



SUNSTONE
METALS

INVESTOR PRESENTATION

**ON THE PATH TO DISCOVERY OF A GOLD-COPPER PORPHYRY
DISTRICT IN ECUADOR**

ASX
STM

March 2020

Disclaimer

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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.

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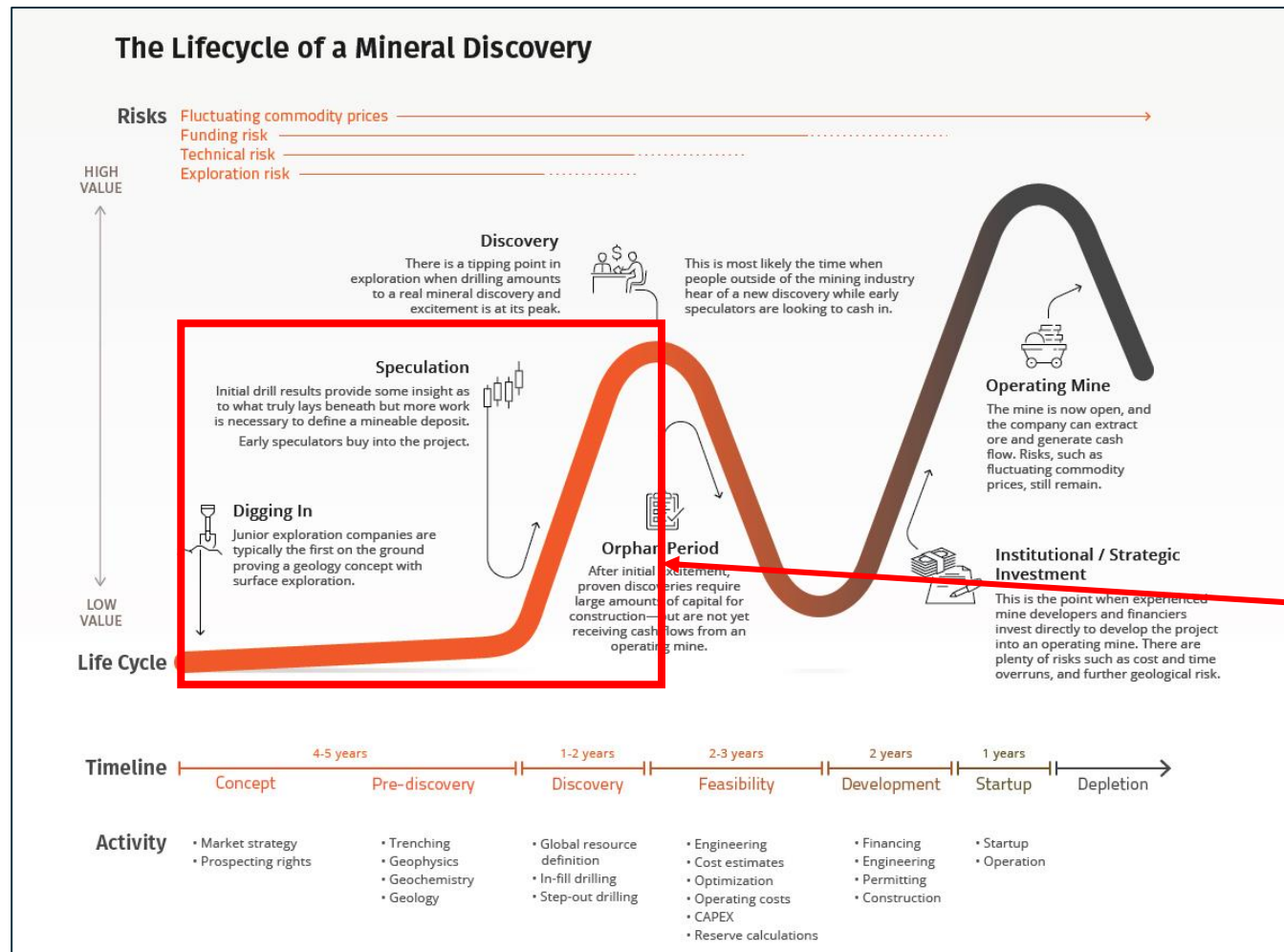
Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

Assets

- **Sunstone owns 87.5% of the Bramaderos Gold-Copper Project in Ecuador**
 - The Bramaderos Project has delivered ore grade intercepts of gold and copper and has multiple targets still to be fully tested
 - This position was earned through a low entry cost earn-in JV with respected TSX:V listed company Cornerstone Capital Resources
- **Sunstone owns 27% NASDAQ First North Stockholm listed Copperstone Resources AB.**
 - Sunstone's interest is valued at ~A\$10 million (at 0.38 SEK per Copperstone share)
 - Copperstone is moving the Viscaria Copper Project through feasibility studies (52mt at 1.2% copper located in the Kiruna mining district in northern Sweden), and advancing the Copperstone Arvidsjaur copper-gold-lead-zinc exploration project near the Skelleftea district in Sweden
 - Sunstone converted its previously 100% owned Viscaria asset into the equity position in Copperstone for A\$6.2 mill cash and retaining upside through 160 million Copperstone shares and a Tranche 2 milestone linked payment of additional cash and shares
- **Sunstone has a core team that has been involved in other large porphyry copper-gold discoveries and project studies in Asia and South America**

Clear Strategy

Deliver outstanding shareholder returns through discovery



- Sunstone has a vision to build a **gold-copper** discovery business
- The team at Sunstone has done it before, through involvement in large copper-gold porphyry discoveries in Indonesia (Tujuh Bukit, Intrepid Mines), and in the early days of the Cascabel discovery (Ecuador, SolGold)

Sunstone is working in this space
Explore – Discover – Create Value

Investment Highlights

- Sunstone has a vision to build a gold-copper discovery business in Ecuador and is monitoring other opportunities. The leverage from Sunstone's equity investment in Copperstone can help deliver the vision
- Opportunity to participate in the discovery of multiple gold-copper deposits within the Bramaderos Project. Discovery adds significant value
- Sunstone has very low Enterprise Value and therefore strong upward leverage
- Sunstone holds 87.5% of the Bramaderos Project; Low entry cost earn-in JV delivered
- Bramaderos is a simple story; multiple high quality gold-copper systems defined, recent drilling has enhanced the exploration model, and now we are entering the phase of testing for higher grades across multiple systems. We are in a porphyry-epithermal district with strong discovery potential
- ~A\$10 million equity position in NASDAQ Stockholm listed Copperstone Resources underpins the current valuation; Responsible capital management – converted Swedish asset in Sunstone to shareholding in Copperstone
- Copperstone actively drilling, intersecting copper, growing the Viscaria copper resource

We are optimistic because ...

- Bramaderos Project is in a regionally extensive well mineralised porphyry - epithermal district
- Exploration results to date have delivered a much improved understanding of the mineralisation. We are entering Phase 2 of the exploration process. Phase 1 has delivered extremely encouraging results and solved some technical questions
- Bramaderos Project comprises 6 highly ranked porphyry gold-copper systems –all of which are mineralised and only partially tested - and a belt of epithermal gold opportunities
- Team with track record of discovery
- 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

Corporate

Enterprise Value of ~zero (or -ve EV at today's share price)
Trading at below Net Tangible Asset value

A\$10M

**MARKET
CAPITALISATION**
Tightly held
At share price of A\$0.0075
(30-day VWAP)

A\$1.0M

CASH
As at Mar 2020 - unaudited

A\$10M

EQUITY INVESTMENTS
In Nasdaq listed Copperstone
Resources AB
escrowed to Sept 2020

1,384M

SHARES ON ISSUE
As at Mar 2020

~43%

TOP 20 SHAREHOLDERS
Hold almost half of all
shares on issue

4.4%

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

Substantial Shareholders

Darren Carter (UK)	6.4%
Valbonne II	5.6%

Ecuador

Exploration and development is active

Ecuadorian government is strongly supporting the exploration and mining sector

“Ecuador 10-year plan for investment stability. Ecuador is developing a 10-year mining plan to provide investors with stability and certainty about the future development of the sector, deputy mining minister Enrique Gallegos-Anda has told Mining Journal at PDAC 2020 in Toronto, Canada.”

