SUNSTONE
METALS

NOOSA
MINING
UNEARTHED

ASX
STM

11 November 2021

Disclaimer

DISCLAIMER

To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and, to the maximum extent permitted by law, no responsibility or liability is accepted by Sunstone or any of its officers, employees, agents or consultants or any other person as to the adequacy, accuracy, completeness or reasonableness of this Presentation. To the maximum extent permitted by law, no responsibility for any errors or omissions from this Presentation whether arising out of negligence or otherwise is accepted.

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.

Corporate

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

A$158M

MARKET CAPITALISATION

At share price of A$0.071 (7-day VWAP)

A$20M

CASH + EQUITY INVESTMENTS

As of November 2021 – unaudited

2,210M

SHARES ON ISSUE

As of November 2021

~39%

TOP 20 SHAREHOLDERS

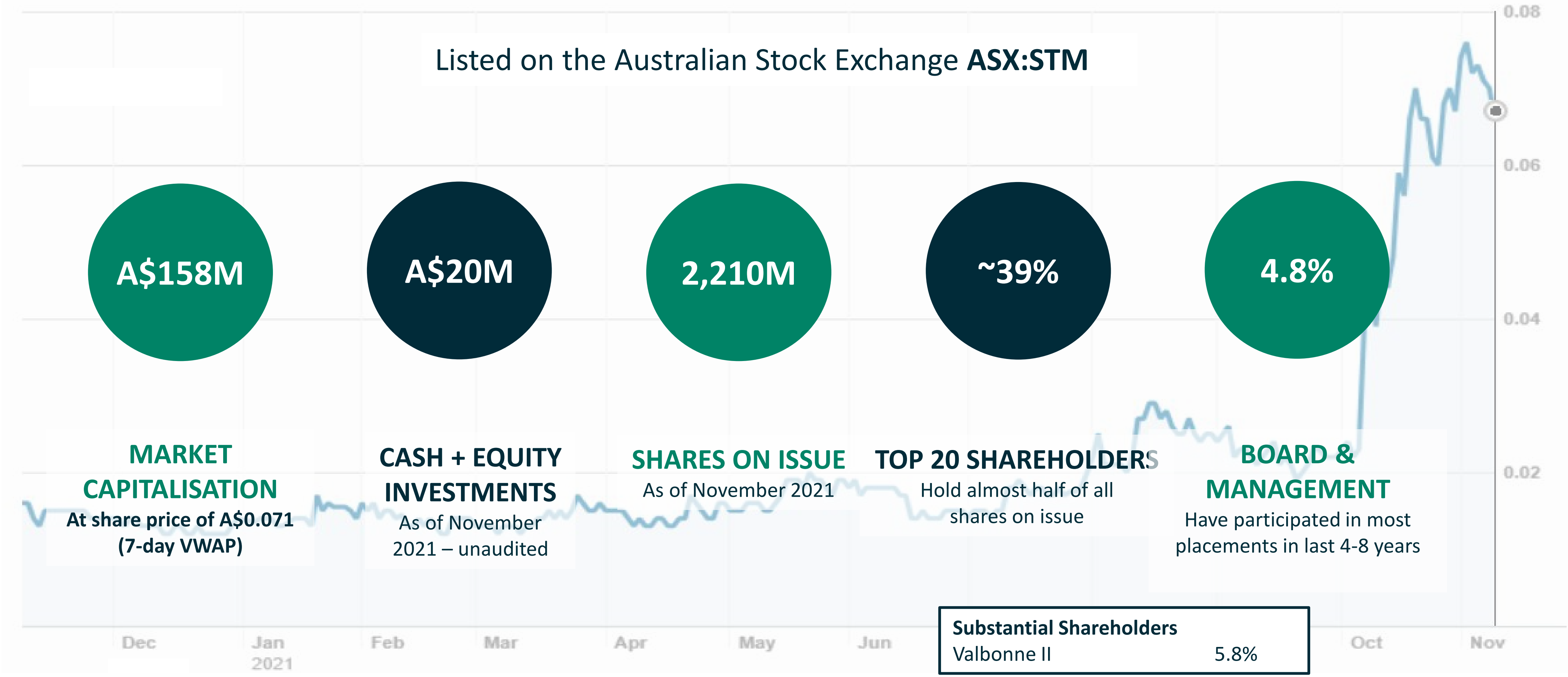
Hold almost half of all shares on issue

4.8%

BOARD & MANAGEMENT

Have participated in most placements in last 4-8 years

Substantial Shareholders	
Valbonne II	5.8%



STM 2020-21 SHARE PRICE GRAPH

Investment Highlights

- **Well funded junior, has a track record of discovery, has delivered recent discovery success**

- **Sunstone holds 51%, and is acquiring 100%, of the El Palmar Gold-Copper porphyry project in northern Ecuador**
    - Through a Staged Acquisition Agreement based on cash payments linked to milestones (US$300,000 payment to move to 70%, US$2mill to go from 70 to 100%)
    - The project is located in northern Ecuador, in the same regional belt as the giant Cascabel copper-gold porphyry deposit, and Llurimagua copper-moly porphyry deposit
    - Sunstone has drilled 5 holes so far, all mineralised to varying degrees, 6th hole in progress
    - Assays for Holes EPDD001 and part of EPDD002 have delivered a significant gold-copper porphyry discovery with considerable upside
    - Assays for the remainder of EPDD002 and hole EPDD003 are expected within the next couple of weeks
    - 3-D modelling of ground magnetic data is ongoing and guiding exploration drilling. Gold and copper mineralisation correlate with magnetic rocks
    - Soil sampling in progress to help define additional targets

- **Sunstone owns 87.5% of the Bramaderos Gold-Copper porphyry project in southern Ecuador**
    - The Bramaderos Project has delivered ore grade intercepts of gold and copper, from surface, in the Brama porphyry system. Phase 2 drilling nearly complete, leading to a mineral resource estimate in 2022
    - There remains 5 additional highly ranked porphyry gold-copper systems – all of which are mineralised and only partially tested

The Team

A high-quality team in Ecuador and Australia

- A well qualified and focussed team in Ecuador, comprising 100% Ecuadorians, working across the El Palmar and Bramaderos Projects
- The team in Ecuador is expanding and covering all aspects of corporate, social, environmental, safety, technical exploration, logistics, and administration
- A small corporate team in Australia
- Consultant support in specialised areas as needed, including geology, geophysics, ESG, and development










SUNSTONE METALS

Ecuador

Building an exploration and mining sector

New President, Guillermo Lasso, is a supporter of responsible mining

Ecuador is managing through the coronavirus pandemic, with over 60% of the population fully vaccinated

Mining is now playing an important part in Ecuadorian economic growth *(source Bloomberg);*

- mineral resources now represent one of Ecuador's top five exports;
- US$810 million in exports generated by the mining sector in 2020;
- US$430 million in taxes paid in 2020 by mining companies in Ecuador
- US$374 million direct foreign investment for Ecuador during 2020
- Thousands of direct jobs generated across the industry in Ecuador
- Significant expenditure for goods and services in local communities and at the provincial level
- Mining products ~6% of total exports*, and fourth behind oil, bananas and shrimp. Mining exports growing. *(by comparison, 61% of exports in Peru are from the mining sector)

