

ASX ANNOUNCEMENT

11 NOVEMBER 2020

Sunstone Metals Ltd – Investor Presentation

- Sunstone to present at Resources Rising Stars 2020 Investor Conference and Noosa Mining Conference
- Wednesday 11 November 2020 at 10.30am AEST (Resource Rising Stars) and 4.10pm AEST (Noosa)

Sunstone Metals Ltd (ASX: STM) is pleased to advise it will present investor briefings at both the *Resources Rising Stars 2020 Investor Forum* and the *Noosa Mining Conference* on 11 November 2020.

The Company invites investors to view a live streamed video presentation with Sunstone Managing Director Malcolm Norris.

Investors can register online to watch the presentation via the following links:

https://www.bigmarker.com/series/Resources-Rising-Stars-2020-Investor-Conference/series_summit

<https://www.noosaminingconference.com.au/register>

More information can be found at:

<https://www.resourcesrisingstars.com.au/events/rrs-two-day-investor-webinar>

<https://www.noosaminingconference.com.au/program-1>

The following presentation will be given by Sunstone Managing Director Malcolm Norris at both conferences.

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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This Presentation contains general information about Sunstone Metals Limited (Sunstone) which is in the business of exploring for minerals which is a speculative and risky venture. It does not purport to contain all the information that a prospective investor may require. The Presentation should not be considered as an offer or invitation to subscribe for or purchase of any securities in Sunstone and no agreement to subscribe for securities will be entered into on the basis of this Presentation. Potential investors should conduct their own investigation and analysis and should check the accuracy, reliability, and completeness of the information provided and obtain independent and specific advice from appropriate professional advisors.

FORWARD-LOOKING STATEMENTS

This Presentation includes certain statements that may be deemed “forward-looking statements”. All statements in this Presentation, other than statements of historical facts, that address future activities and events or developments that Sunstone expects, are forward looking statements.

Although Sunstone believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions.

Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

Investment Highlights

- **Sunstone is undervalued**

- Market Capitalisation = ~A\$40 mill
- Equity Investments + Cash = ~A\$21.5 mill
- Enterprise Value of Ecuador exploration projects = ~A\$18.5 mill

- **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 porphyry systems, and has multiple targets still to be fully tested
 - 6 highly ranked porphyry gold-copper systems – all of which are mineralised and only partially tested
 - a belt of epithermal gold-silver opportunities – and the initial work is demonstrating high grades
- Bramaderos Project is in a regionally extensive well mineralised porphyry - epithermal district
- This position was earned through a low entry cost earn-in JV with respected TSX:V listed company Cornerstone Capital Resources

- **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
- The project is located in northern Ecuador, in the same regional belt as the Cascabel copper-gold deposit
- 3 historical diamond drill holes intersected porphyry copper-gold mineralisation

- **Sunstone owns ~24% NASDAQ First North Stockholm listed Copperstone Resources AB**

- Sunstone's interest is valued at ~A\$19 million (at 0.77 SEK per Copperstone share)
- Sunstone has further exposure to upside through a Tranche 2 milestone linked payment upon issuance of an Environmental Permit for the development of Viscaria

We are optimistic because ...

- Sunstone has a vision to build a gold-copper discovery business in Ecuador and is monitoring new opportunities. The leverage from Sunstone's equity investment in Copperstone 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**
- At Bramaderos, Phase 1 exploration has delivered extremely encouraging results and solved some technical questions. **We are entering Phase 2 of the exploration process.** We are optimistic about delivering a porphyry gold-copper discovery
- At Bramaderos, exploration of silver-gold-polymetallic epithermal targets is delivering success
- The El Palmar project has great discovery potential
- **Ecuador is building a significant mining sector;** Lundin Gold commissioned Fruta del Norte; Mirador exporting copper-gold concentrate; BHP-Newcrest-Anglo American-Fortescue-Hancock-Codelco all in country with long term commitment
- The Sunstone team has a **track record of discovery**

Corporate

A\$39.8M

MARKET CAPITALISATION

Tightly held
At share price of A\$0.018
(30-day VWAP)

A\$2.6M

CASH

As at Sep 2020 - unaudited

A\$19M

EQUITY INVESTMENTS

In Nasdaq Stockholm listed
Copperstone Resources AB
(plus Tranche 2 cash+shares;
upon issuance of Environmental
Permit for development of
Viscaria)

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%

Listed on the Australian Stock Exchange **ASX:STM**

Ecuador

Exploration and development is active

Ecuador is managing through the coronavirus pandemic. The government is taking a practical approach and opening some industries in an effort to support the economy, while managing the health issues

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

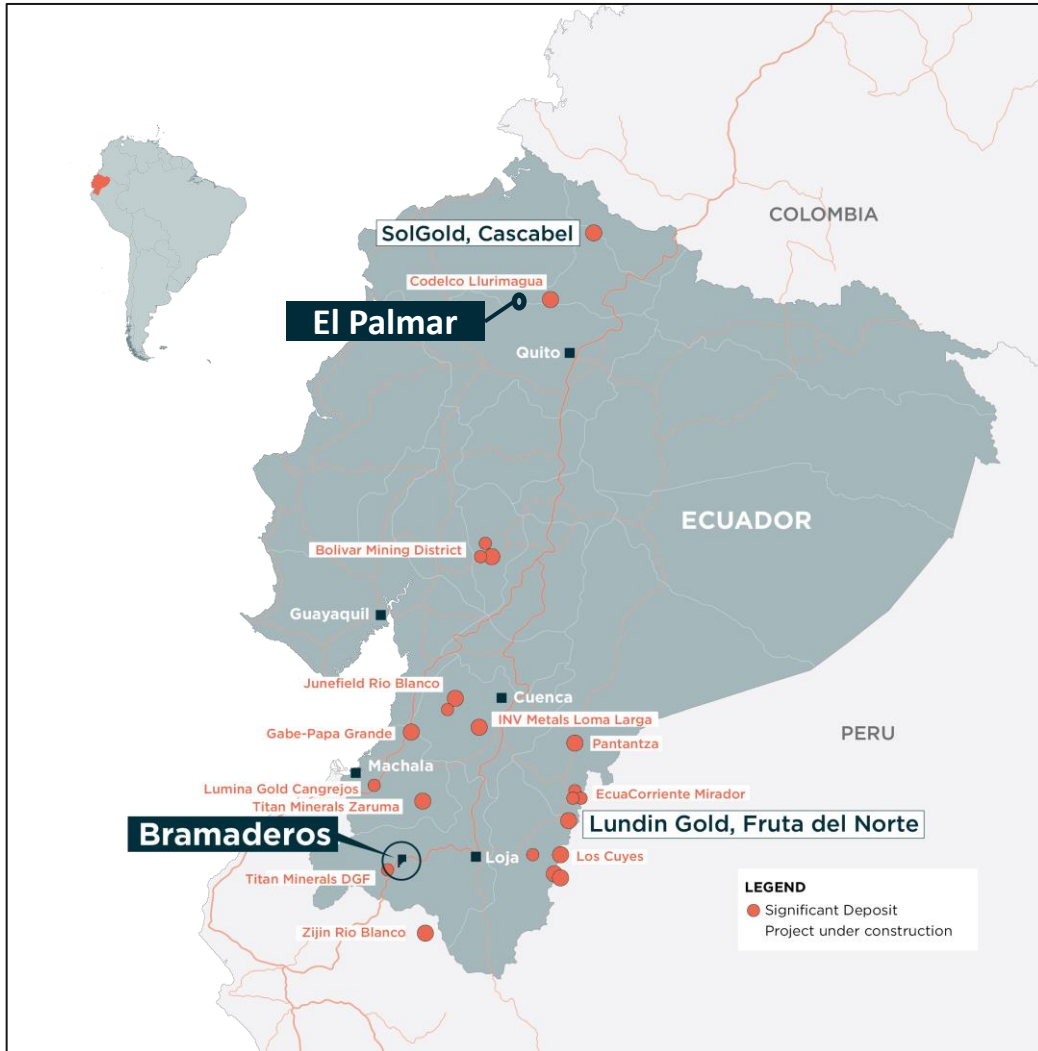
Exploration, development and mining has resumed.