Legal challenges to the industry through Constitutional Court process resoundingly dismissed

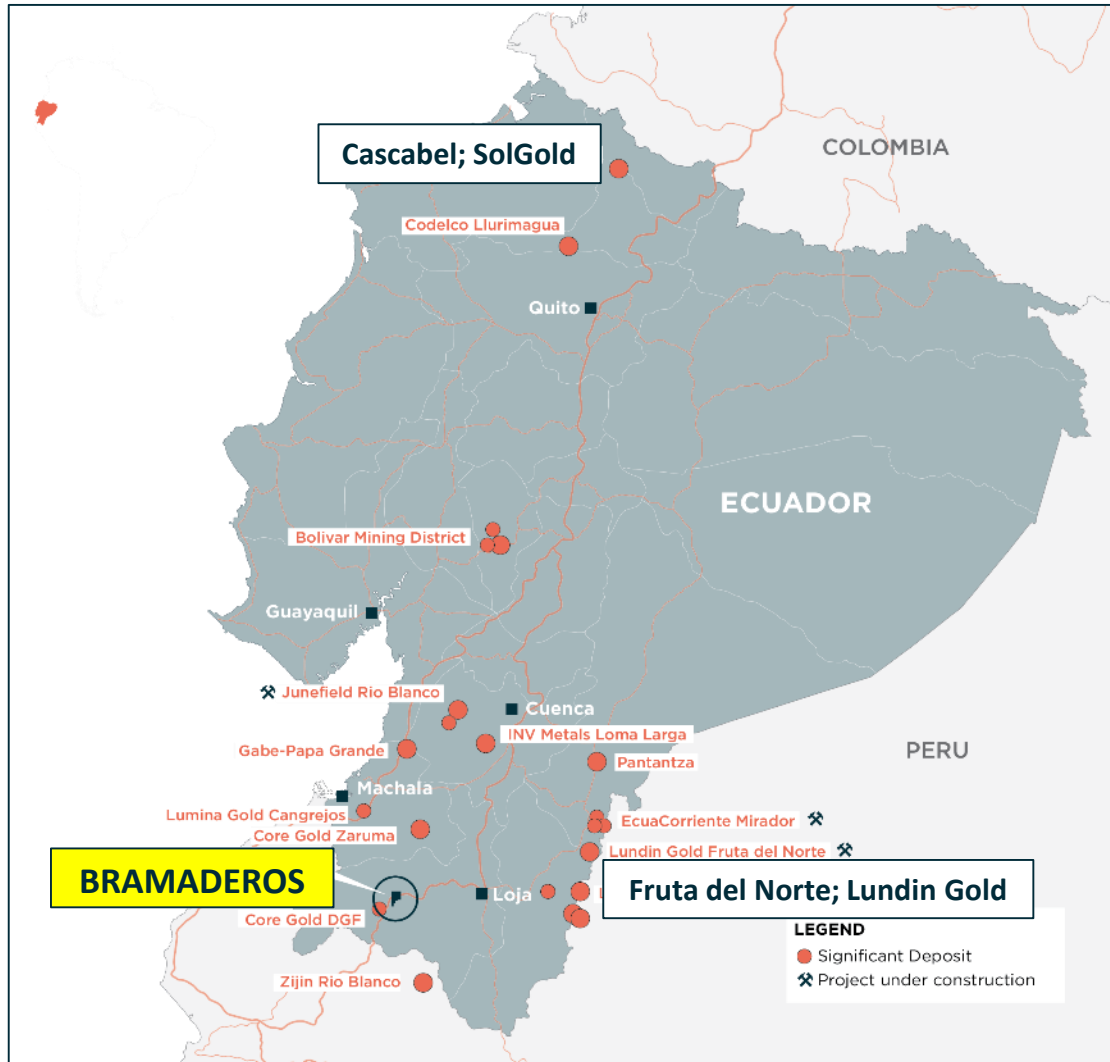
Major resource companies have committed for the long term

Alignment of Ministers and senior bureaucrats to support permitting and to get the industry moving

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

Ecuador's first modern underground gold mine

Mirador

Ecuacorriente

Open Pit producing and exporting concentrate

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

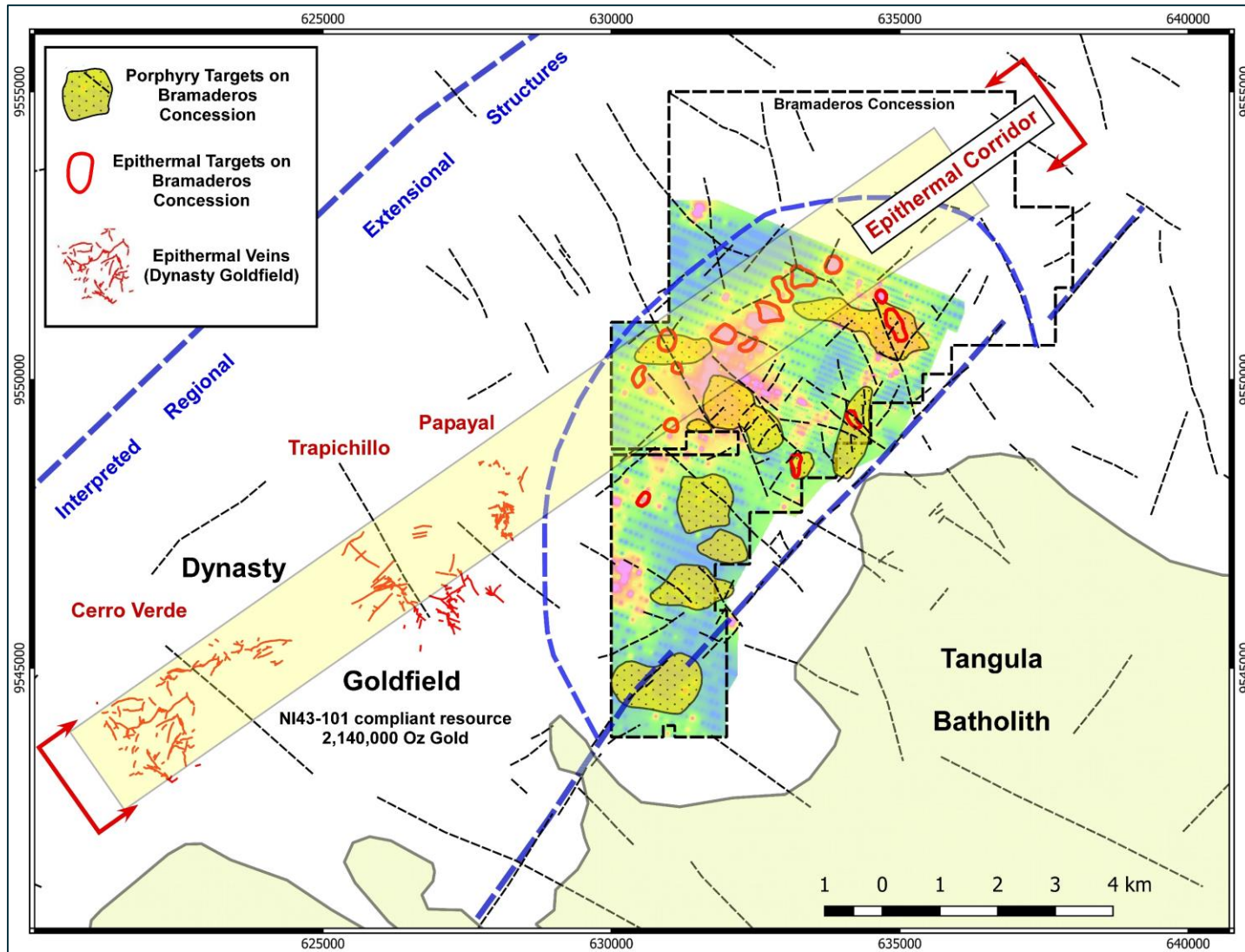
Loma Larga

INV Metals (TSX.V:INV)

