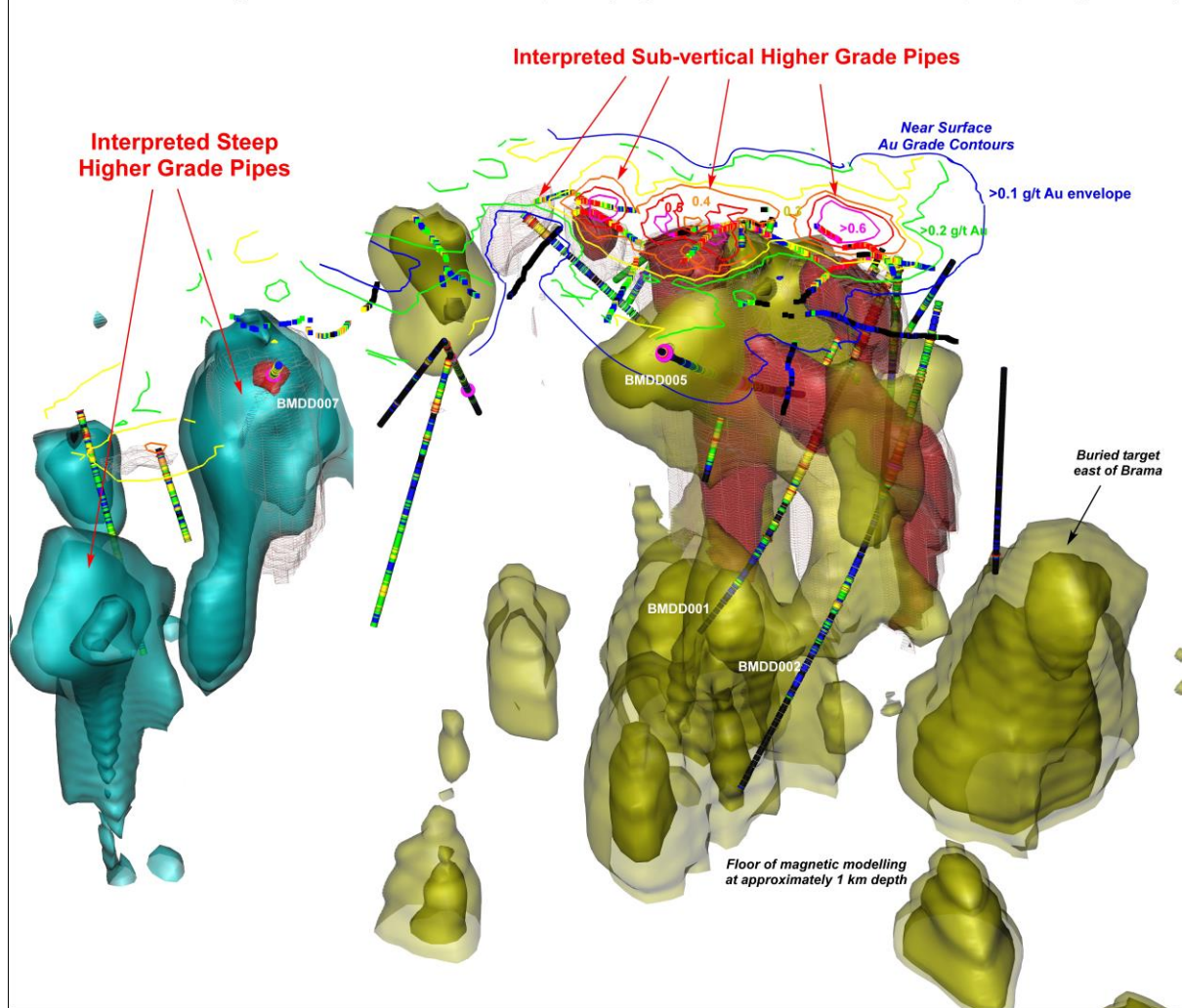
- BMDD008 is drilling through and below a potassic-altered high-level porphyry related intrusive breccia with intervals up to 127m at 0.57g/t gold and 0.1% copper in previous drilling by Sunstone (BMDD005)
- Previous and historical drilling was outside of the area of the newly re-processed main 3-D magnetic anomaly
- To date we are encouraged by what we see in the drill core. Intense stockwork veining and evidence of copper mineralisation