Major resource companies have committed to Ecuador for the long term

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 and strongly supported by Government



Fruta del Norte

Lundin Gold (TSX:LUG)

High grade underground gold mine; 25.4Mt at 8.21g/t gold

In production; building to 325,000 ounces gold per year; AISC US\$621/ounce

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

2,050 Mt @ 0.41% copper and 0.29g/t gold in the Indicated category, and 900 Mt @ 0.27% copper and 0.13g/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.

Llurimagua

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

Previously referred to as Junin

Sunstone Metals

Community, Safety and Environment



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

Community engagement at El Palmar has commenced

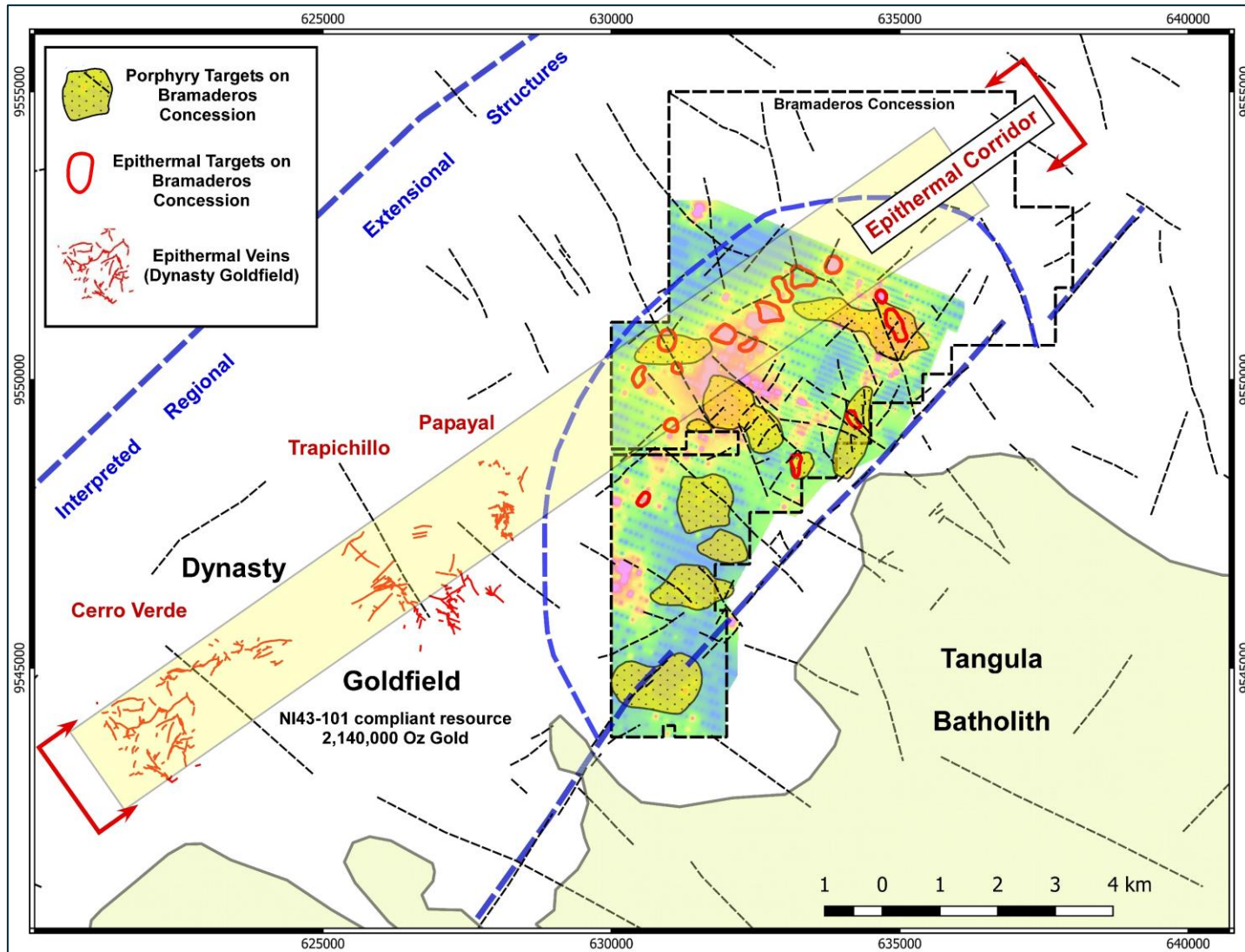
At Bramaderos we have been working with the local communities to assist where possible during the coronavirus pandemic

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



Bramaderos Project

Within regional mineralised belt



Bramaderos Project – 4,948ha exploration concession in the ‘Advanced Stage’ category