Previously referred to as Quimsacocha; 32.6Mt at 3.2g/t gold and 22g/t silver

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

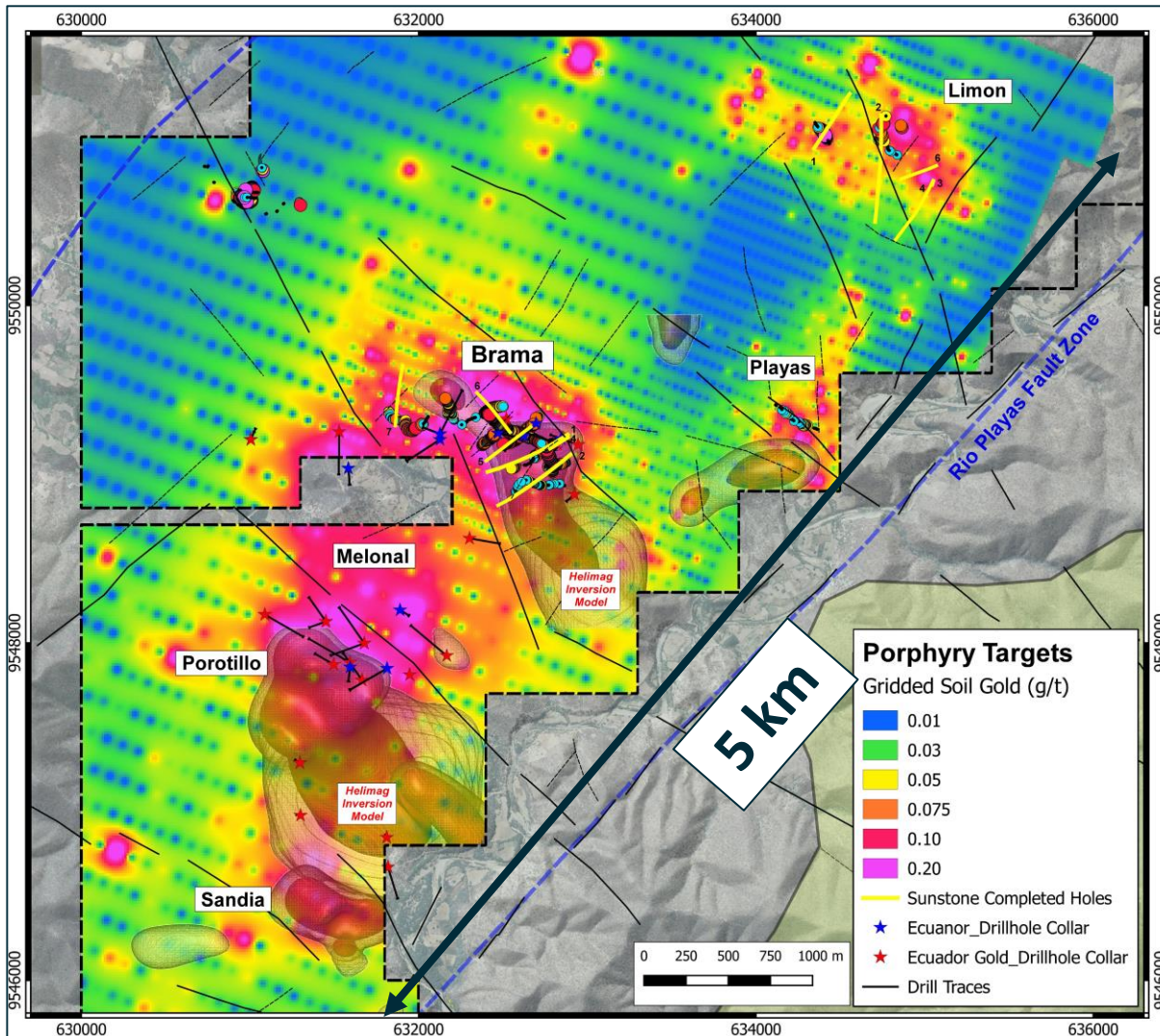
6 porphyry gold-copper systems, all mineralised

At least 2 mineralised epithermal gold systems

Exploration aimed at building tonnes of higher-grade material

Bramaderos Project

Cluster of 6 mineralised porphyry gold-copper systems



Still early days

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 significant gold-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