If this test is successful then it opens up Brama (and other porphyry targets in the concession) to testing of multiple similar targets

Brama Porphyry

Brama – Cluster of porphyry systems

Inclined View Looking NNE Across the Brama Prospect - (Magnetic Iso-surfaces and Au 0.35, 0.40, 0.50 g/t shells)

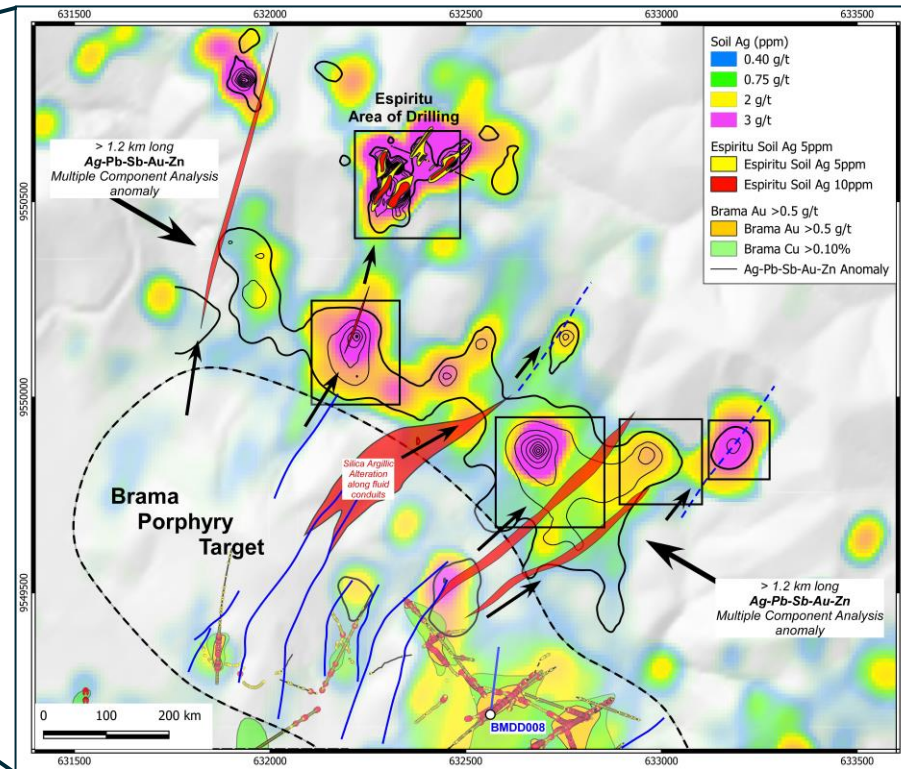
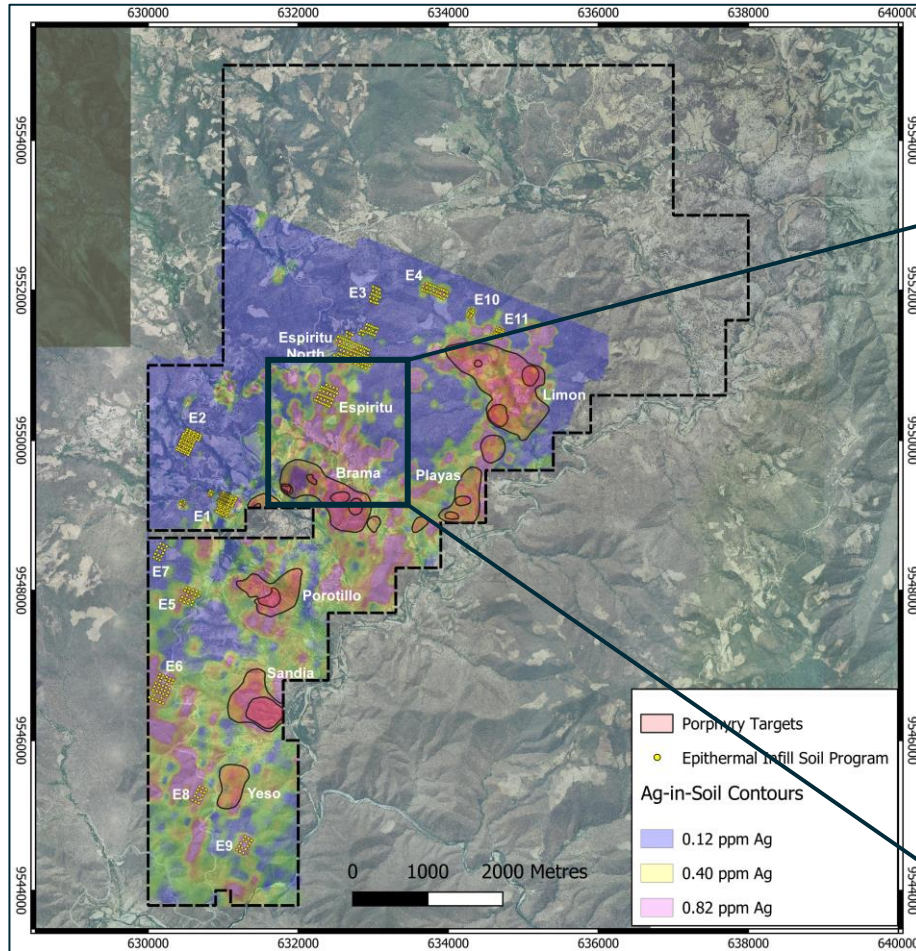