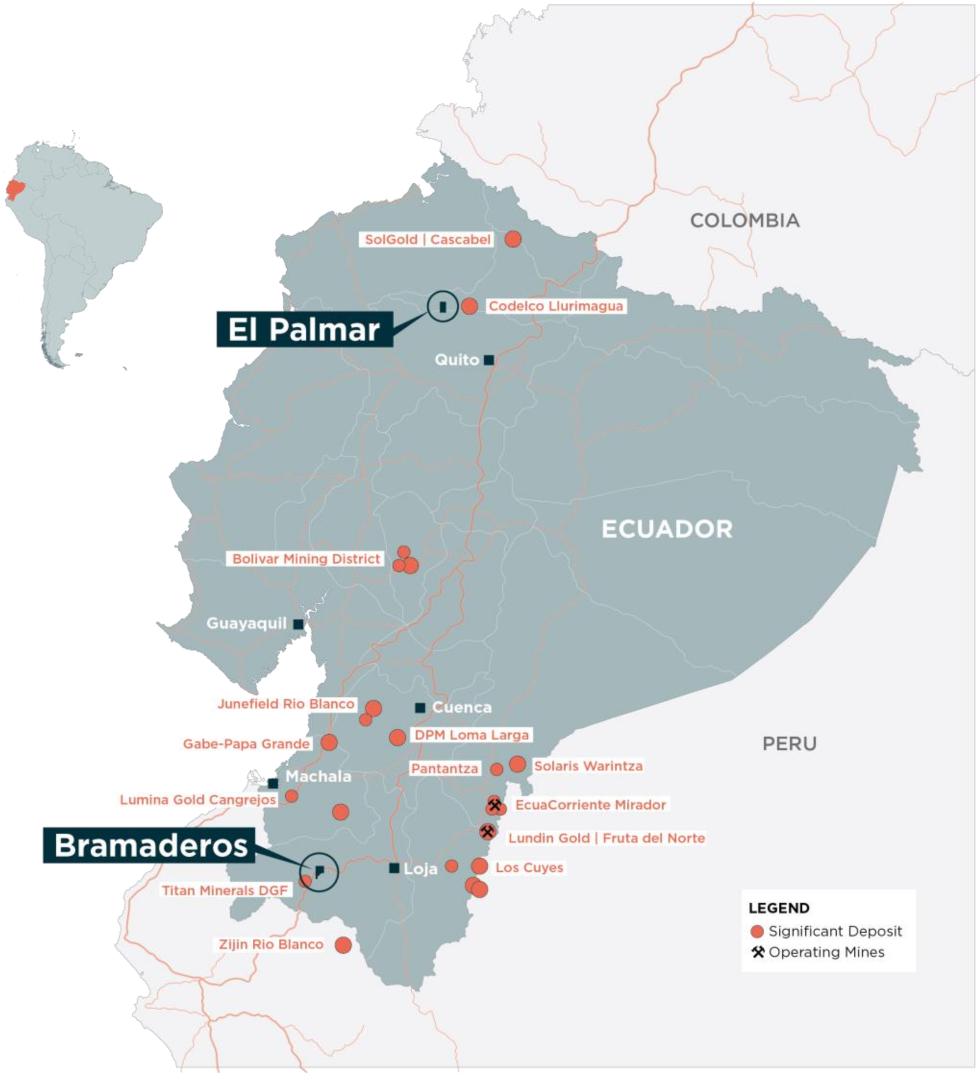
Major global mining companies have a presence in Ecuador – BHP, Newcrest, Anglo American, Fortescue, Hancock, Codelco, Lundin

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

SUNSTONE METALS

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.

Llurimagua
Codelco/Enami (Ecuador) JV; 982Mt at 0.89% copper and 0.04% molybdenum
(1.55Bt at 0.51% copper)

Warintza
Solaris (TSX.V:SLS); small initial resource, huge new drill intersections, 7km x 5km area containing cluster of porphyry systems

Sunstone Metals

Community, Safety and Environment

Sunstone takes its **environmental, social and governance** issues very seriously and is committed to improving the quality of life in the areas where we work

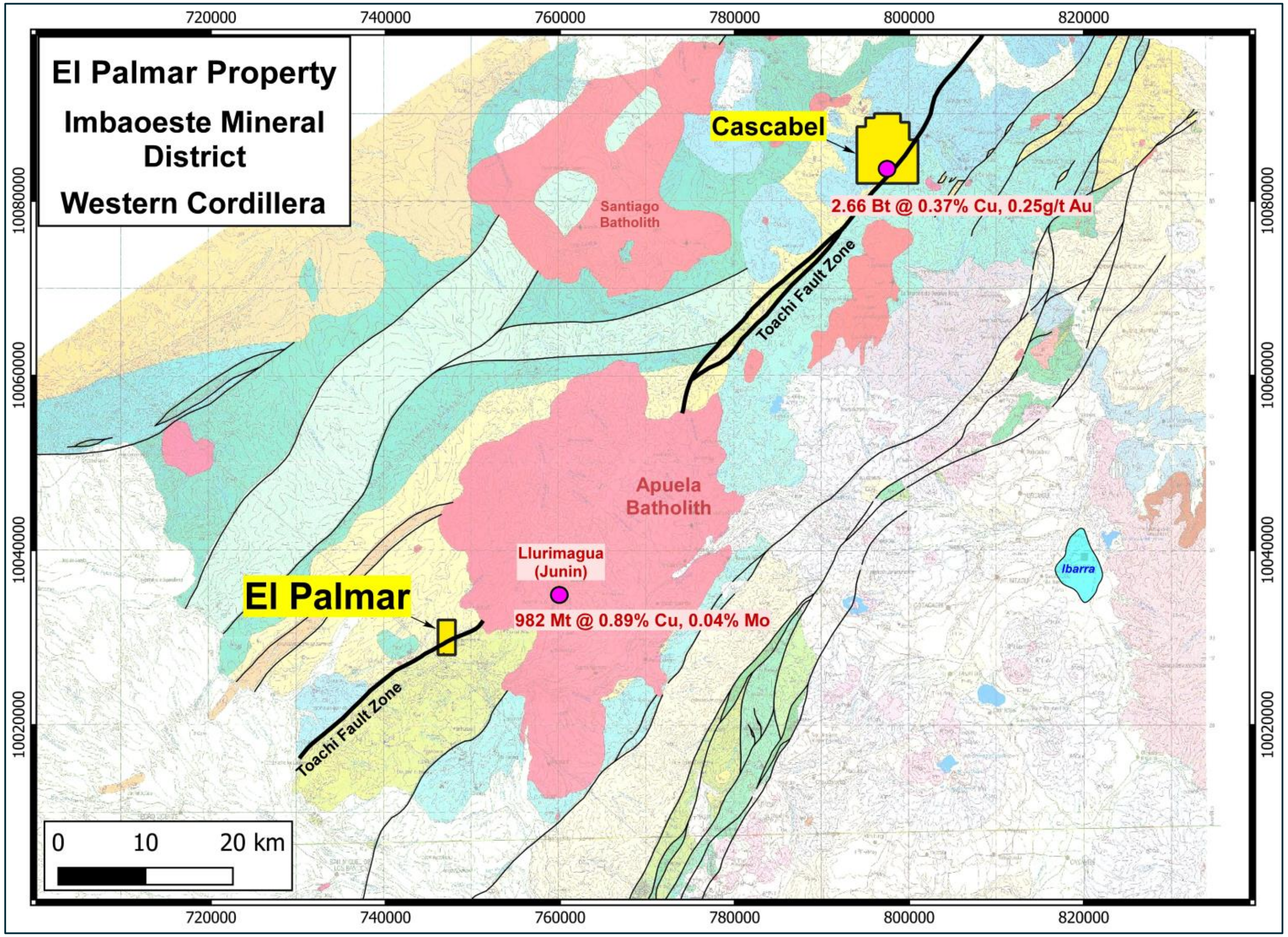
Sunstone

- has significant **environmental monitoring programs** across it projects
- is involved in various **community programs** at Bramaderos and El Palmar
- undertakes considerable **training programs** across a large range of skills for workers and the communities in which we operate
- **works with the local communities** to assist where possible, for example, during the coronavirus pandemic
- Offers employment and skills development
- has implemented strict coronavirus operating plans while not compromising local health and safety
- appreciates the strong community support that it has at its projects

SUNSTONE METALS

El Palmar Project

Within a mineralised belt in northern Ecuador



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

Recent discovery holes drilled by Sunstone

EPDD001:

- **163.55m at 0.71g/t gold and 0.20% copper (1.05g/t gold equivalent*) from 52.35m**
- Within **480.85m at 0.41g/t gold and 0.15% copper (0.66g/t gold equivalent*) from 11.3m**

Partial assays from hole **EPDD002** for the interval 250 – 417.5m are:

- **167.50m at 0.58g/t gold and 0.26% copper (1.02g/t gold equivalent*) from 250m**

See ASX announcement dated 7th October 2021
**AuEq is calculated on a gold and copper basis only, using metals prices at 28th September 2021, being US$1,750/oz gold, US$4.29/lb copper using the formula: (gold grade in g/t) + 1.68 * (Cu grade in %).*
No metallurgical recoveries have been applied to exploration results.