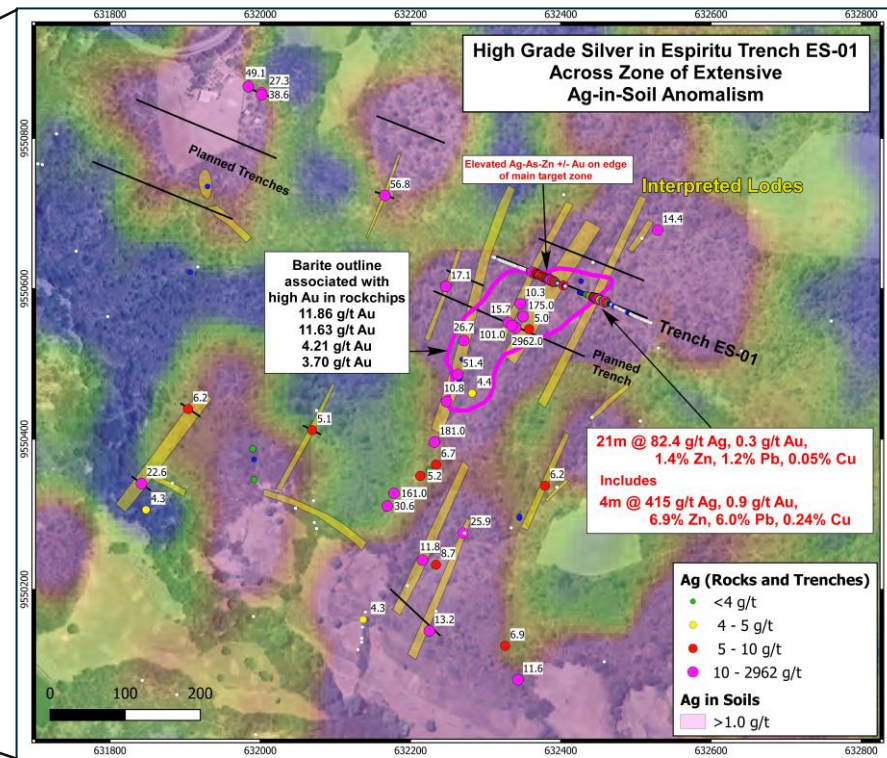
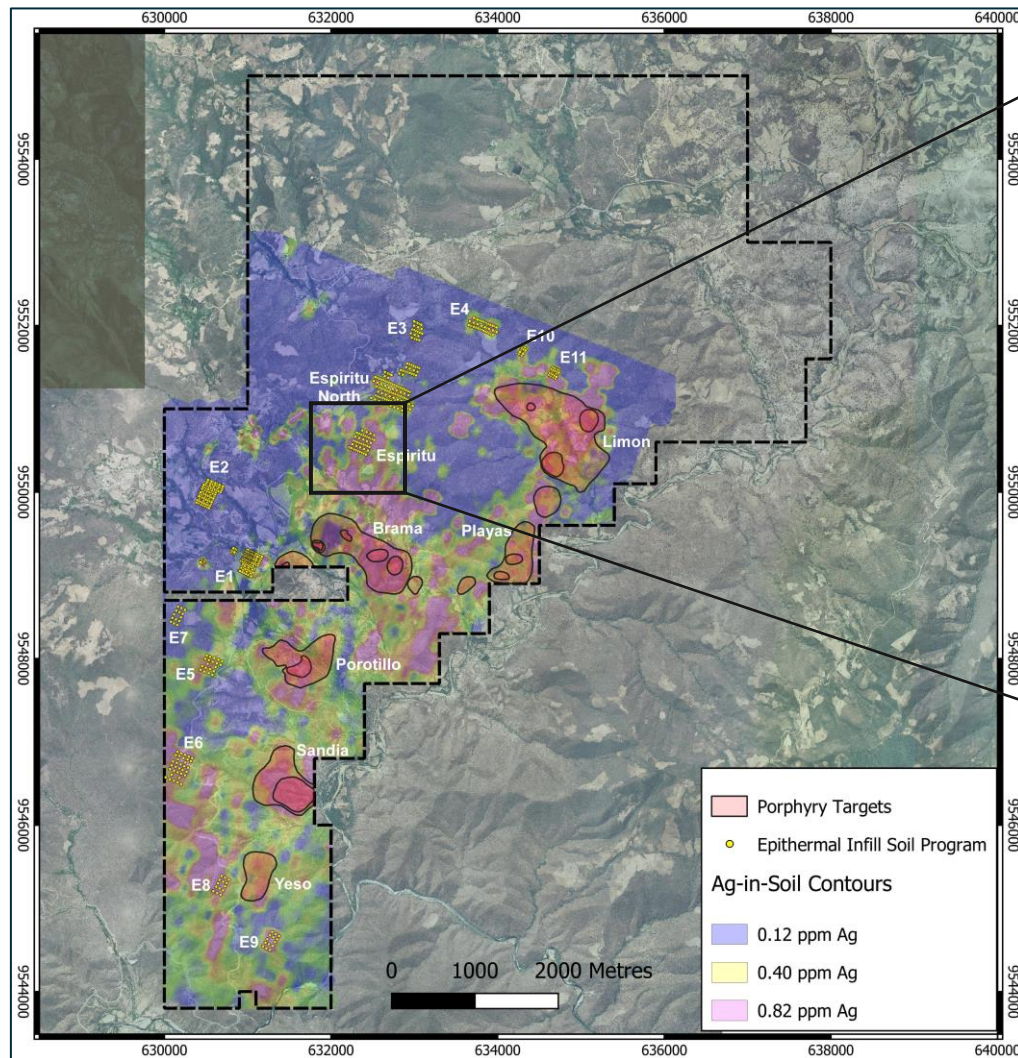
Strategically located along strike from the 2-million-ounce Dynasty Goldfield (epithermal gold), and within a region of other significant porphyry gold-copper opportunities

6 porphyry gold-copper systems, all mineralised

At least 2 known mineralised epithermal gold-silver systems; plus 10 additional targets

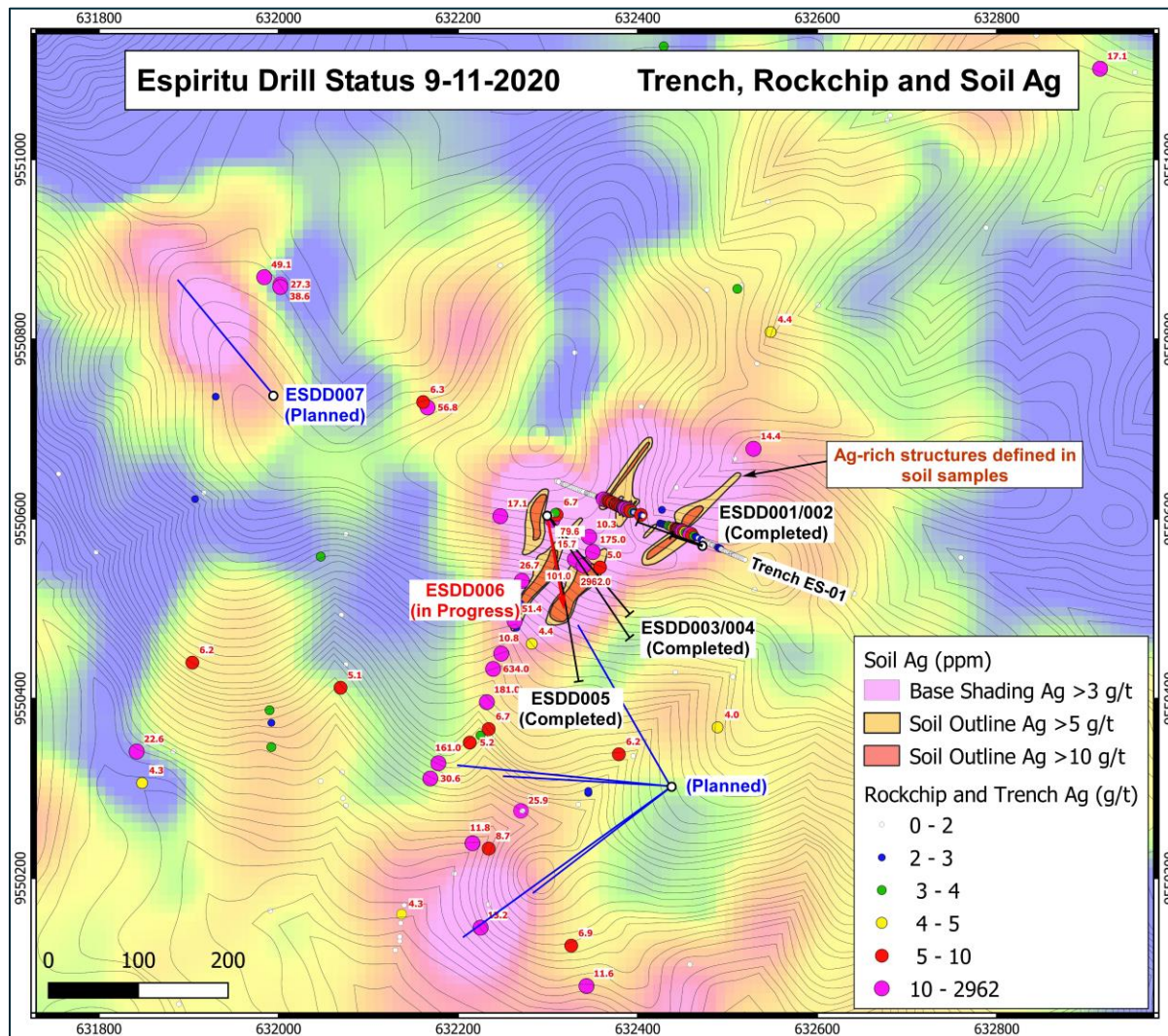
Multiples Epithermal Silver-Gold-Polymetallic Targets