- Compelling interpretation built from new detailed ground magnetic data, 3-D modelling, and new drilling results
- Exploration data is telling us we have a cluster of smaller higher grade gold-copper porphyry systems
- Exploration strategy is to drill and define the higher grade gold-copper porphyry domains within the larger lower grade systems
- The exploration model is transferable to all other porphyry systems at Bramaderos – i.e. Limon, Playas, Melonal, Porotillo, Sandia

Espiritu Epithermal Discovery

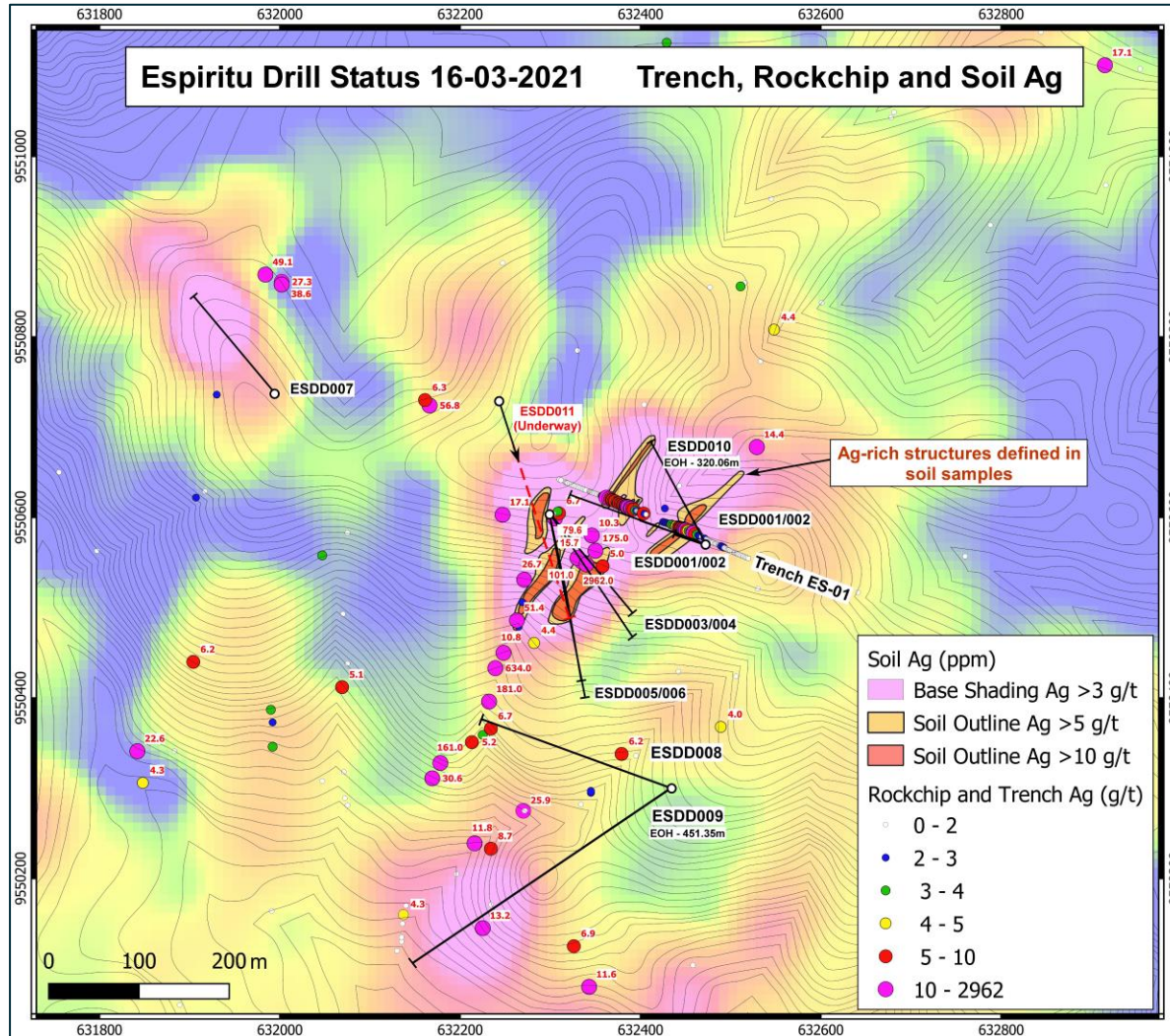
High grade gold-silver-lead-zinc – new discovery