El Palmar Project

Active, and expanding, exploration program

Good access with upgraded roads

Soil sampling in progress across several targets

Ground magnetics completed across concession

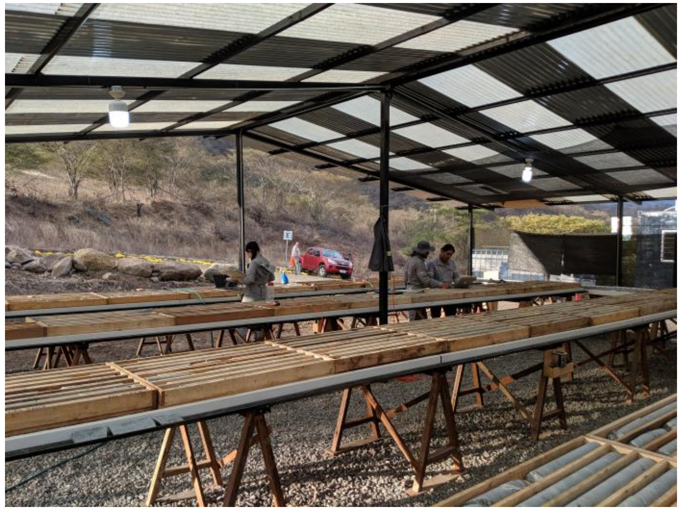
SUNSTONE METALS

El Palmar Project

5 drill holes completed, 6th in progress



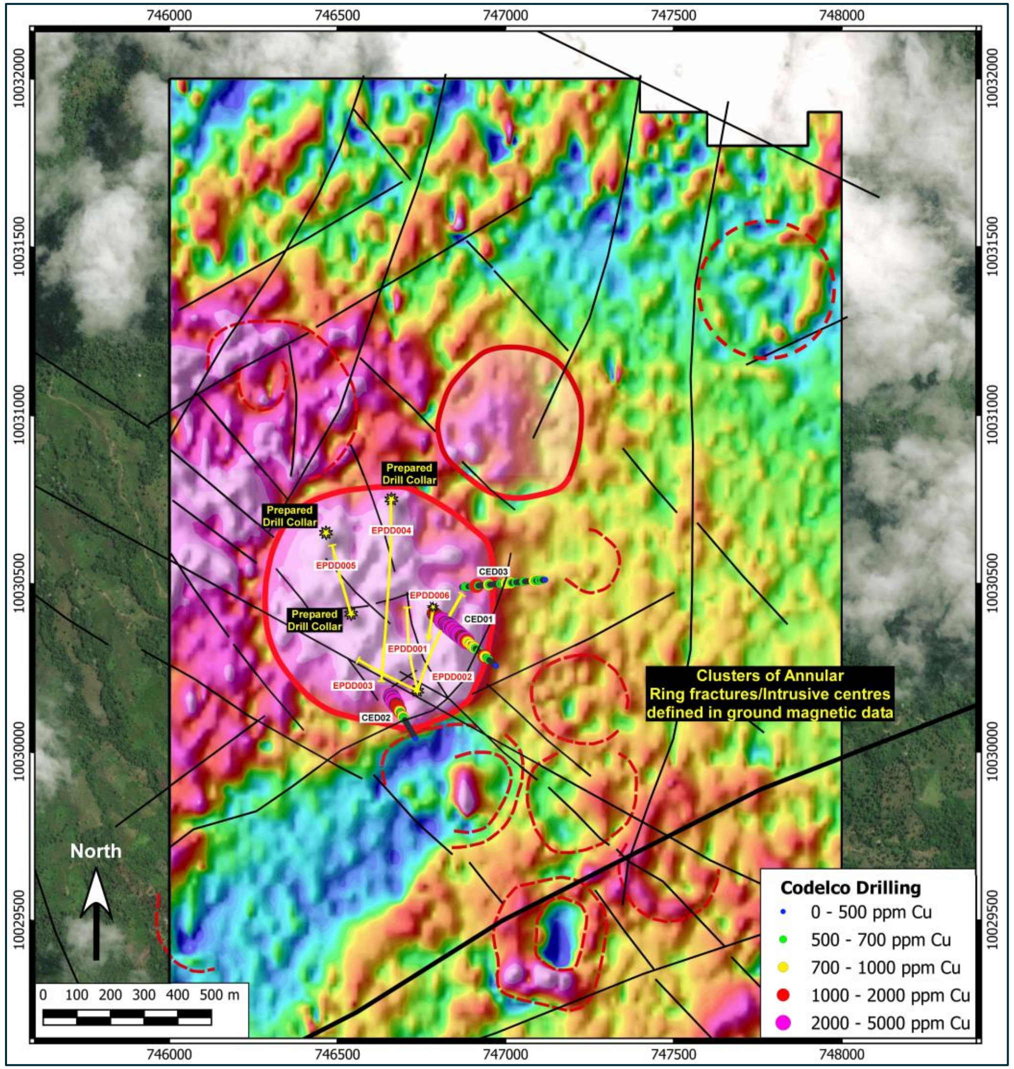


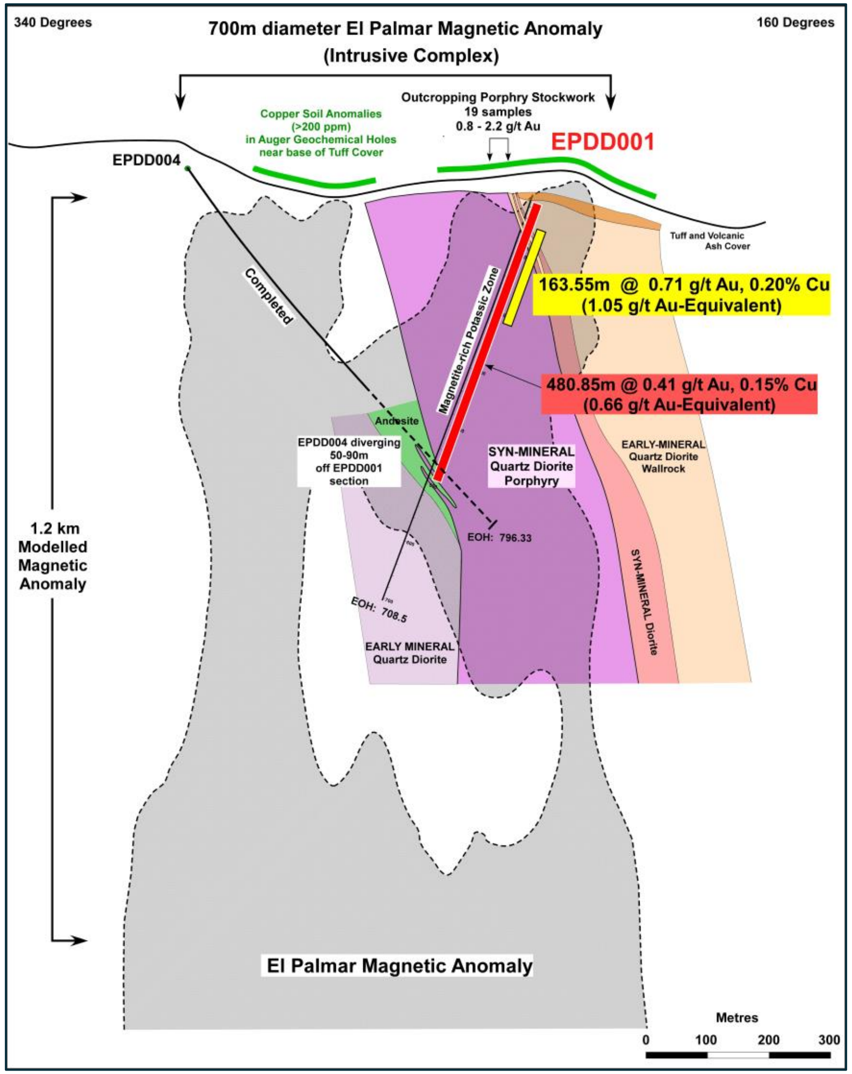



SUNSTONE METALS

El Palmar Project

What do the discovery results mean?





We are optimistic that El Palmar could be a large gold copper porphyry deposit

Mineralisation from surface

Very significant vertical extent from magnetic modelling

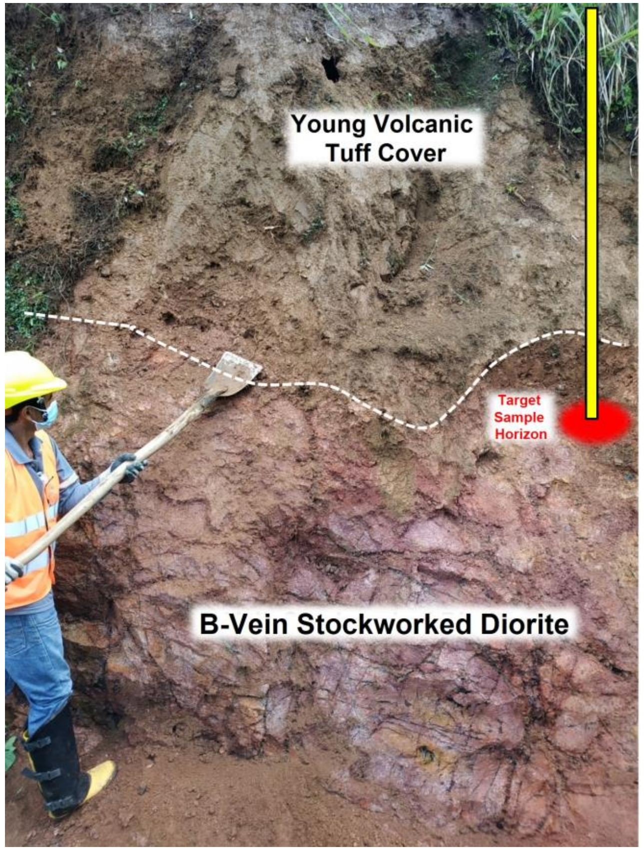
Copper-gold-silver-magnetic susceptibility all correlate – guides initial exploration