Currently drilling Espiritu - opportunity for high grade gold-silver-lead-zinc



Espiritu Target

Drilling in Progress



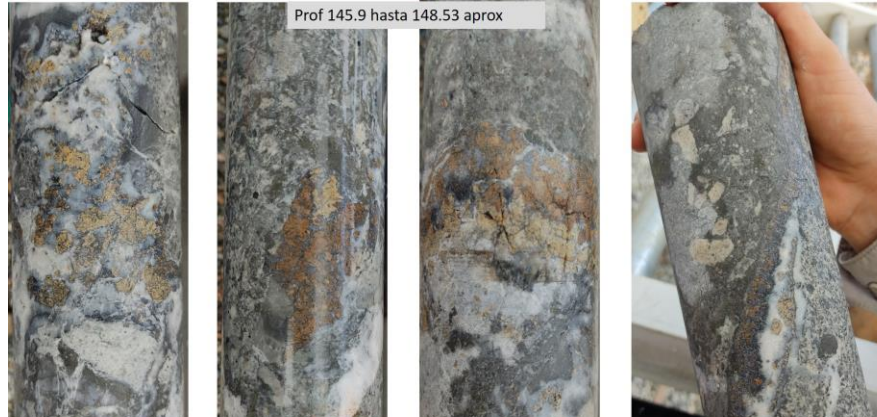
- Trenching has returned 4m at 415 g/t silver, 0.9g/t gold, 12.9% zinc+lead, within a broader zone of 21m at 82g/t silver, 0.3g/t gold and 2.5% zinc+lead
- Rock chip sampling has delivered highly promising results of up to 11.9g/t gold, 2962g/t silver, 7% zinc for individual samples
- Drilling in progress;
 - ESDD001-005 have been completed, and assays are expected soon (see photos next page)
- Drilling is continuing with hole ESDD006 in progress
- Planning for additional drilling is underway with access and drill pads in preparation

Espiritu Target

Drilling in Progress – justification to be optimistic



ESDD004, 224.5m, sp in vein



ESDD005, 147m, coarse grained sp in vein breccias



ESDD005, 266m, sp in vein breccia

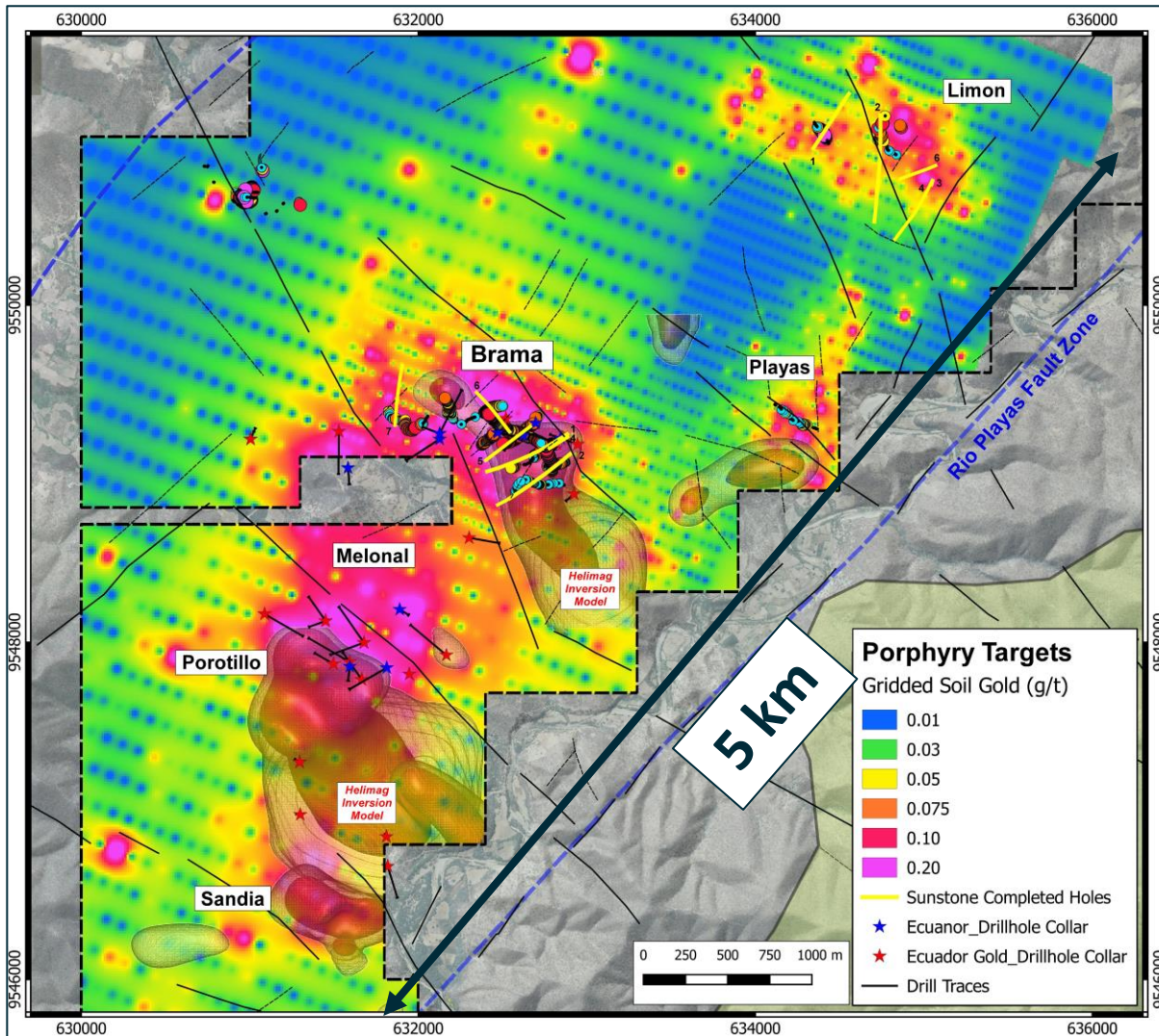


ESDD005, 228m, sp in vein breccia

- Trench sampling indicates that gold and silver are associated with elevated lead and zinc
- Drilling in the sulphide zone in holes ESDD004 and 005 has intersected veined and brecciated intervals with significant visible lead (galena - gn) and zinc (sphalerite - sp)
- See ASX release 11 Nov 2020