- Espiritu discovery is growing with further exploration
- Compelling anomalies defined to the south of the area of drilling
- 1.2km long belt still to be drilled



Espiritu Epithermal Discovery

Drilling continuing; scale growing; bonanza silver grades



- Trenching has returned 4m at 415 g/t silver, 0.9g/t gold, 12.9% zinc+lead, within a broader zone of 21m at 82g/t silver, 0.3g/t gold and 2.5% zinc+lead
- Rock chip sampling has delivered up to 11.9g/t gold, 2962g/t silver, 7% zinc for individual samples
- Drilling has delivered up to;
 - 2.4m at 104g/t silver, 0.7g/t gold, 3.4% zinc, 1.6% lead from 145.8m
 - 1.1m at 1069g/t silver, 0.2g/t gold, 5.5% zinc, 1.3% lead from 225.5m
 - 11.6m at 167g/t silver, 0.2g/t gold, 2.1% zinc, 0.8% lead from 259.1m
 - 0.4m at 355g/t silver, 0.36g/t gold, 3.55% zinc from 173m
 - 0.5m at 187g/t silver, 1.44g/t gold from 206m
 - 0.5m at 550g/t silver, 0.26g/t gold from 278m
 - 0.6m at 154g/t silver, 6.46g/t gold from 371.4m (140m below surface)
- Strike extent of mineralisation 700m, and growing

Espiritu Epithermal Discovery

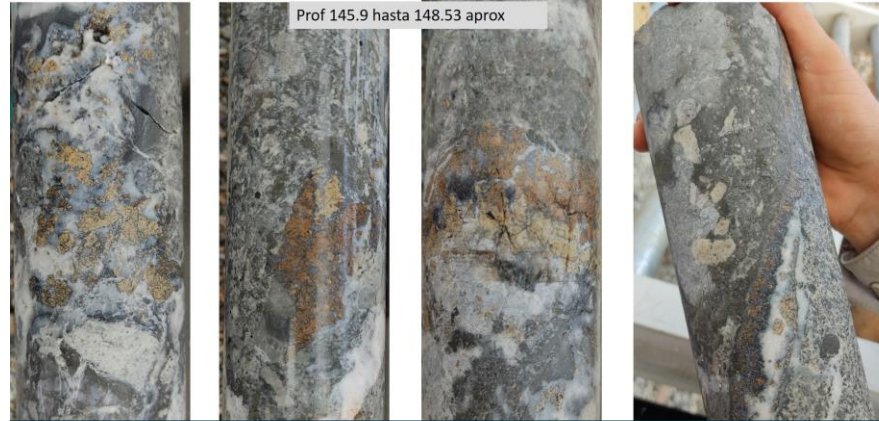
Drilling in Progress – justification to be optimistic



ESDD004, 224.5m, sp in vein; 7g/t silver + 0.11g/t gold



ESDD005, 266m, sp in vein breccia; 225g/t silver + 0.22g/t gold + 6.4% zinc + 1.9% lead