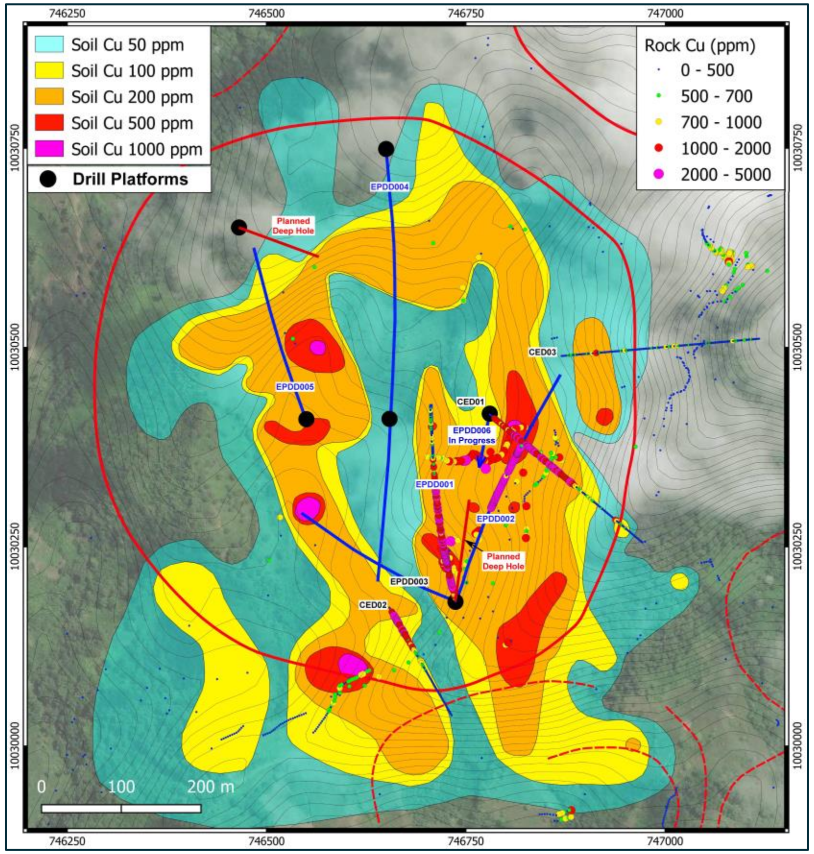
Hints to expect higher copper values elsewhere in system