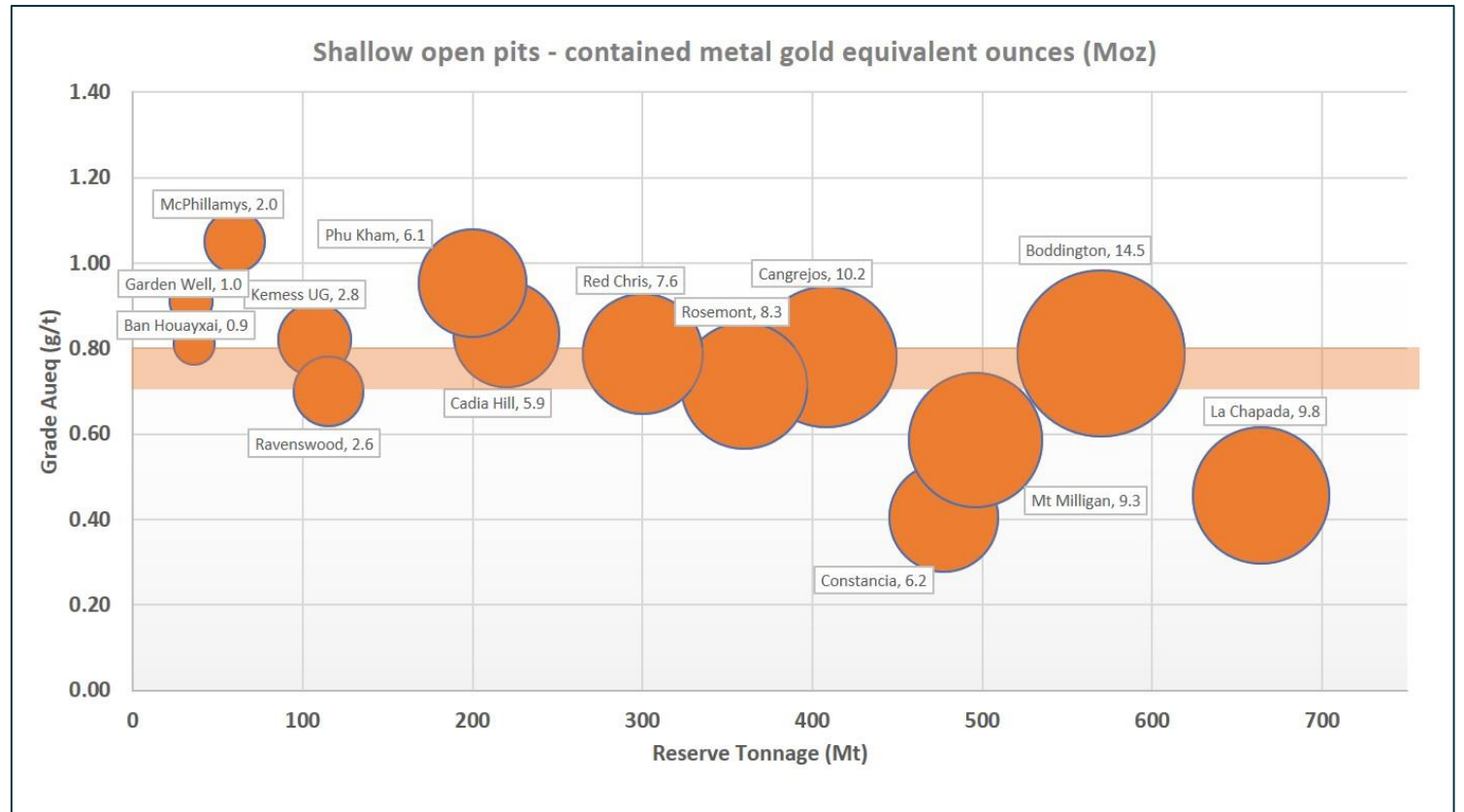
At Bramaderos

- Multiple gold-copper porphyry deposits within a 5km long belt
- Complemented by higher grade epithermal gold deposits
- From surface (e.g. Brama) to deeper (e.g. Limon)
- Large vertical extent to mineralised systems; >1,000m
- Targeted 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 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



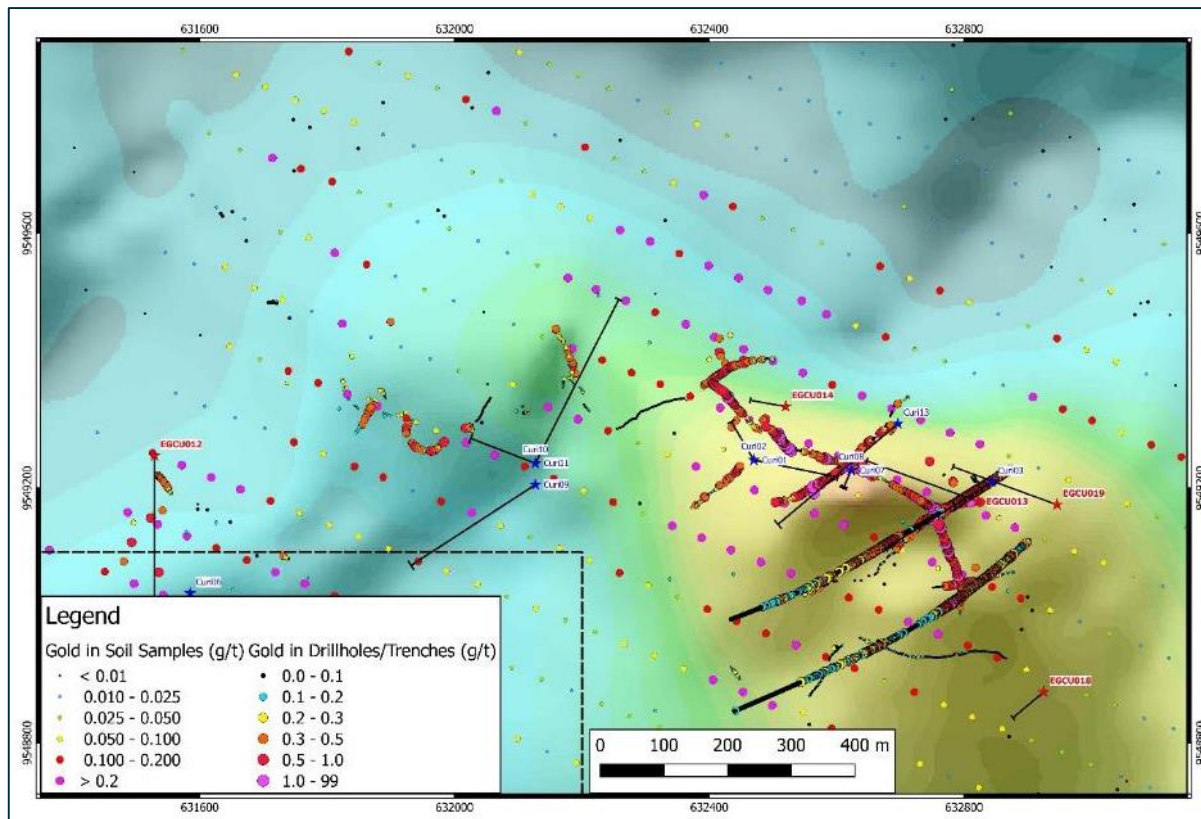
**Sunstone does not release gold equivalent grades at this stage. Metallurgical test work for Bramaderos is underway to determine gold and copper recoveries which will allow for quoting of gold equivalents. The gold equivalent, Reserve and grade numbers presented in the graph are based on individual company reports for comparative purposes. See slide 25 for sources of information*

Brama Porphyry

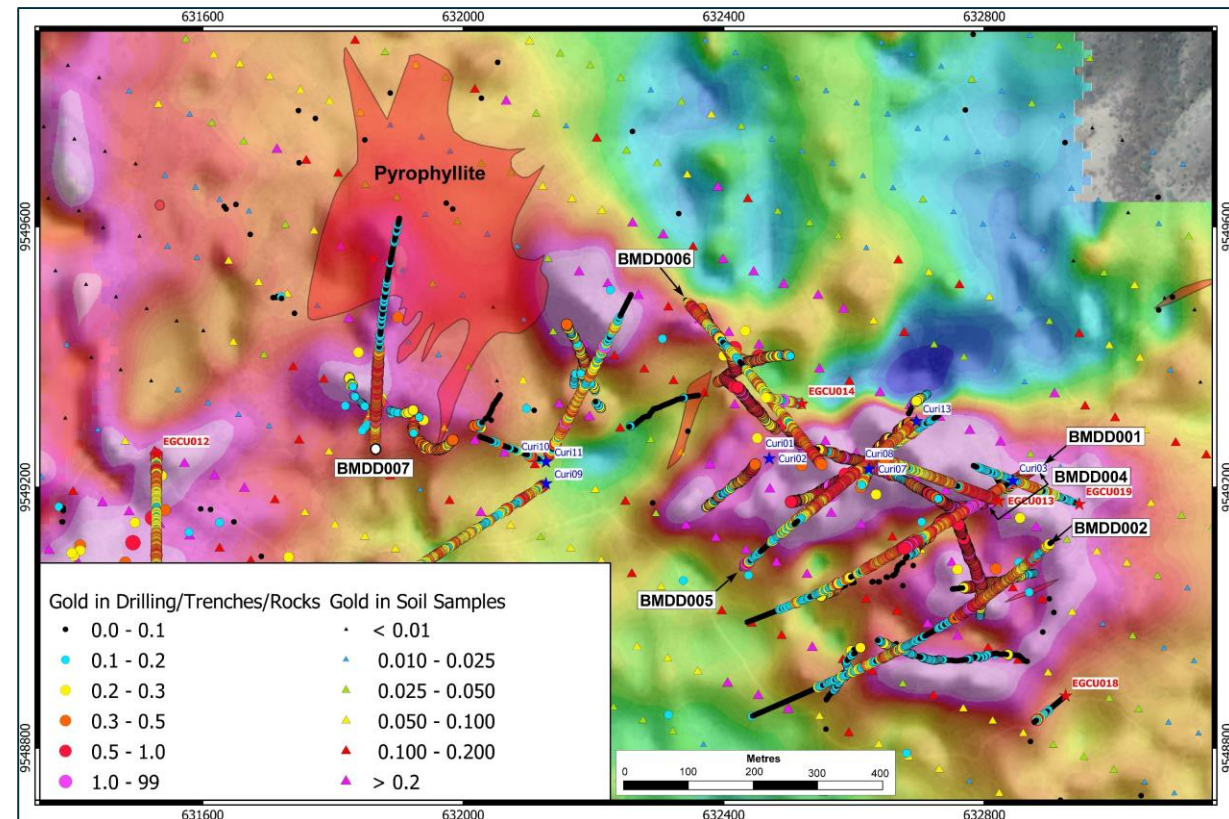
Detailed magnetics and 3-D modelling – a breakthrough