ESDD005, 147m, coarse grained sp in vein breccias; 53g/t silver + 0.76g/t gold + 3.6% zinc + 1.4% lead

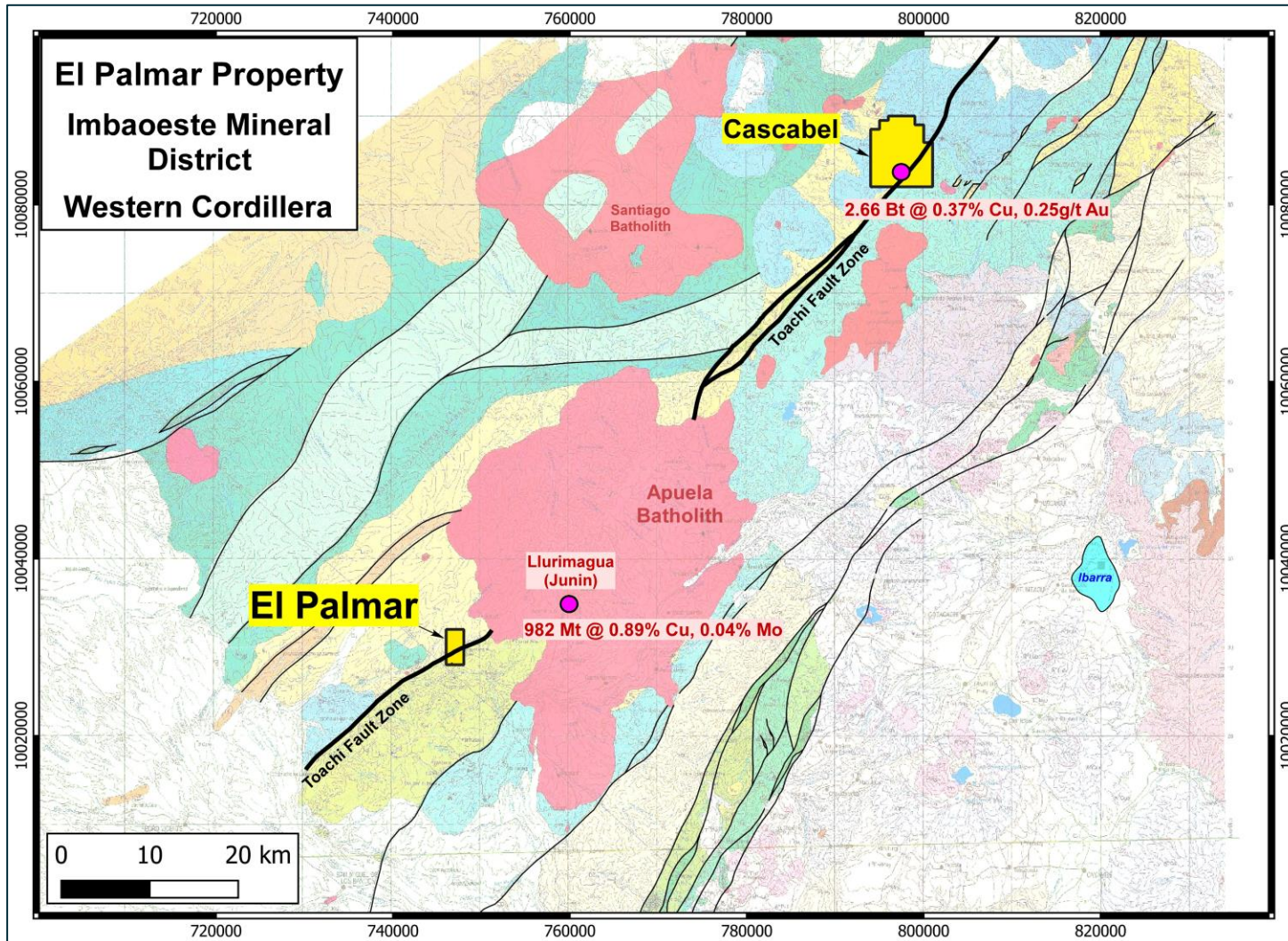


ESDD005, 228m, sp in vein breccia; 169g/t silver + 0.35% zinc

- Drilling in the sulphide zone has intersected veined and brecciated intervals across several holes with significant lead (galena - gn) and zinc (sphalerite - sp)
- See ASX releases 11 Nov 2020; 1 Dec 2020; 21 Jan 2021; 17 Mar 2021