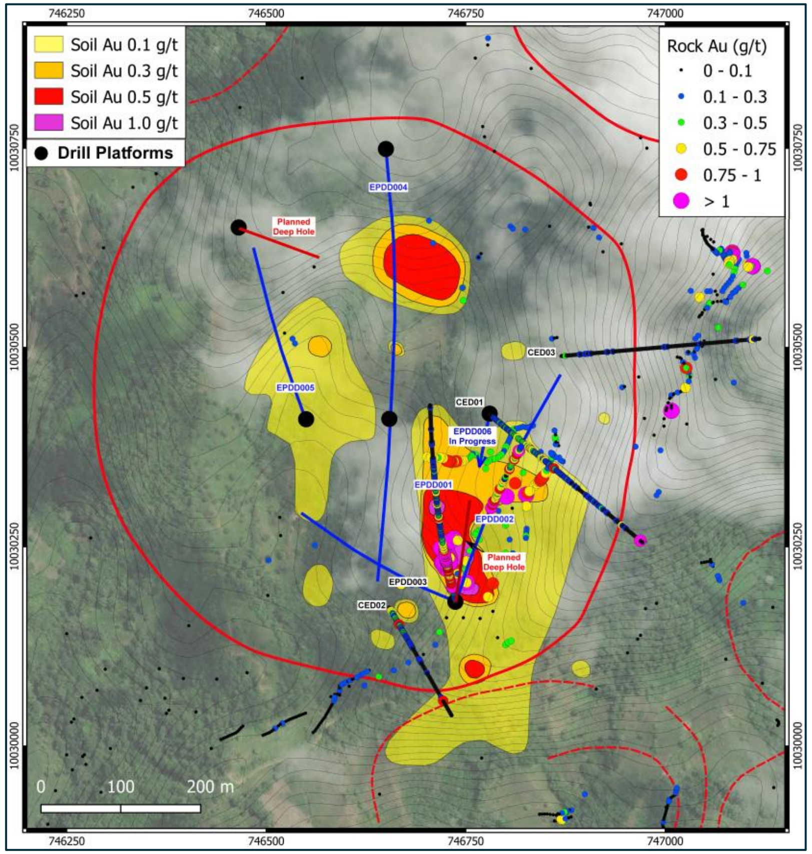
SUNSTONE METALS

El Palmar Project

Locally outcropping Porphyry but with cover; Auger **soil sampling** effective



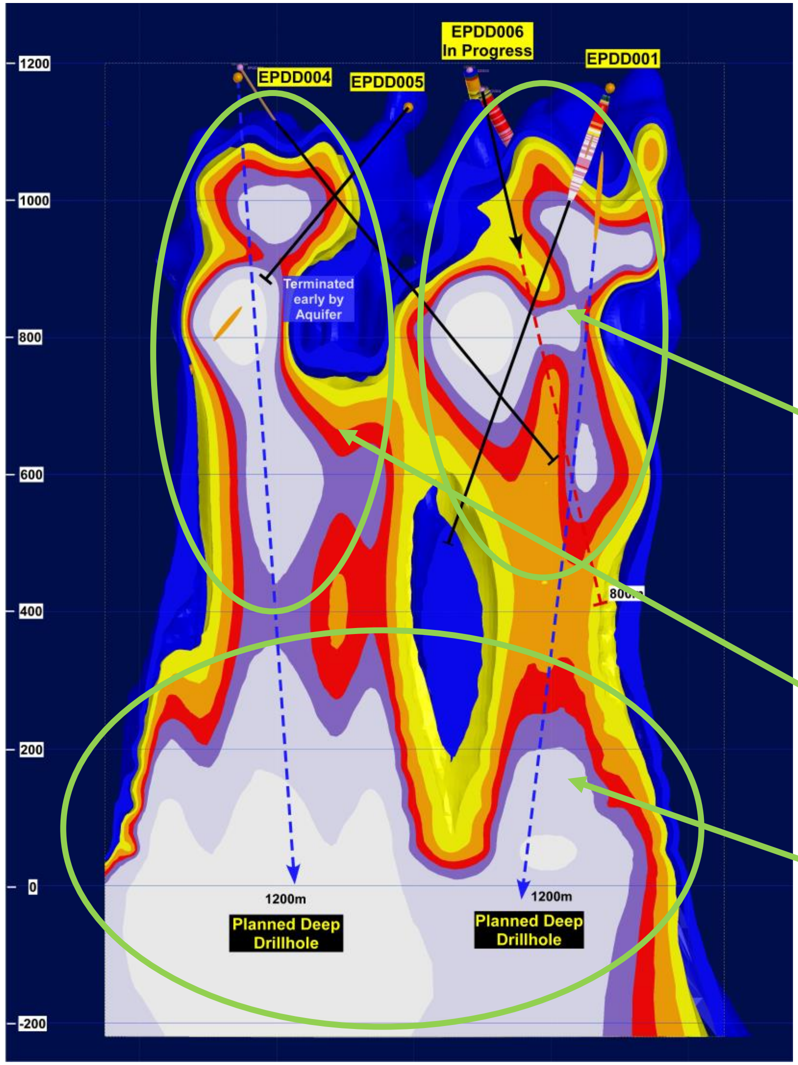




SUNSTONE METALS

El Palmar

Drill targets defined, scale and potential will become evident

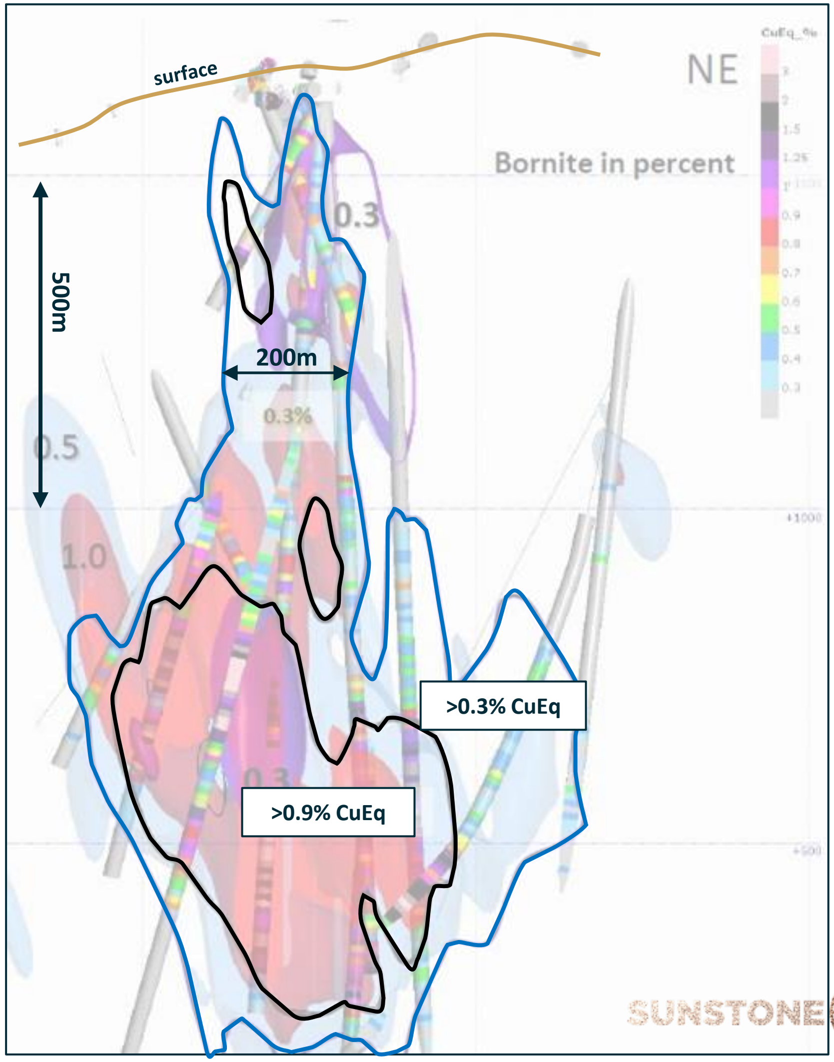


El Palmar – main target; drill holes and vertical slice through magnetic model

Upper 400m of sub-vertical SE magnetic body shown to be mineralised from assays from holes EPDD001, 2, and 3 EPDD006 to test deeper

Holes EPDD004 and EPDD005 initial test of sub-vertical NW magnetic body

Planned deep drill holes to test deep magnetic targets, commencing December



Alpala, Cascabel (SolGold) – x-section of bornite and chalcopyrite-pyrite ratio; and showing CuEq grade domains

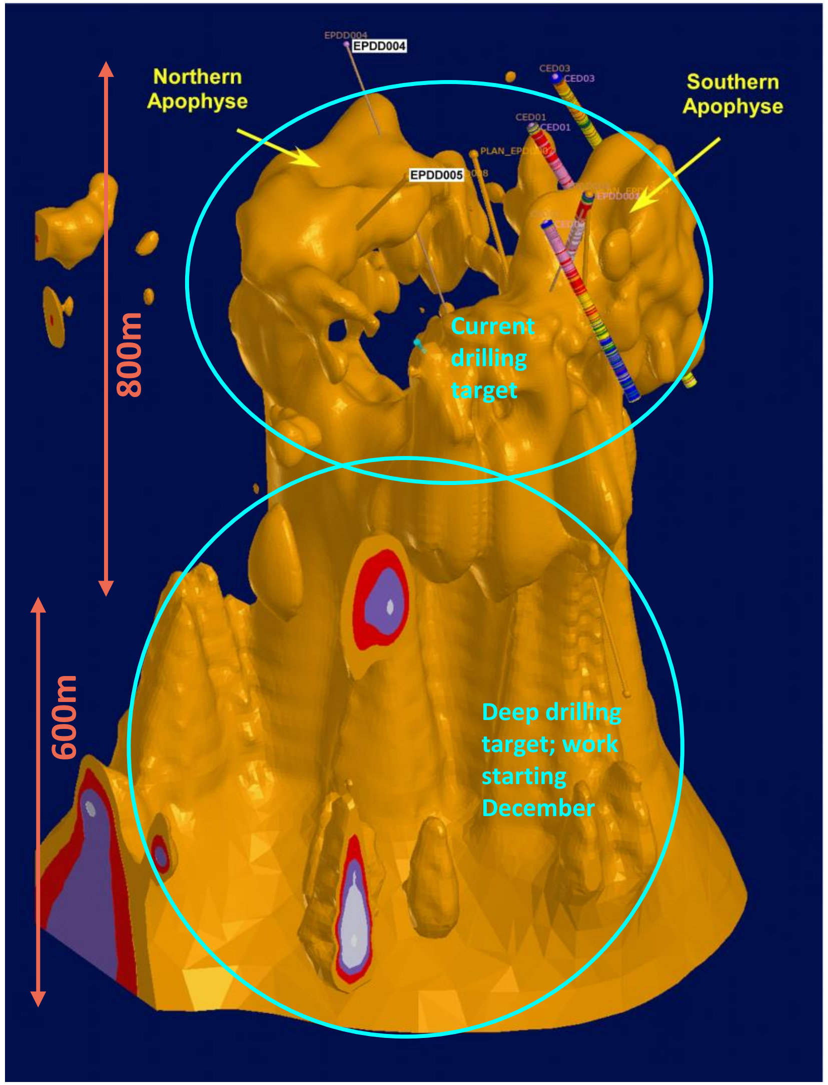
(see Garwin, 23 July 2021 GeoHug presentation)

DIAGRAMS AT SAME SCALE

SUNSTONE METALS

El Palmar

Drill targets defined, scale and potential will become evident



3-D mag model of the main central target area - looking north

Magnetics and soil sampling defined target

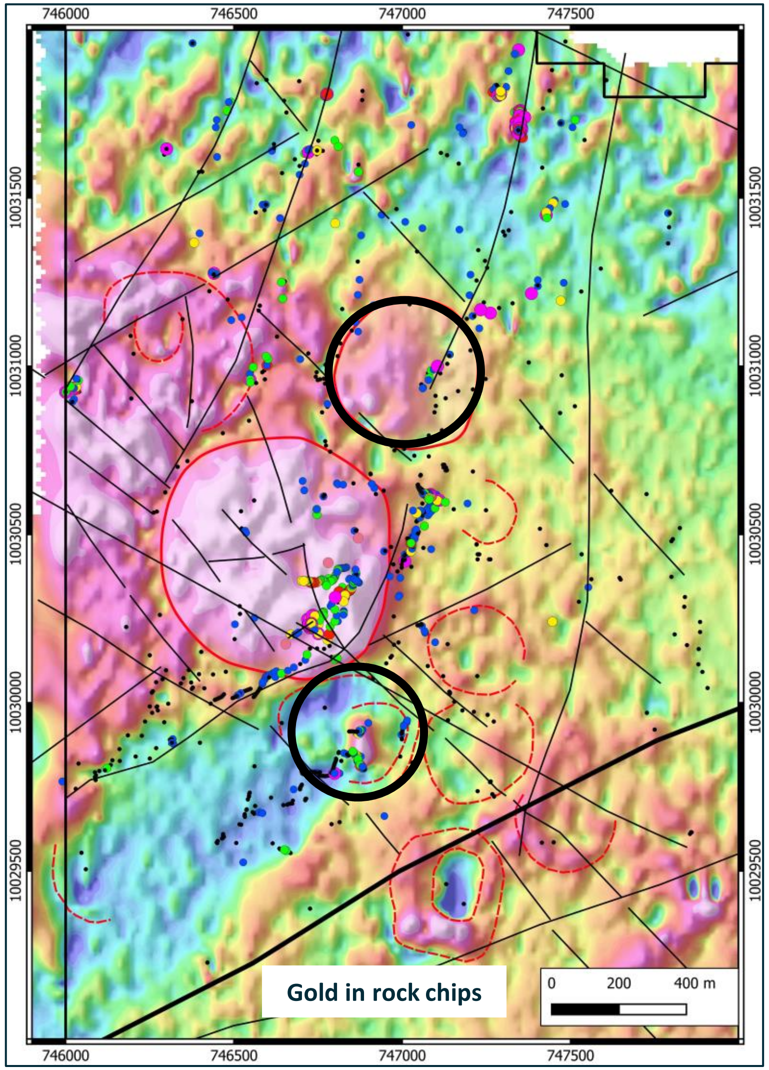
Current phase of drilling has discovered a ‘shallow’ mineralised system, from surface to ~500m below surface