Bramaderos Project

Cluster of 6 mineralised porphyry gold-copper systems



Still early days

5 km long district, 6 large targets

Only 2 gold-copper porphyry systems partially tested with drilling by Sunstone; Brama and Limon – both mineralised

Some historical drilling undertaken at Porotillo and Melonal which intersected gold and copper

Sunstone has a significantly better understanding of mineralisation from drilling at Brama and from 3-D modelling of detailed ground magnetics

This is a major porphyry gold-copper district that has very significant upside

Bramaderos Project

What are we looking for – What is the prize

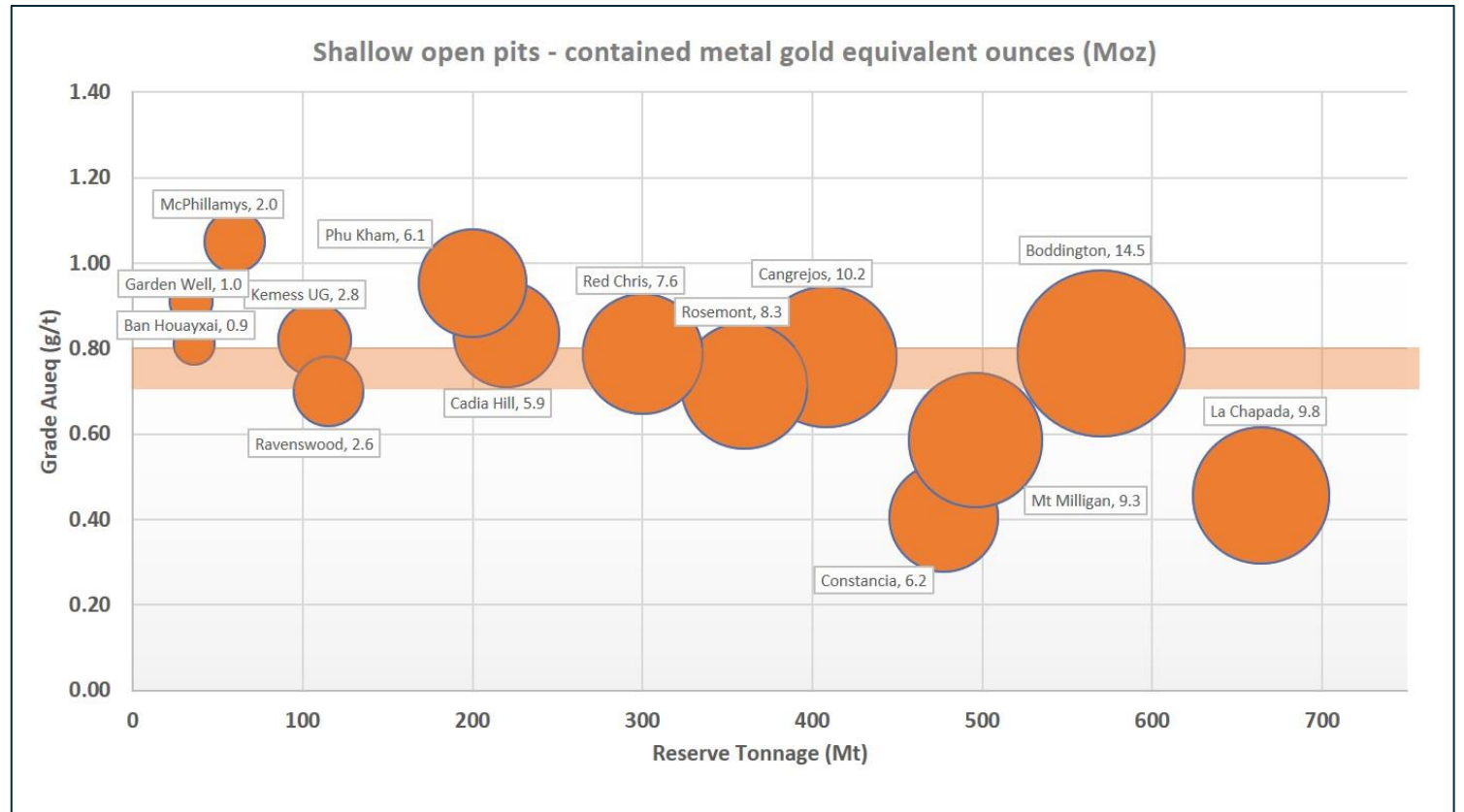
At Bramaderos

- Multiple gold-copper porphyry deposits within a 5km long belt
- Complemented by higher grade epithermal gold-silver deposits
- Large vertical extent to mineralised systems; >1,000m
- Target grades of >0.7 – 0.8g/t gold equivalent (gold + copper*) in open pitable positions,
- Higher grade at depth in underground positions

Compares with Mt Milligan, Cangrejos, Red Chris, Cadia district, Northparkes and others

Cluster of deposits exists within the Bramaderos Project so able to 'accumulate' tonnes across multiple targets

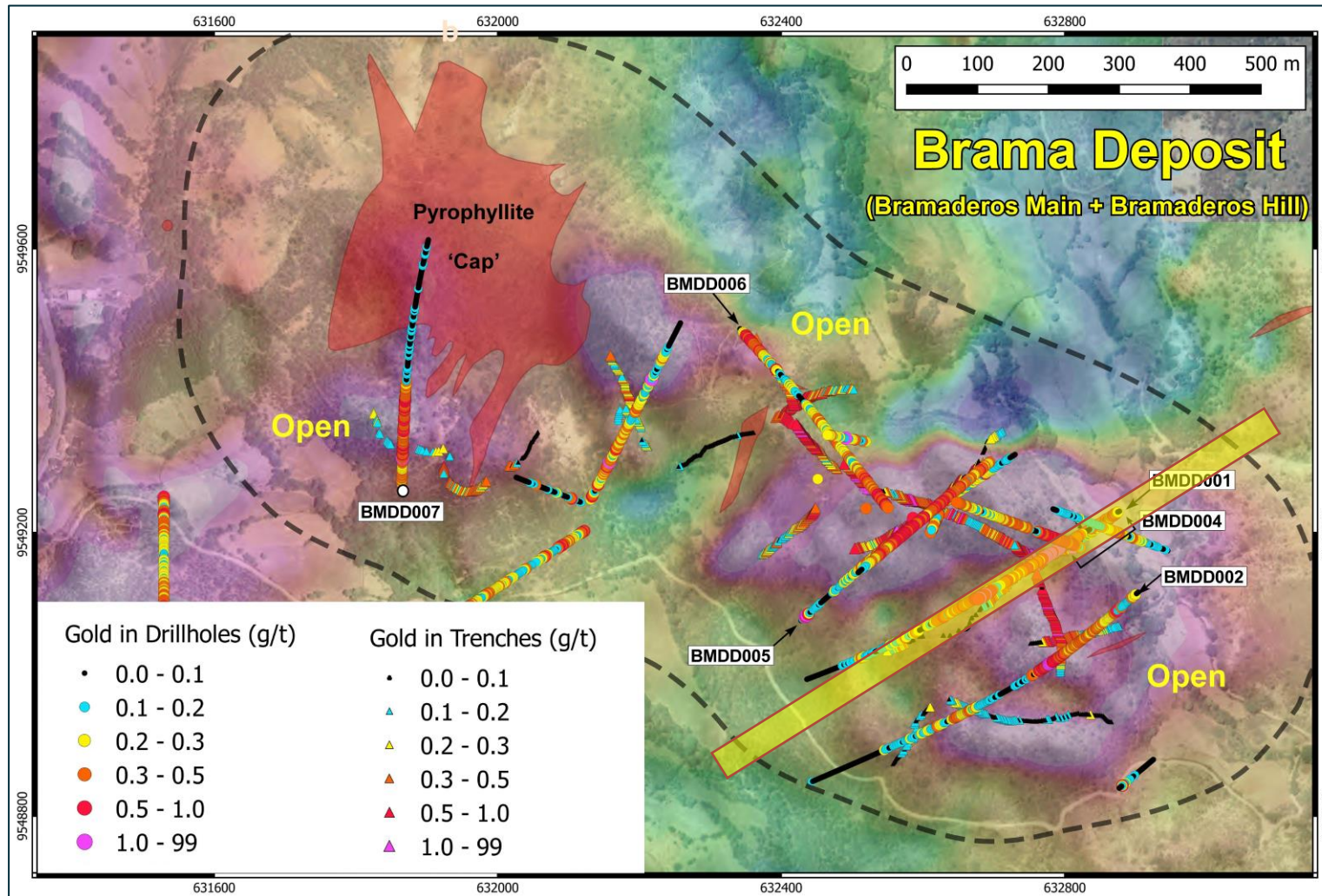
Low cost power and good infrastructure enhances value – both exist at Bramaderos