El Palmar

New project – northern Ecuador



Staged Acquisition Agreement to secure 100% of the El Palmar property

Prospective for porphyry copper-gold similar to the 2.7Bt Alpala deposit at Cascabel and the 1Bt Llurimagua deposit

Ground magnetics survey to start asap; this will define drill target

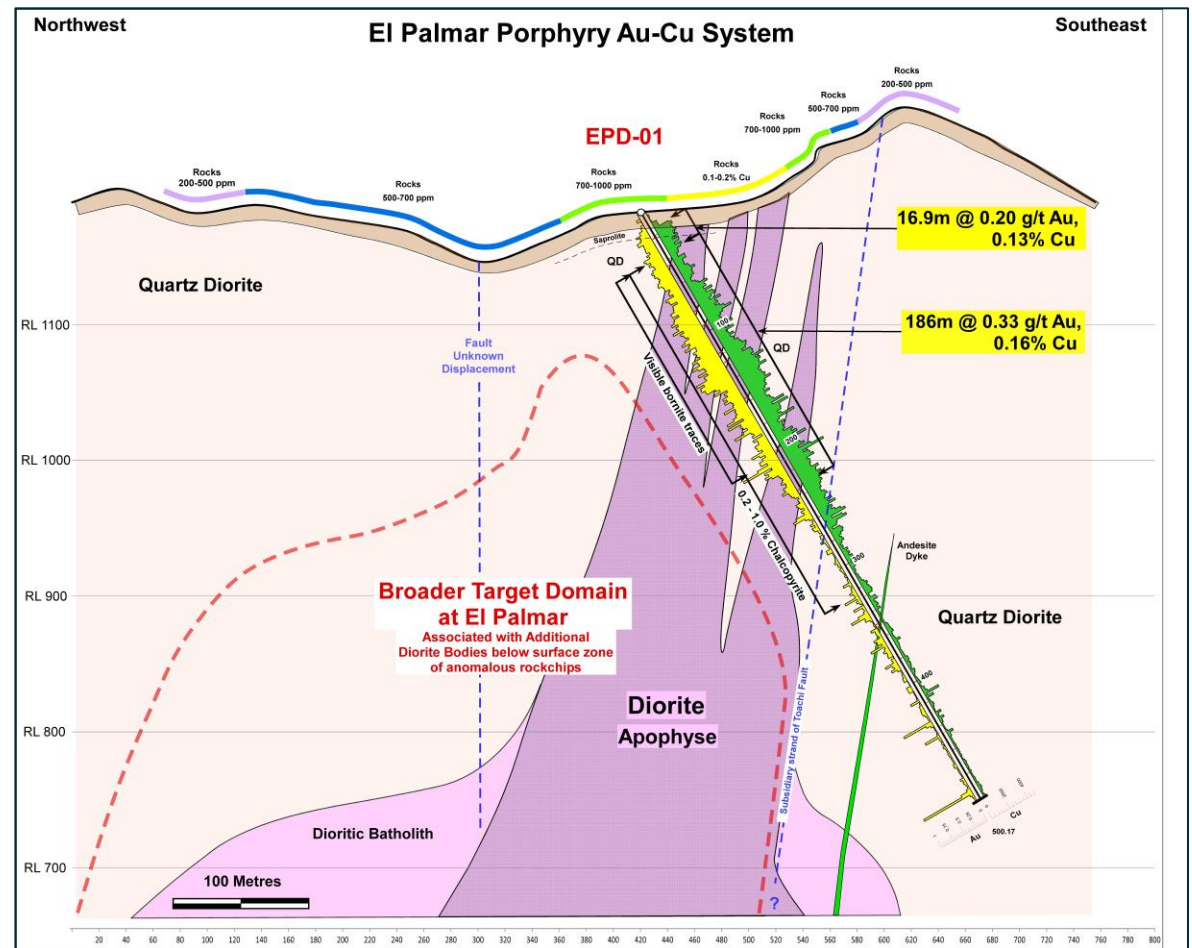
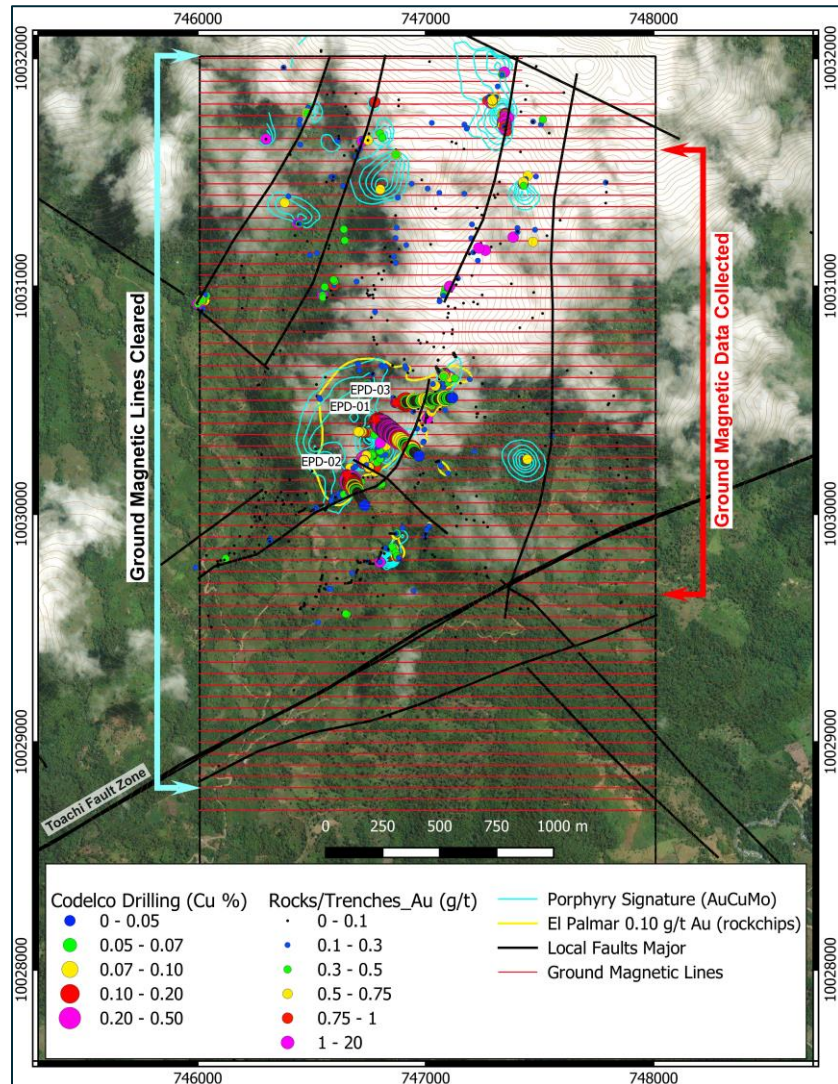
Drill Permit in place, drilling planned March-April