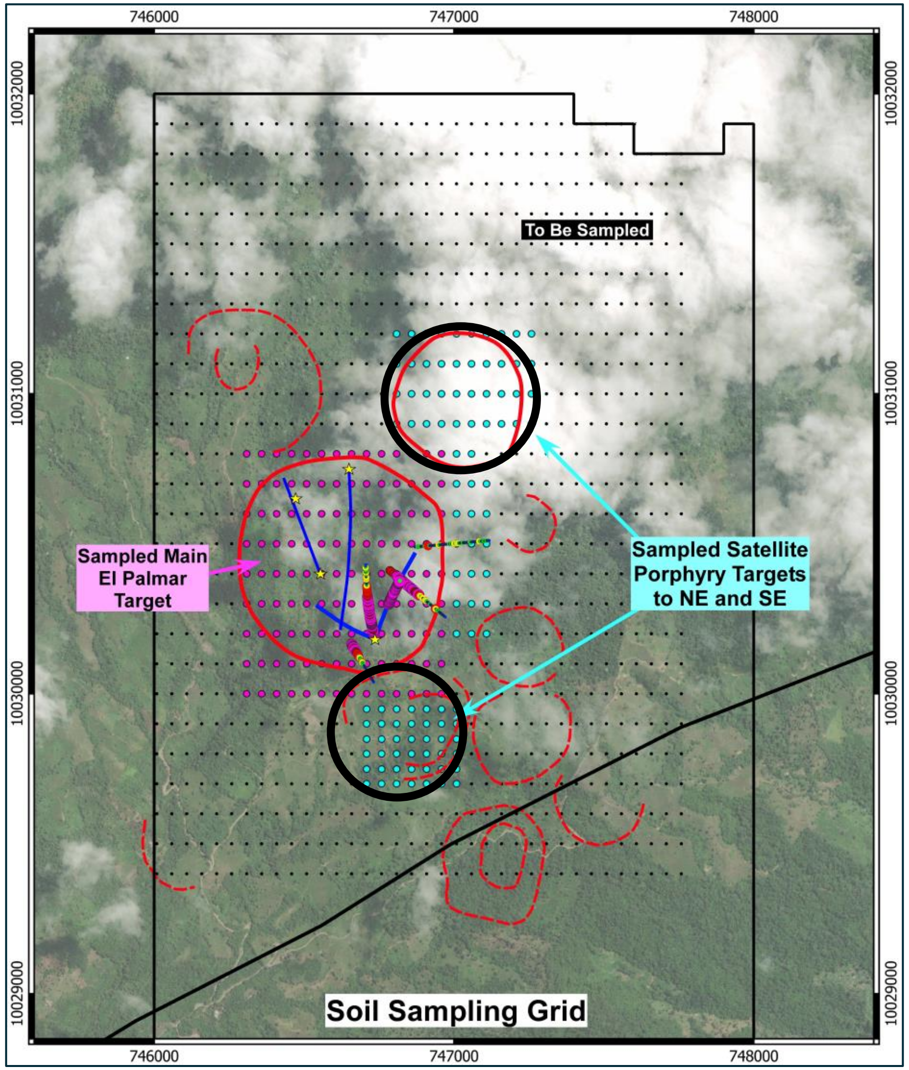
Both ‘shallow’ and ‘deep’ targets will be tested concurrently, initially with 2 drill rigs, starting December

SUNSTONE METALS

El Palmar Project

Additional targets being defined and prepared for drilling in 2022



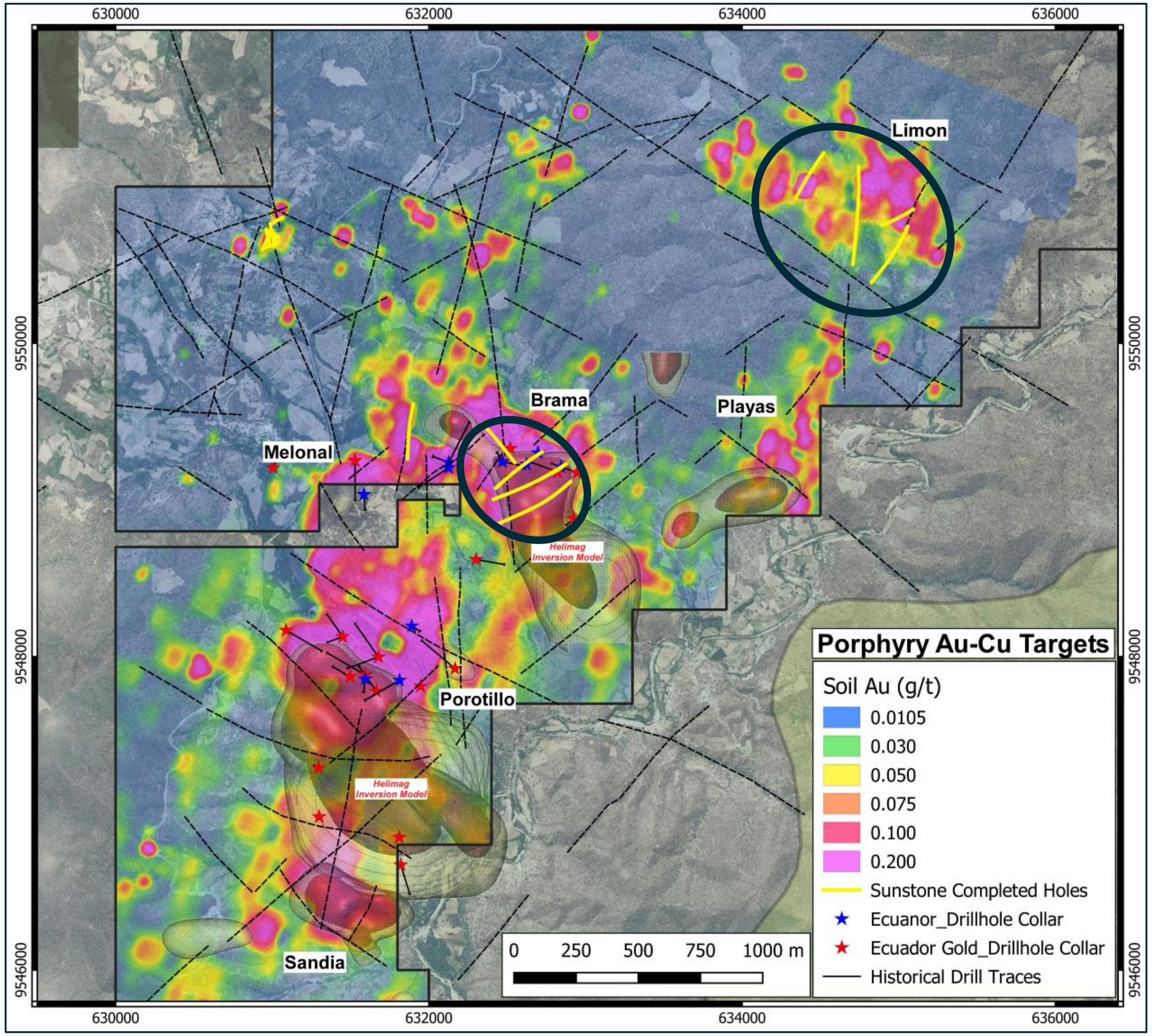


- Magnetics and historical rock chip results identify areas of interest
- 2km long cluster of targets identified to date
- 4 Additional Porphyry Targets
- 6 Epithermal Targets
- Reconnaissance underway
- **2 satellite porphyry targets sampled and samples in the assay laboratory; results expected in December**

SUNSTONE METALS

Bramaderos Project

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



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 the margins of a porphyry, and drilled a mineralised high sulphidation epithermal system
Playas – no drilling
Melonal – very minor historical drilling found copper and gold
Porotillo – historical drilling, some good grades
Sandia – no drilling

At least 2 known mineralised epithermal gold-silver systems (NE geological extension of Dynasty goldfield)

<u>2022</u>

Brama target – preparing for Inaugural Mineral Resource estimate

Limon target – preparing for electrical geophysical survey to generate drilling targets

SUNSTONE METALS

Sunstone Metals

What's ahead in 2021 and into 2022

- ✓ **2021-22 – Demonstrate significant upside to El Palmar discovery, no near-term plans for raising capital**
- ✓ **El Palmar**

Q4, 2021

- drilling (2nd rig to be added early December),
- assays from holes EPDD002 & 3 – November;
- drill hole EPDD006 to be completed by end Nov; Drill holes EPDD007 & 8 commence in early December
- expanded soil sampling coverage in progress and assays for first 2 targets to be delivered in December
- concession wide geological mapping and sampling

2022

- Deep drilling first assay results expected Feb or Mar 2022
- Drilling on both main anomaly and on satellite targets

- ✓ **Bramaderos**

Q4, 2021

- Drilling, 1 rig, 1 more hole to drill during November

2022

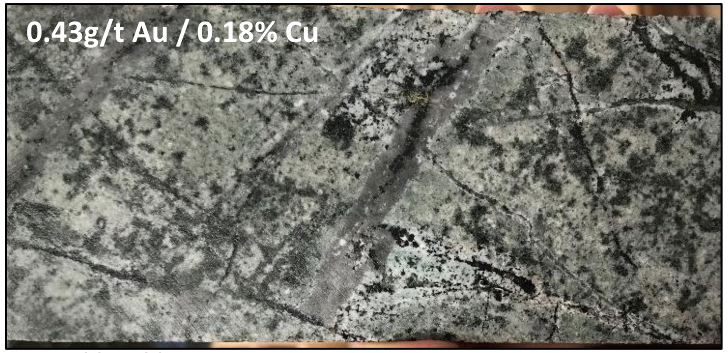
- deep penetrating electrical geophysics
- Initial Mineral Resource Estimate over Brama target only

