

16 APRIL 2024

Sunstone appoints highly regarded resources executive to its Board

Former Xstrata Copper executive Neal O'Connor has extensive experience in South American mining operations

Sunstone Metals Limited (ASX:STM) is pleased to announce another key step in its strategy to unlock the full value of its discoveries, with the appointment of Neal O'Connor as a Non-Executive Director.

Mr O'Connor's appointment follows the recent appointment of Patrick Duffy as Managing Director and existing Managing Director Malcolm Norris' move to the role of Executive Director – Exploration.

The changes are part of Sunstone's ongoing strategy to align the skills and experience of its Board with the Company's evolving requirements as it seeks to grow and develop its discoveries in Ecuador.

Mr O'Connor is a highly experienced resources executive and director. His previous roles include General Counsel and Company Secretary and an Executive Committee member of Xstrata Copper from 2003 – 2013.

As a lawyer, he has extensive experience in the development and operation of mines across South America as well as in mergers and acquisitions.

Further details on Mr Neal O'Connor are provided below.

With these appointments, effective 16 April 2024, the Board of Directors will be:

- Graham Ascough – Non-Executive Chairman
- Patrick Duffy – Chief Executive Officer and Managing Director
- Malcolm Norris – Executive Director – Exploration
- Stephen Stroud – Non-Executive Director
- Neal O'Connor - Non-Executive Director

Mr Ascough said: *"These changes are aimed at enabling Sunstone to maximise its exploration success, increase the value placed on its assets in the market and forge a strong growth strategy to unlock shareholder wealth."*

"Neal's extensive skills and experience in these key areas will be invaluable as we seek to grow our asset base and increase its valuation in the market."

ASX ANNOUNCEMENT

Mr Graham Ascough, Non-Executive Chairman 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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MR NEAL O'CONNOR (LLB, GAICD)

NON-EXECUTIVE DIRECTOR (EFFECTIVE 16 APRIL 2024)

Mr O'Connor is a lawyer with global leadership experience of a top four global mining company, with extensive experience in the development and operation of mines and related infrastructure, including across South America. He has extensive experience in the resource industry and brings an added focus on Corporate Transactions, Corporate Governance and Risk Management to the Board.

Mr O'Connor was formerly General Counsel and Company Secretary and an Executive Committee member of Xstrata Copper (2003 – 2013), the largest business unit of global mining company Xstrata Plc. Mr O'Connor is currently a Non-Executive Director of Mitchell Services Limited (ASX: MSV) and a Director of Wesley Medical Research Institute Foundation. He was previously a Non-Executive Director of Stanmore Coal Limited. (ASX: SMR) and Non-Executive Director of Maas Group Holdings Limited (ASX: MGH). His prior legal roles include General Manager Legal M.I.M. Holdings Limited and in private practice with Pinsent & Co Solicitors, London (now Pinsent Masons LLP) and Mallesons Stephen Jacques, Brisbane (now King Wood Mallesons).

ASX ANNOUNCEMENT

About Sunstone Metals

Sunstone has an advanced portfolio of exploration projects in Ecuador. The portfolio comprises:

The Bramaderos Gold-Copper Project where Sunstone owns an 87.5% interest, and SolGold Canada, Inc. (formerly Cornerstone Capital Resources) a subsidiary of SolGold, holding 12.5% (loan carried through to start of commercial production) (see ASX announcement dated 10 April 2017, 28 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. The Bramaderos concession is host to multiple fertile mineralised systems with significant discovery potential.

The Brama-Alba deposit, within the Bramaderos concession contains an initial Mineral Resource estimate of 156Mt at 0.53g/t AuEq for 2.7Moz gold-equivalent*. In addition to this is the Bramaderos project porphyry Exploration Target of between 3.3Moz and 8.6Moz AuEq within 255 to 360Mt at a grade between 0.40 and 0.74g/t AuEq (see ASX release dated 13 December, 2022), and the Limon epithermal gold-silver exploration target of 0.9 – 1.7mill oz AuEq within 30 – 44mill tonnes at a grade of between 0.9 – 1.2g/t AuEq.

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	AuEq* (Mozs)
Indicated	9	0.38	0.09	1.1	0.53	0.2
Inferred	147	0.35	0.11	1.3	0.53	2.5
Total	156	0.35	0.11	1.3	0.53	2.7

An Exploration Target for the Limon epithermal gold-silver deposit was released on 9 November 2023 consisting of between approximately 30 and 44 million tonnes at a grade of between 0.9 and 1.2g/t AuEq*, for between 0.9 and 1.7mill oz AuEq*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement for the Mineral Resource estimate and Exploration Target referred to above and, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the target area reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

*The gold equivalent calculation formula for porphyry gold-copper-silver mineralisation is $AuEq(g/t) = (Au \text{ grade} \times Au \text{ price} \times Au \text{ recov} / 31.1035) + (Ag \text{ grade} \times Ag \text{ price} \times Ag \text{ recov} / 31.1035) + (Cu \text{ grade} \times Cu \text{ price} \times Cu \text{ recov} / 100) / (Au \text{ price} \times Au \text{ recov} / 31.1035)$. The prices used were US\$1,800/oz gold and US\$9,500/t copper and US\$22/oz silver. Recoveries are estimated at 89% for gold, 85% for copper, and 60% for silver based on metallurgical studies.

*The gold equivalent calculation formula for epithermal gold-silver mineralisation is $AuEq(g/t) = Au(ppm) + (Ag(ppm)/82)$. The prices used were US\$1,800/oz gold and US\$22/oz silver. Recoveries are estimated at over 90% for gold and 90% for silver from metallurgical studies.

In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

The El Palmar Copper-Gold Project where Sunstone holds 70% of the highly prospective 800ha El Palmar gold-copper porphyry project in Ecuador. Sunstone can acquire 100% through a Staged Acquisition Agreement. A Staged Acquisition Agreement to acquire the nearby Verde Chico Project has also been signed. The El Palmar and Verde Chico gold-copper projects are located in Imbabura province, northern Ecuador, within the same geological belt that includes the giant Alpala, Tandayama-America and Llurimagua porphyry copper-gold and copper-molybdenum deposits.