**Sunstone does not release gold equivalent grades at this stage. Metallurgical test work for Bramaderos is underway to determine gold and copper recoveries which will allow for quoting of gold equivalents. The gold equivalent, Reserve and grade numbers presented in the graph are based on individual company reports for comparative purposes*

Brama Porphyry

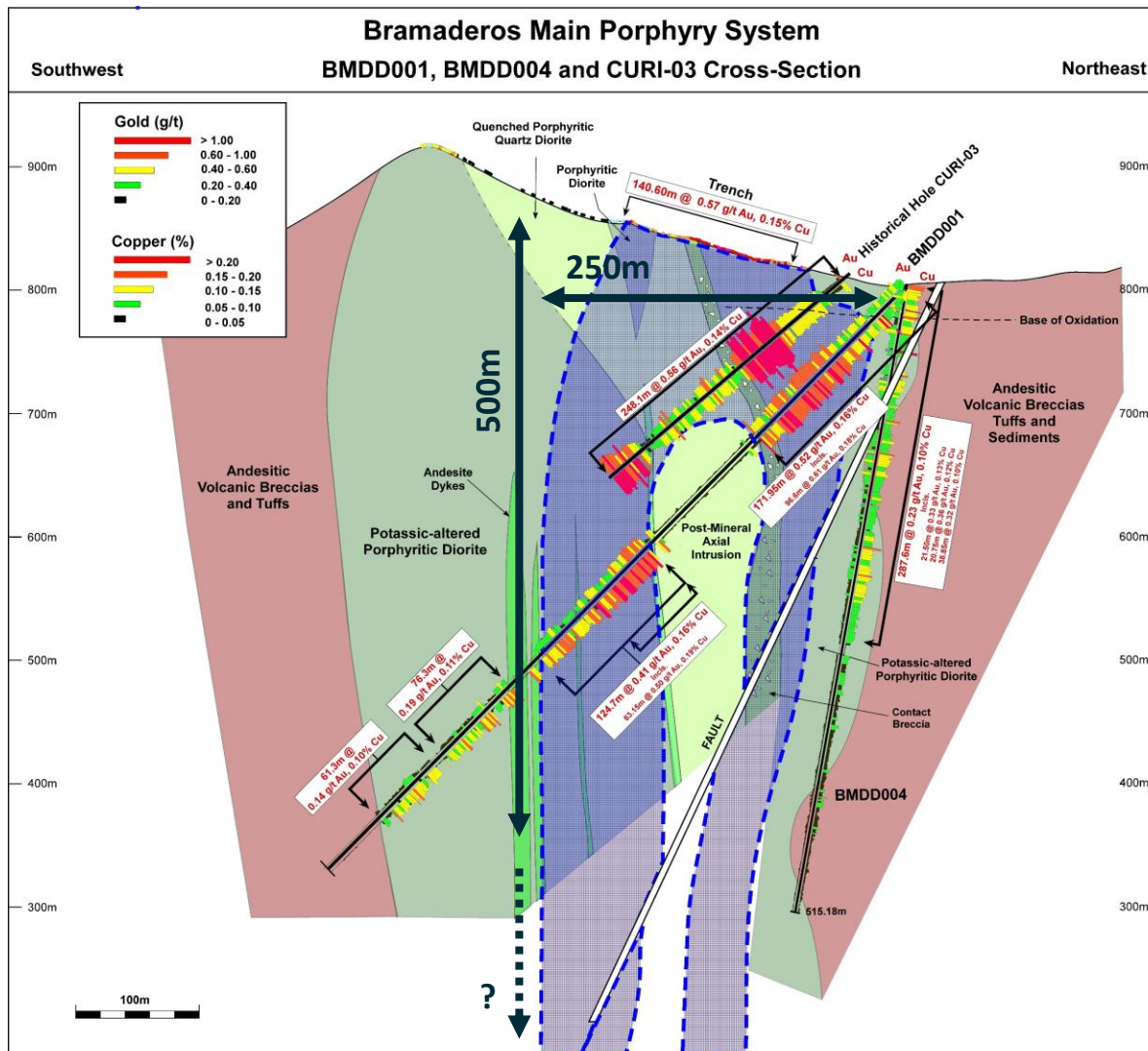
6 effective drill holes - all mineralised



- 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 cluster 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