SUNSTONE METALS

Additional Slides

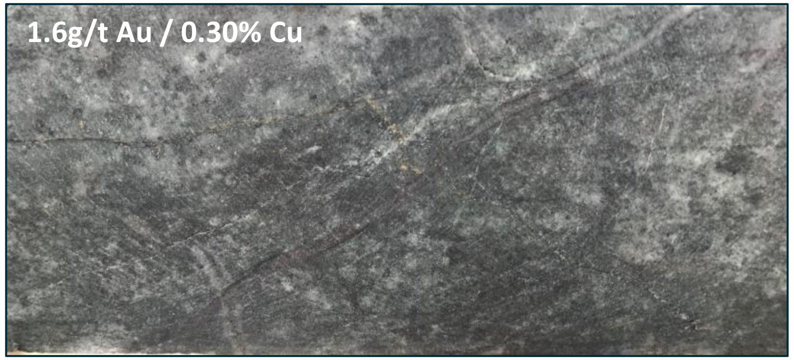
El Palmar Project

still early days, building an understanding of the geology, petrography samples in the laboratory, multiple intrusive phases identified

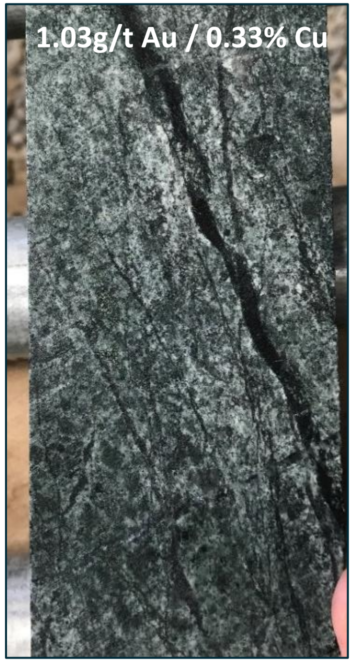


EPDD001: 304m

EPDD001 320m.
Coarse-grained bornite along shear zone + actinolite.

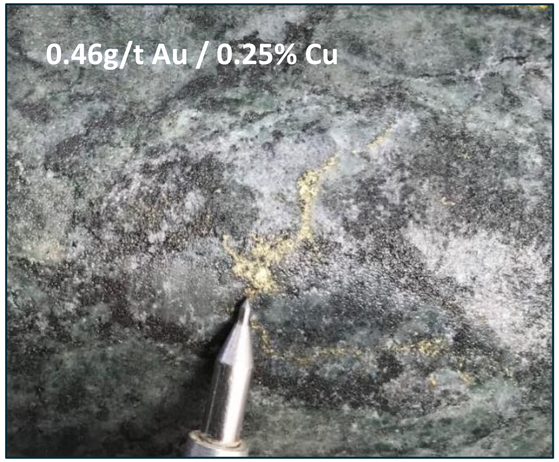


EPDD002 256m.
fine-grained diorite with quartz-magnetite veining

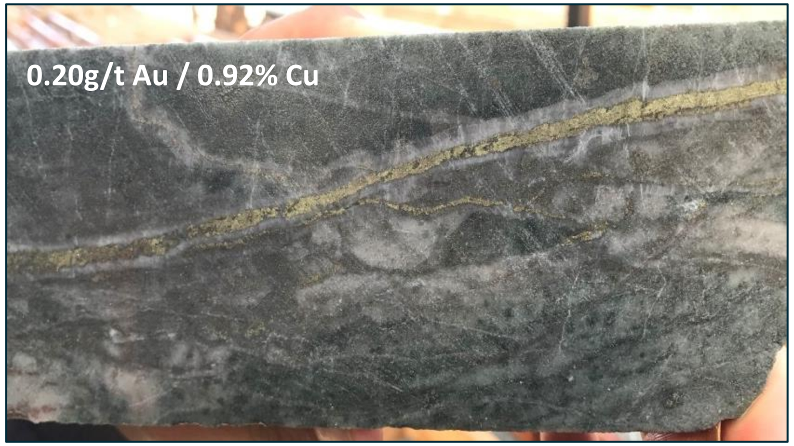


EPDD001 173m

EPDD001 354.3m



EPDD001 225.8m.
Quartz-magnetite-chalcopyrite vein in quartz-chlorite-magnetite-actinolite-epidote-calcite altered porphyry



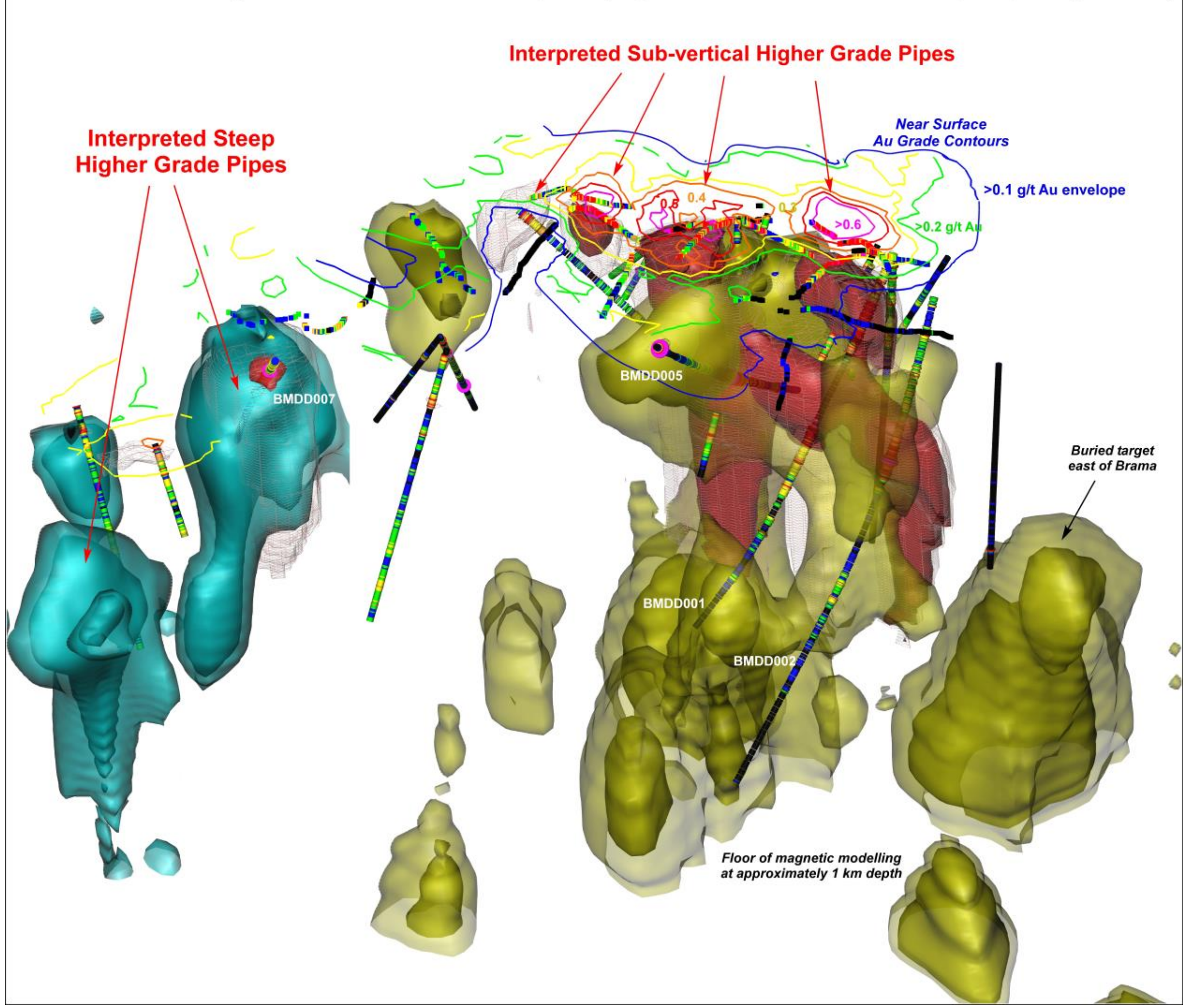
EPDD002 332.15m.
Sulphide veins in quartz diorite