Trench No.	Interval (m)	Gold (g/t)	Copper (%)
1	174	0.41	0.11
including	42	0.72	0.05
2	126	0.39	0.05
including	57	0.61	0.13

Drill Hole No.	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)
EPD-01	33.0	500.2	467.2	0.18	0.10
including	33.0	219.0	186.0	0.33	0.16
EPD-02	51.0	124.4	73.5	0.22	0.12
including	51.0	85.5	34.5	0.31	0.16
EPD-03	400.5	500.2	99.7	0.09	0.05

El Palmar

Historical drilling confirms porphyry; magnetics to define new drill targets



What's Ahead

- ✓ **Exciting 2021 - Discovery focused, multiple targets, drilling across all targets, strong funding position**
- ✓ Brama porphyry gold-copper drill hole commenced Feb 2021; confirm 'pencil porphyry' model and drill considerable vertical extent; mineralization observed in upper part of hole; complete the current hole in early April and assay results in May; drilling to continue
- ✓ El Palmar exploration ramping up, ground magnetic survey nearly completed, drilling in Q2. Target is a giant copper-gold porphyry. 3-D magnetic modelling about to start, first images to be released in April
- ✓ Espiritu silver-gold-polymetallic drilling ongoing; identify the higher-grade shoots; more assays due in April
- ✓ Ecuador team performing strongly and can be managed remotely while coronavirus travel restrictions apply
- ✓ Very strong funding position; cash and liquid equity investments

Competent Persons Statement

The information in this report that relates to exploration results and exploration targets and 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