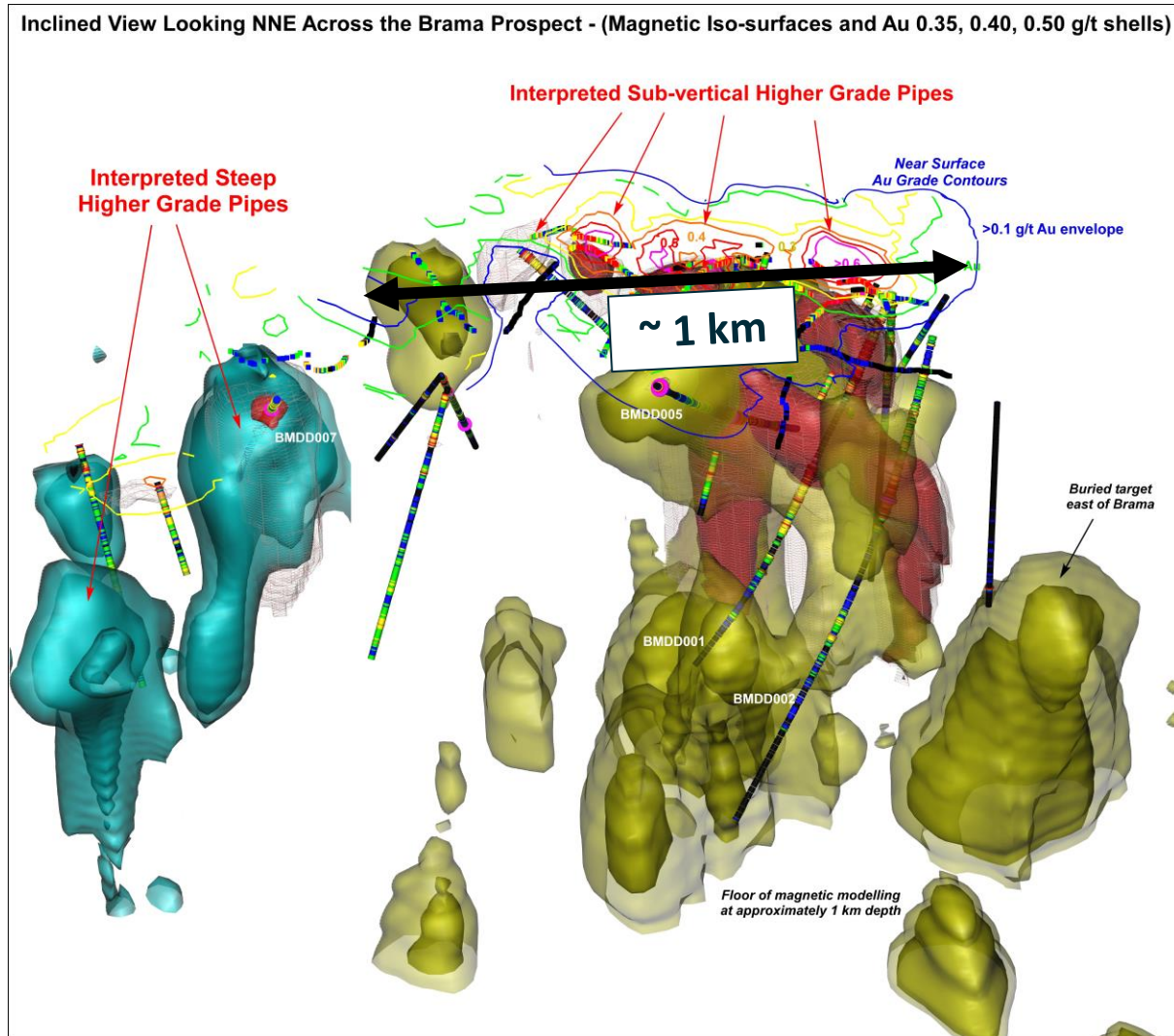
200m diameter outcropping 'pencil porphyry' system on this section

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

Brama – Cluster of porphyry systems



Compelling interpretation built from new detailed ground magnetic data, 3-D modelling, and new drilling results

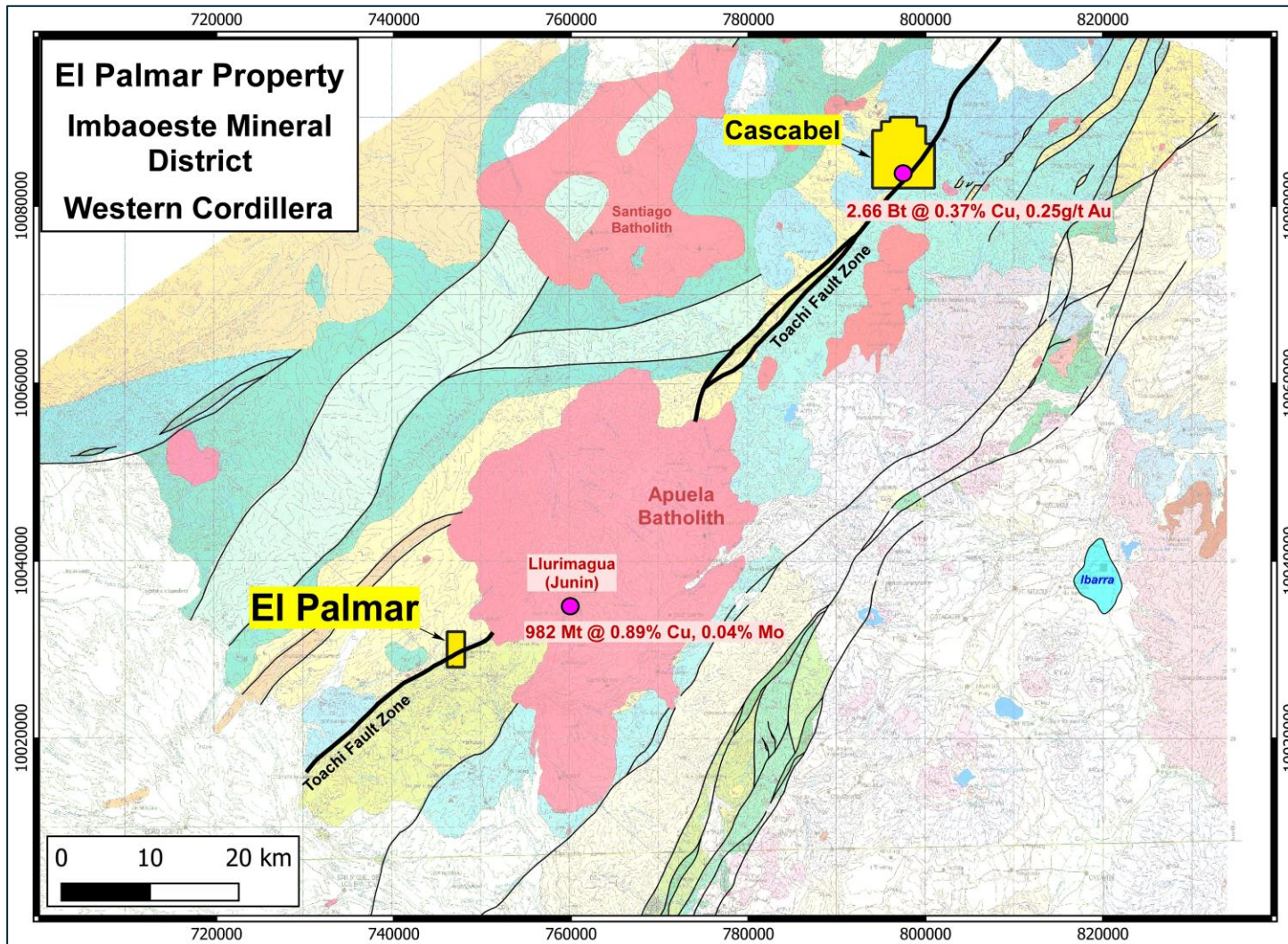
Exploration data is telling us we have a cluster of smaller higher grade gold-copper porphyry systems

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

El Palmar

New project – northern Ecuador



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

Low cost entry, risk managed back end payments to vendor (respected Ecuadorian geologist)