SUNSTONE METALS

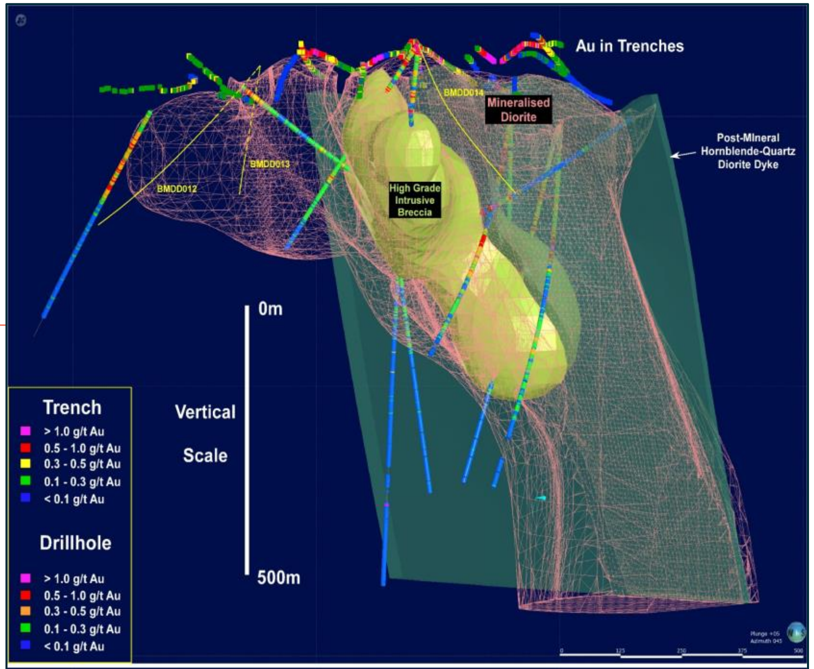
Brama Porphyry

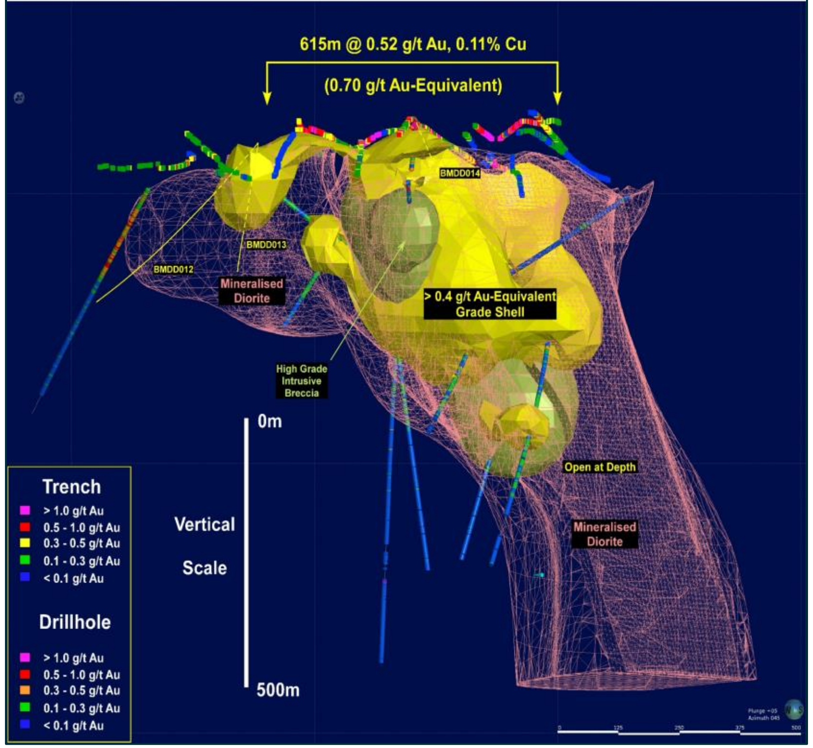
Building tonnes, and testing other targets

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



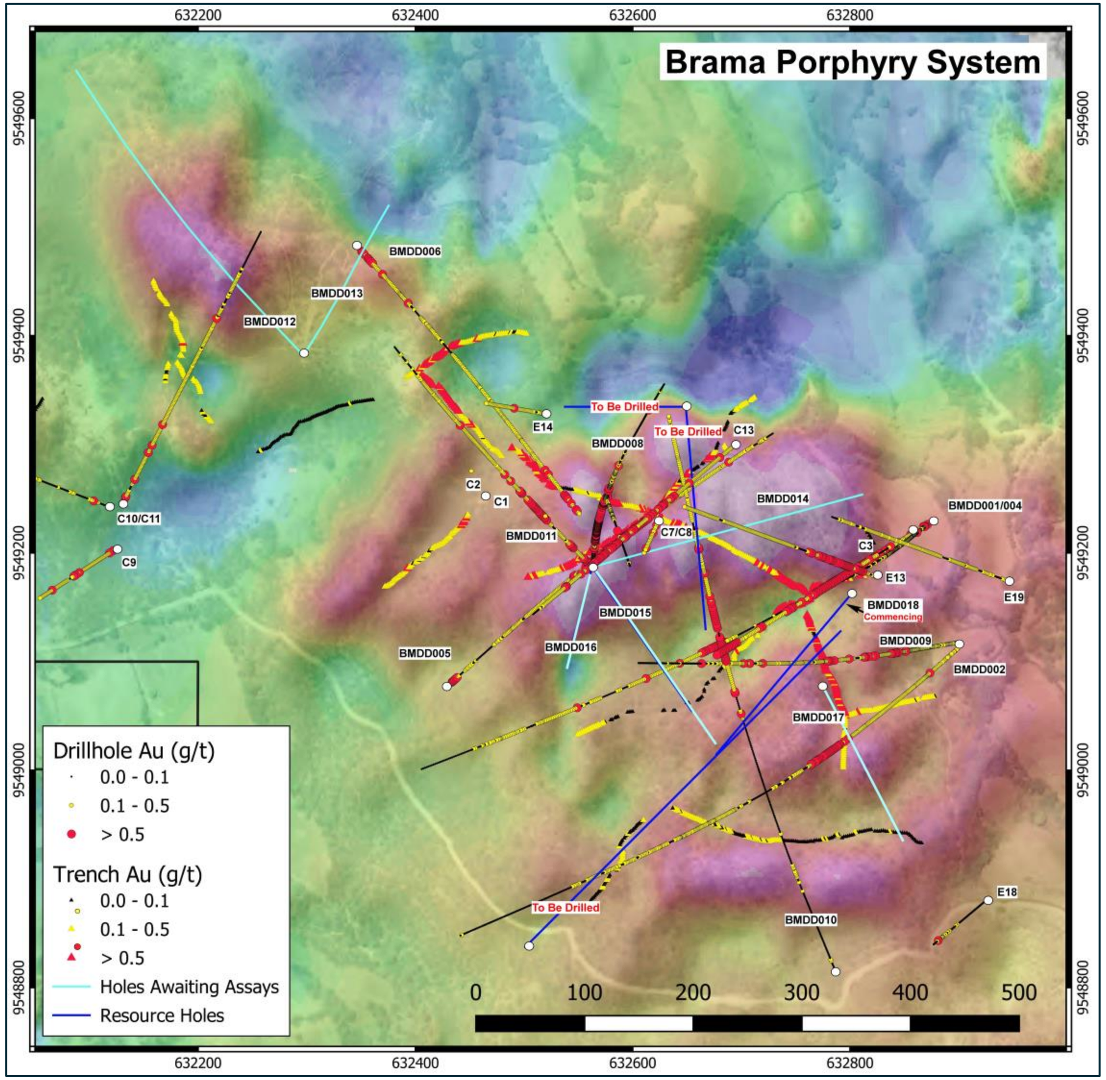
*ON PAGE 22 - AuEq is calculated on a gold and copper basis only, using metals prices at 28th September 2021, being US$1,750/oz gold, US$4.29/lb copper using the formula: (gold grade in g/t) + 1.68 * (Cu grade in %). No metallurgical recoveries have been applied to exploration results.*





Brama Porphyry

Large gold-copper system at surface



- 16 effective diamond drill holes to date - all mineralized, some ore grade
- Longitudinal trench BM14 – **615.14m at 0.52g/t gold and 0.11% copper (0.7g/t AuEq)**, *including*
  - **122.6m at 0.55g/t gold, 0.17% copper (0.84g/t AuEq), and**
  - **97m at 0.61g/t gold, 0.16% copper (0.82g/t AuEq), and**
  - **179.7m at 0.6g/t gold, 0.09% copper (0.75g/t AuEq)**
- BMDD001; 172m at 0.52g/t gold and 0.16% copper (0.79g/t AuEq) downhole, *including*
  - **96.6m at 0.61g/t gold and 0.18% copper (0.91g/t AuEq), and**
- Trench above CURI-03 returned; **140.6m at 0.57g/t gold and 0.15% copper (0.82g/t AuEq)**, *including*
  - **68.2m at 0.8g/t gold and 0.18% copper (0.98g/t AuEq)**
- BMDD008; drilled a mineralised intrusive breccia intersecting
  - **450m at 0.47g/t gold and 0.1% copper (0.64g/t AuEq)**, *including*
  - **84.3m at 0.8g/t gold and 0.11% copper (0.64g/t AuEq)**
- BMDD009; **185.3m at 0.4g/t gold, 0.15% copper, (0.64g/t AuEq)** from 116.8m
- BMDD010; **170.65m at 0.46g/t gold and 0.15% copper. (0.7g/t AuEq)** from 311.75m, *including*
  - **69.6m at 0.65g/t gold, 0.2% copper, (0.97g/t AuEq)** from 347m
- BMDD011; 404.8m at 0.32g/t gold, 0.09% copper, (0.46g/t AuEq) from surface, *including*
  - **51.3m at 0.54g/t gold, 0.07% copper (0.65g/t AuEq)** from surface
- BMDD012-017 drilled
- Four remaining holes in this drill program
- See ASX announcements dated 16 September 2021, 22 April 2021, 20 August 2019

SUNSTONE METALS

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