Original target was single large magnetic system – target now is cluster of smaller, magnetic, higher grade gold-copper systems

Side-by-side – original heli magnetics vs new ground magnetics



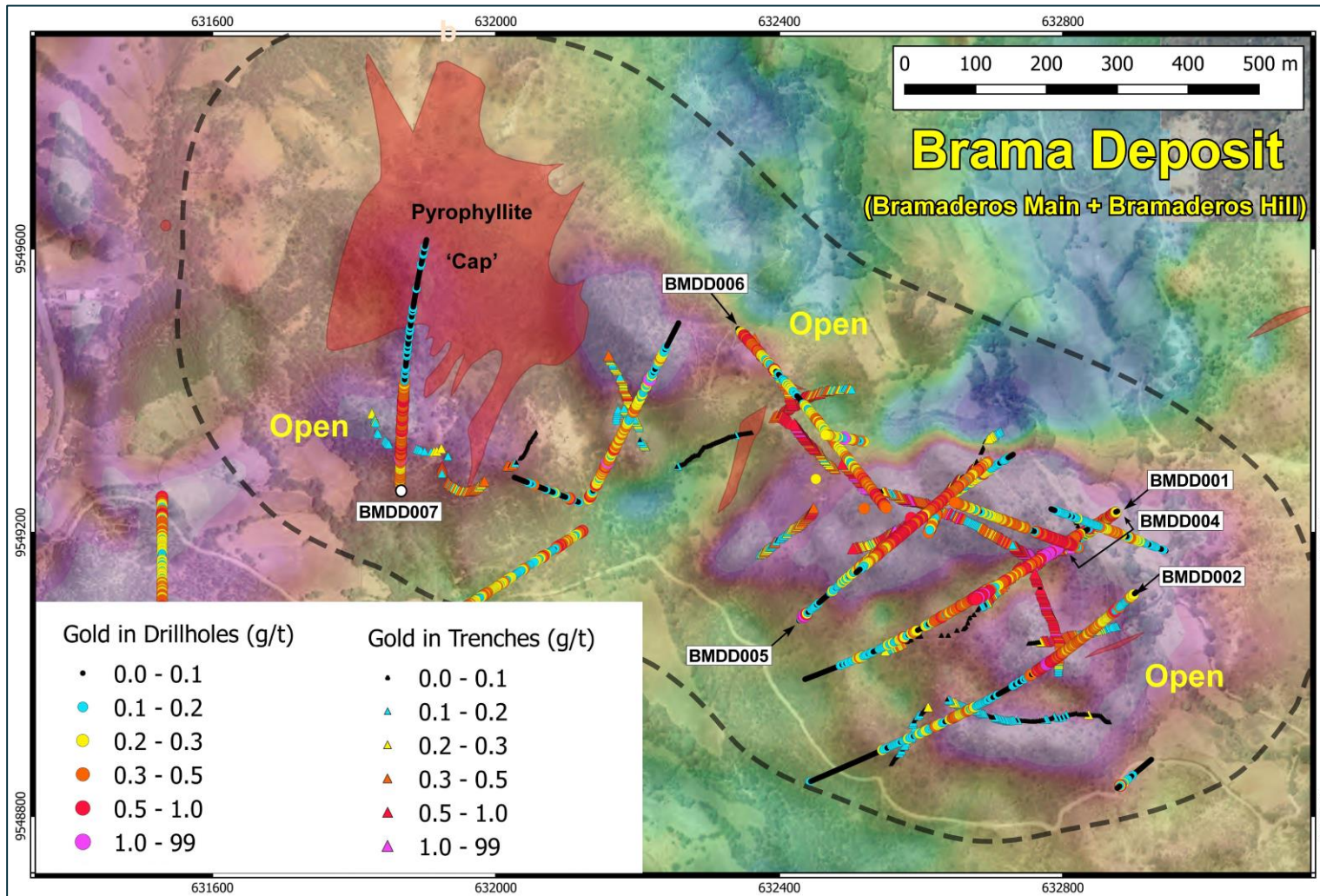
Brama; Heli-magnetics, 100m line spacing and 30m survey height



Brama; Vastly improved resolution; Ground magnetics, 50m line spacing

Brama Porphyry

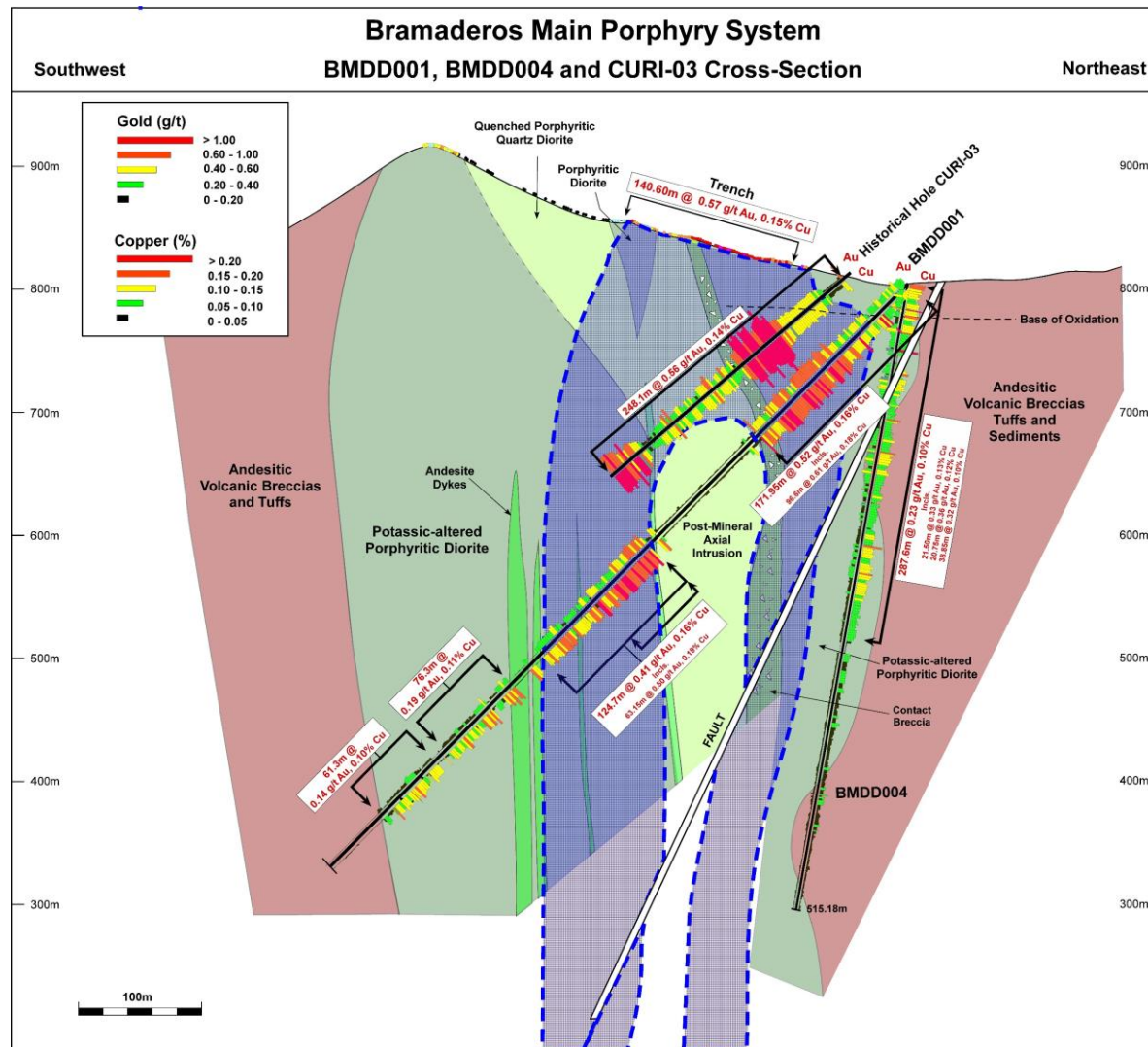
6 effective drill holes - all mineralised