Prospective for porphyry copper-gold similar to Cascabel

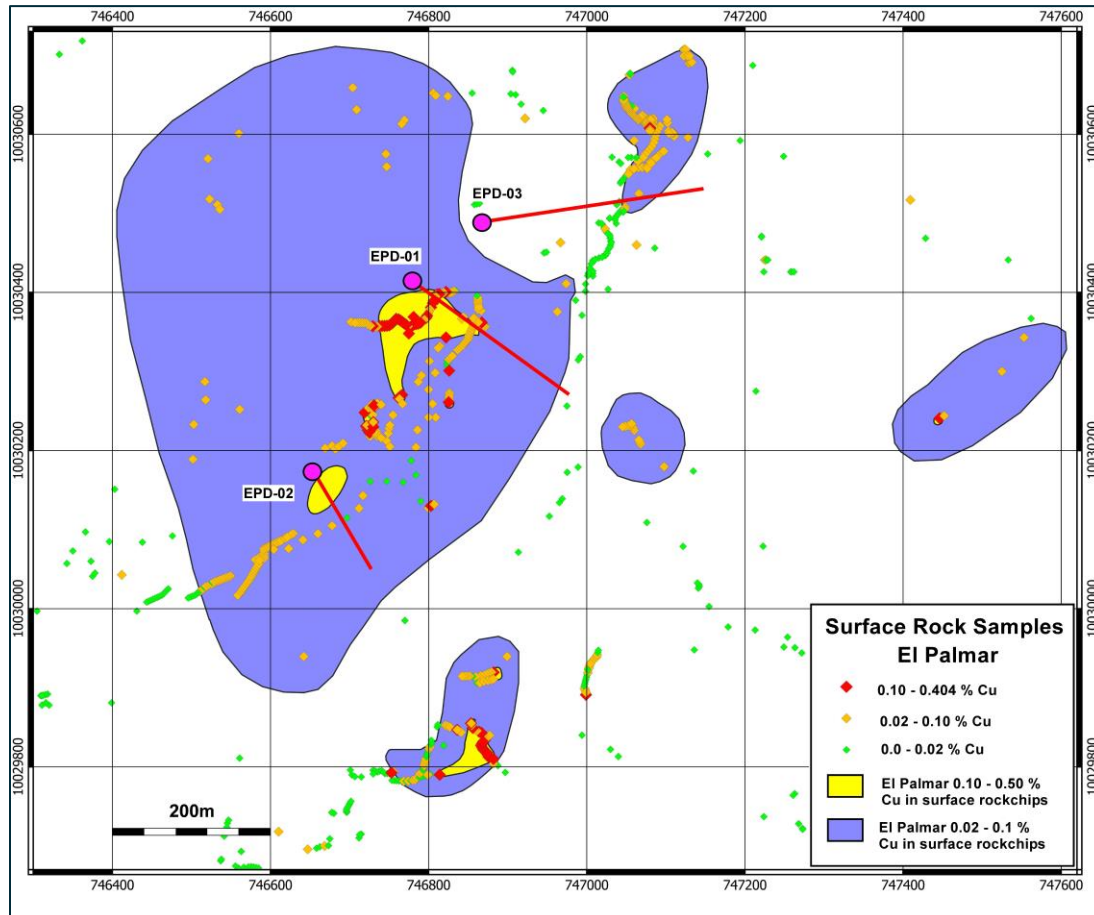
Drill Permit in place, could be drilling early 2021

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

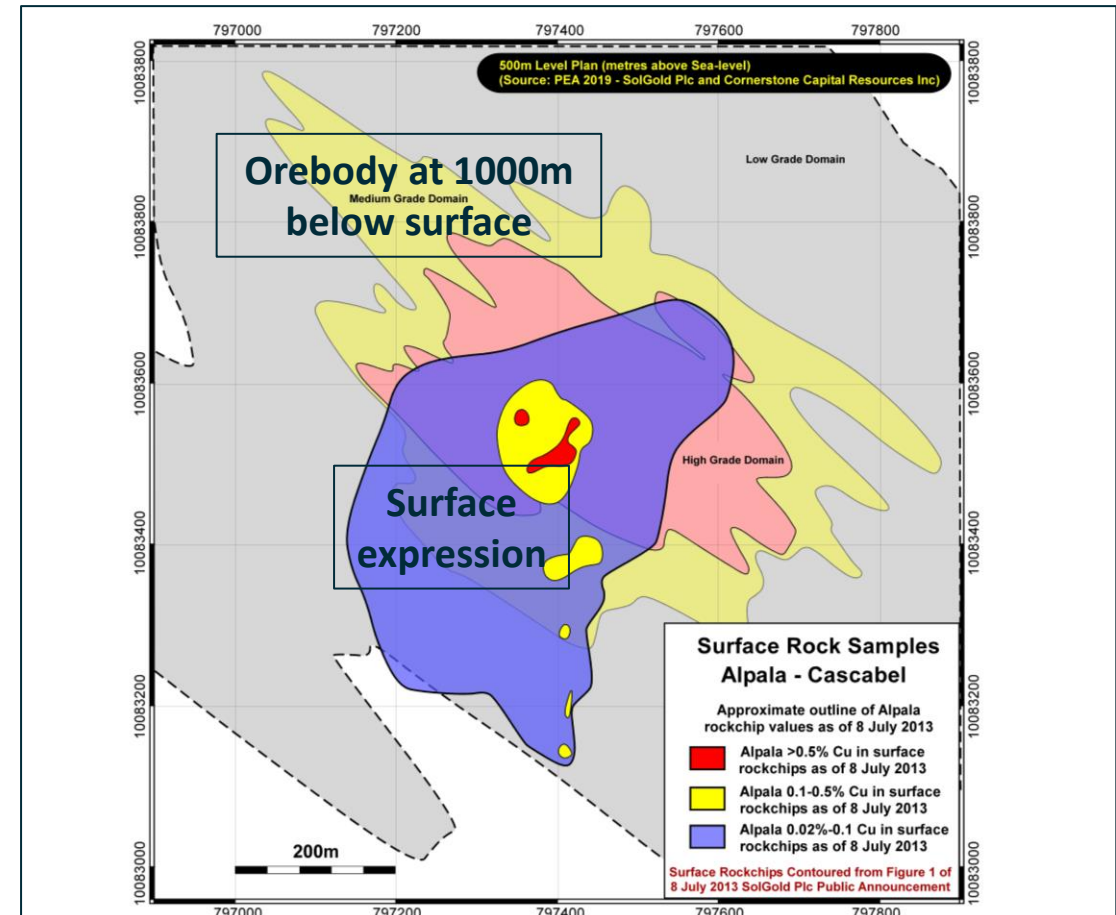
Drill Hole No.	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)
EPD-01	33.0	500.2	467.2	0.18	0.10
including	33.0	219.0	186.0	0.33	0.16
EPD-02	51.0	124.4	73.5	0.22	0.12
including	51.0	85.5	34.5	0.31	0.16
EPD-03	400.5	500.2	99.7	0.09	0.05

El Palmar

New project – northern Ecuador



El Palmar



Alpala - Cascabel

What's Ahead

- ✓ Espiritu silver-gold-polymetallic drill assay results are expected to be released in November
- ✓ Expectation of ongoing drilling at Espiritu given visual results to date
- ✓ Brama porphyry gold-copper drill hole to be commenced during 2020
- ✓ El Palmar exploration to commence during 2020
- ✓ Ecuador team performing strongly and can be managed remotely while coronavirus travel restrictions apply

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