- 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 BMDD004 drilling



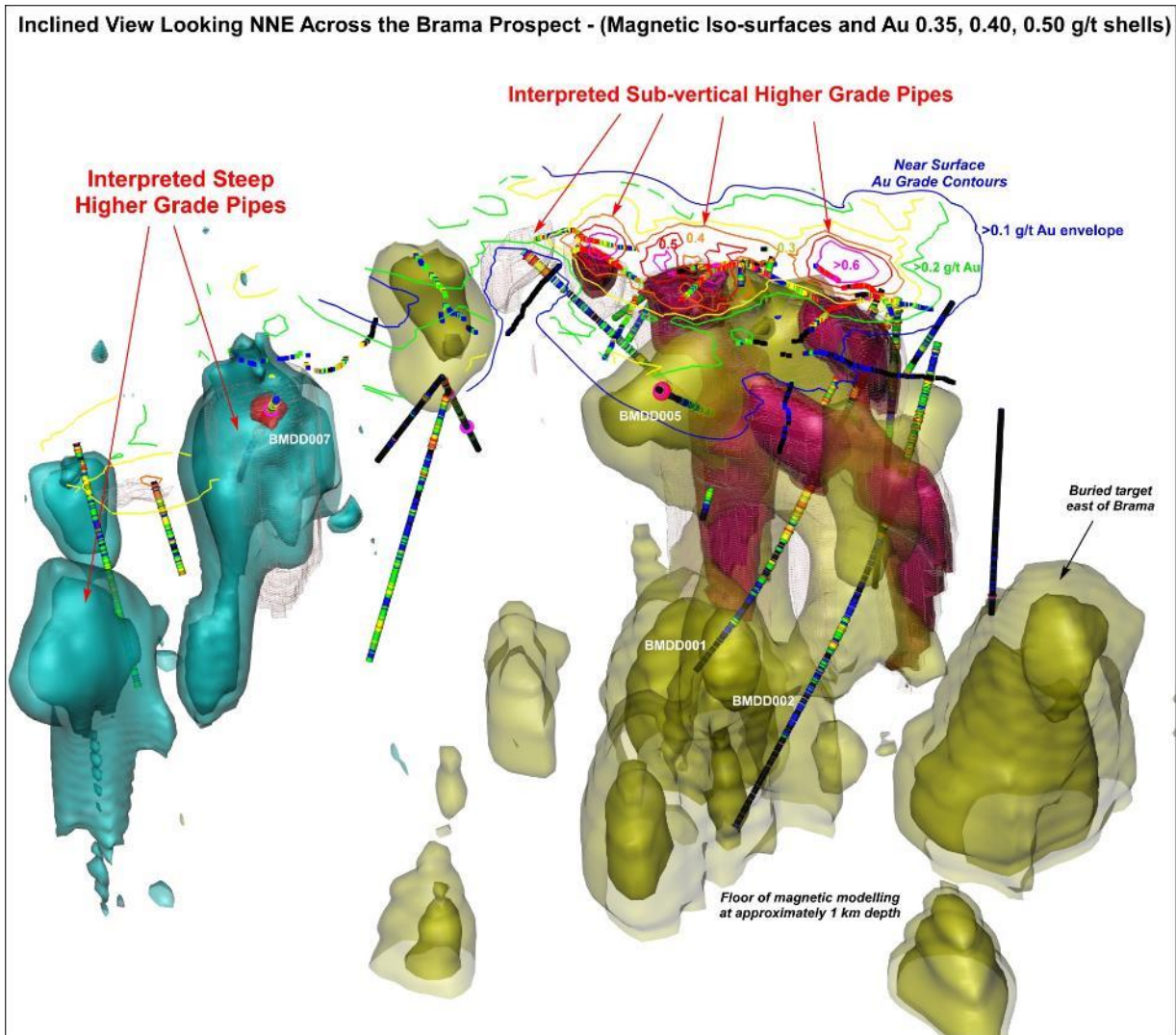
200m diameter 'pencil porphyry' system on this section

We have at least 4 of these within the Brama porphyry

- In BMDD001 –
 - ✓ 96.6m at 0.61g/t gold and 0.18% copper, within 172m at 0.52g/t gold and 0.16% copper from 3.45m downhole, and
 - ✓ 63.15m at 0.5g/t gold and 0.19% copper, within 124.7m at 0.41 g/t gold and 0.16% 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

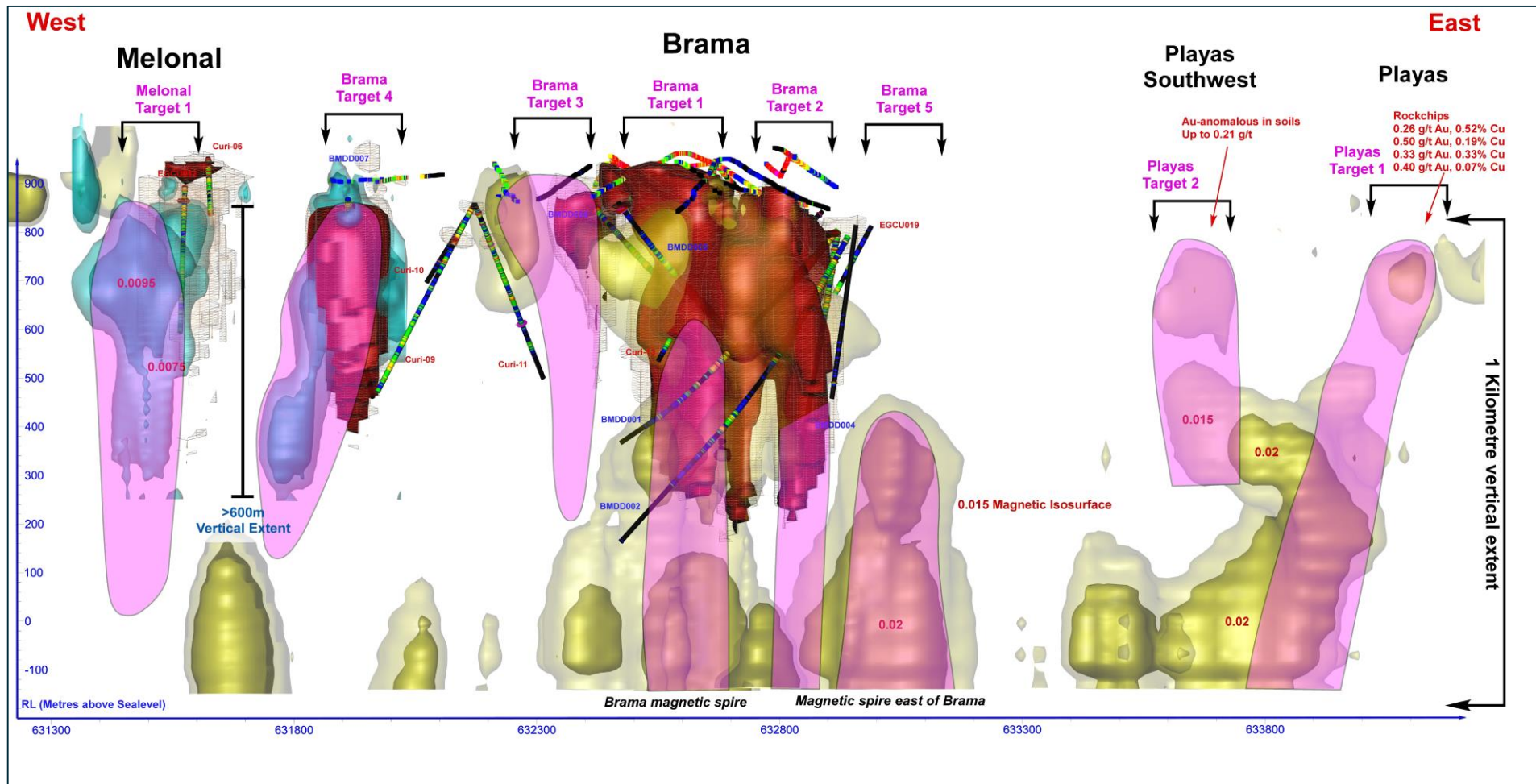
Exploration data is telling us we have a cluster of smaller higher grade gold-copper porphyry systems

Exploration model is to drill and define the higher grade systems

The exploration model is transferable to all other porphyry systems at Bramaderos – i.e. Limon, Playas, Melonal, Porotillo, Sandia

Brama – Playas – Melonal Targets

Multiple clusters – compelling interpretation, all mineralised



- Target ‘pencil porphyries’ shown in pink
- Note at Playas, minor surface sampling undertaken, and highest values correspond to positions of pencil porphyries

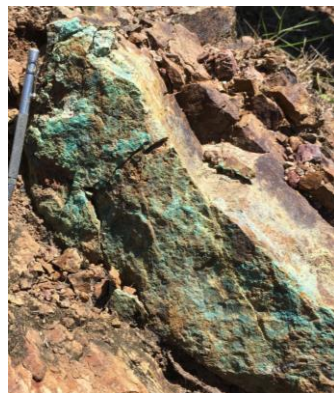
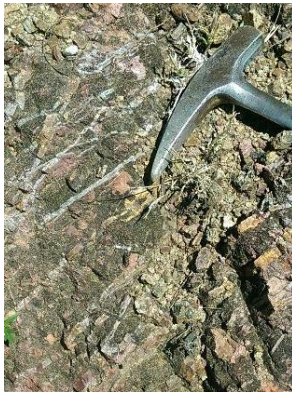
Multiple Mineralised Porphyries and Epithermals

All mineralised – targeting higher grades

Brama



Limon



Playas



Melonal



Epithermals



BMDD001; 0.7g/t gold, 0.2% copper

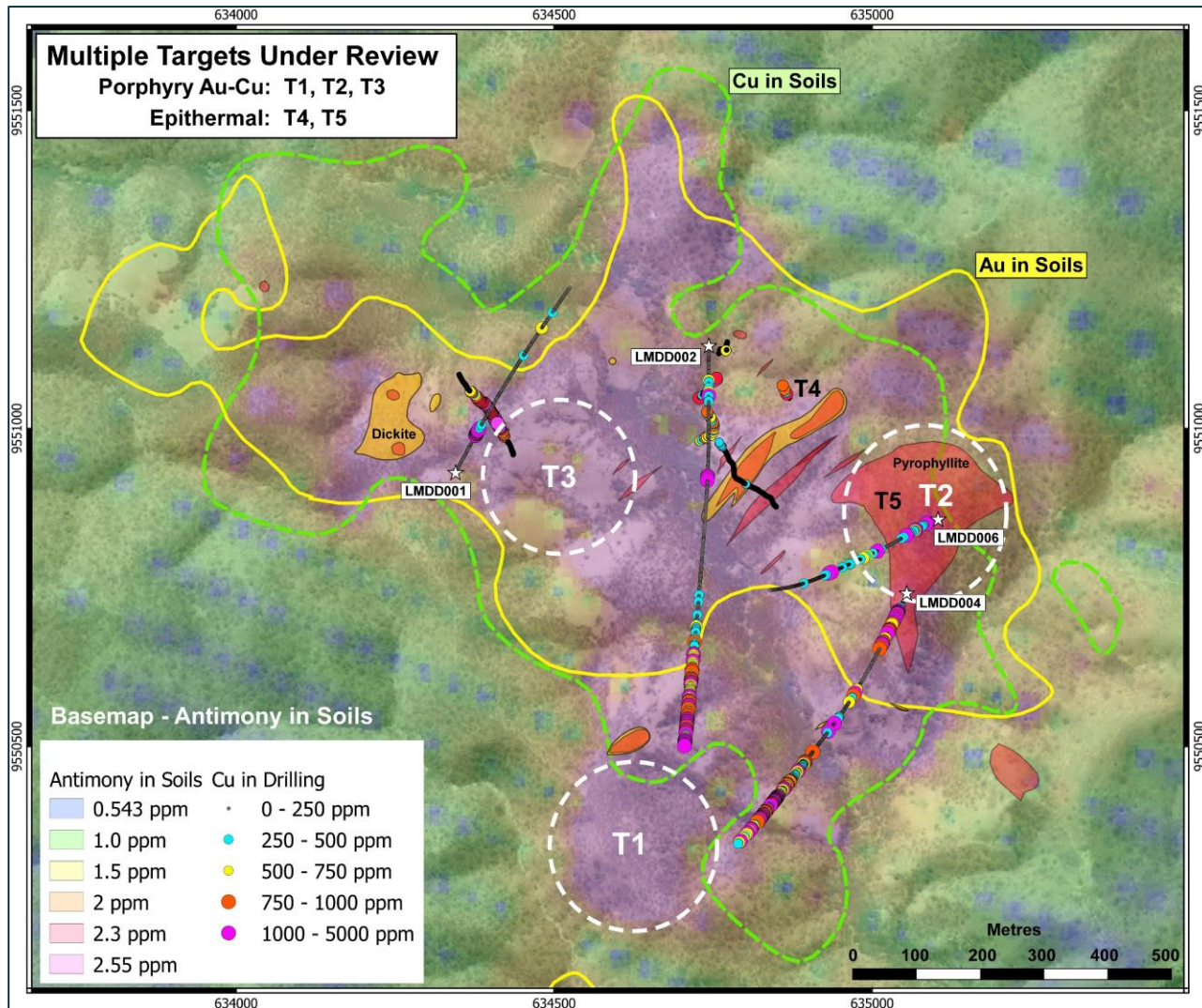


LMDD002; 2.1g/t gold, 1.9% copper; over 0.25m at 890.4m



Limon Target

Multiple drill targets now defined



Applying the Brama model, Limon contains at least 3 discrete porphyry targets T1, T2, & T3 – shallow, near trench LM01, to deep near drill holes LMDD002 and 004

Previous target was one large deep system – now multiple targets

Surface trench in the western part of the target delivering 97.6m at 0.71g/t gold and 0.23% copper in a stockwork veined potassic altered diorite

LMDD001:

Drilled off the side of a ‘pencil porphyry’ underneath trench which intersected 97.6m at 0.71g/t gold, 0.23% copper

LMDD002:

267m (from 627m downhole) at 0.05g/t gold, 750ppm copper, 22ppm molybdenum

Bottom 14m (880-894m downhole) at 0.1g/t gold, 0.2% copper, 41 ppm molybdenum

LMDD004:

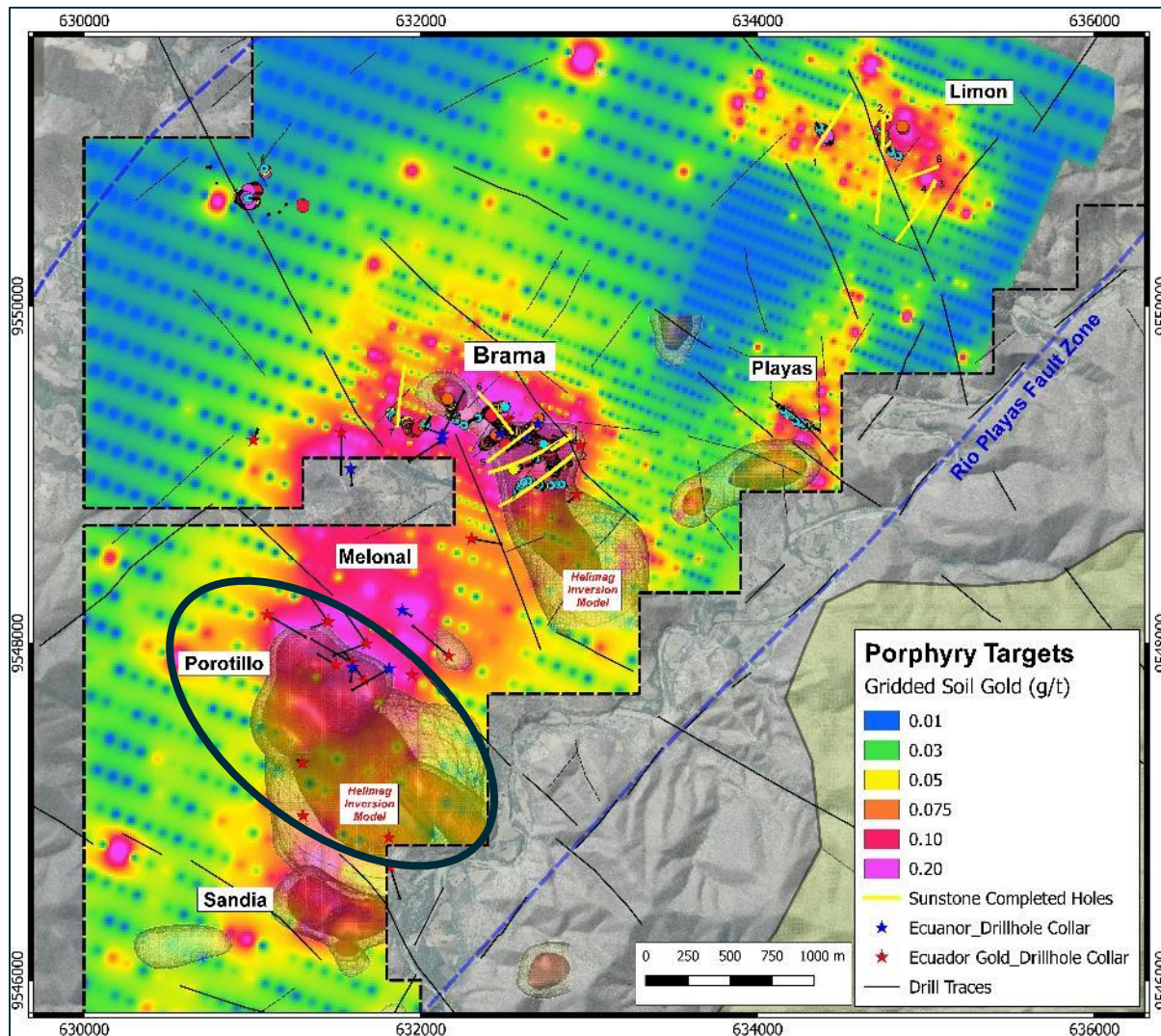
360m (from 703m downhole) at 0.06g/t gold, 595ppm copper, 17ppm molybdenum

including 40m (864 - 904m downhole) at 0.1g/t gold, 0.12% copper, 19 ppm molybdenum

Also drilled shallow High Sulphidation system with gold and copper mineralisation

Porotillo Target

Large mineralised area



Early days

Some detailed mapping completed

3-D magnetic model

Demonstrates clustering of potential targets extending to at least 500m depth

Surface mapping has identified several intrusive phases, some similar to Brama intrusive phases

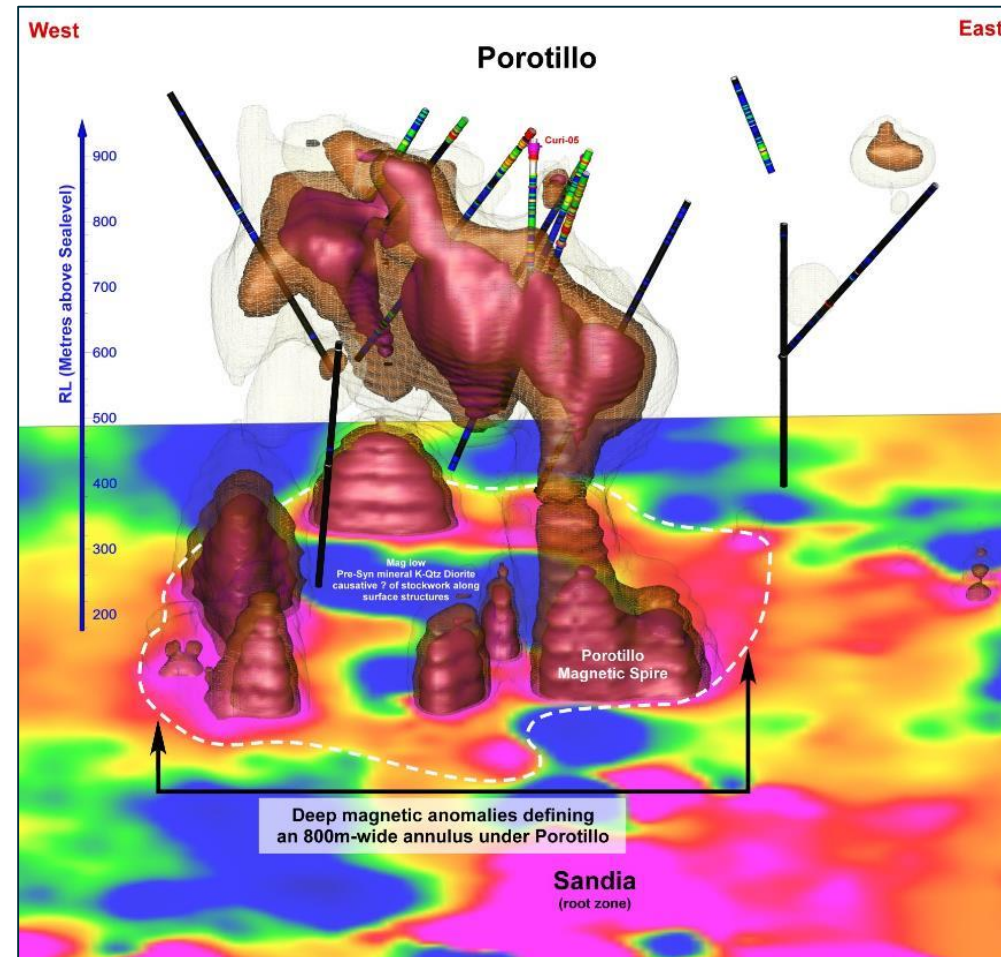
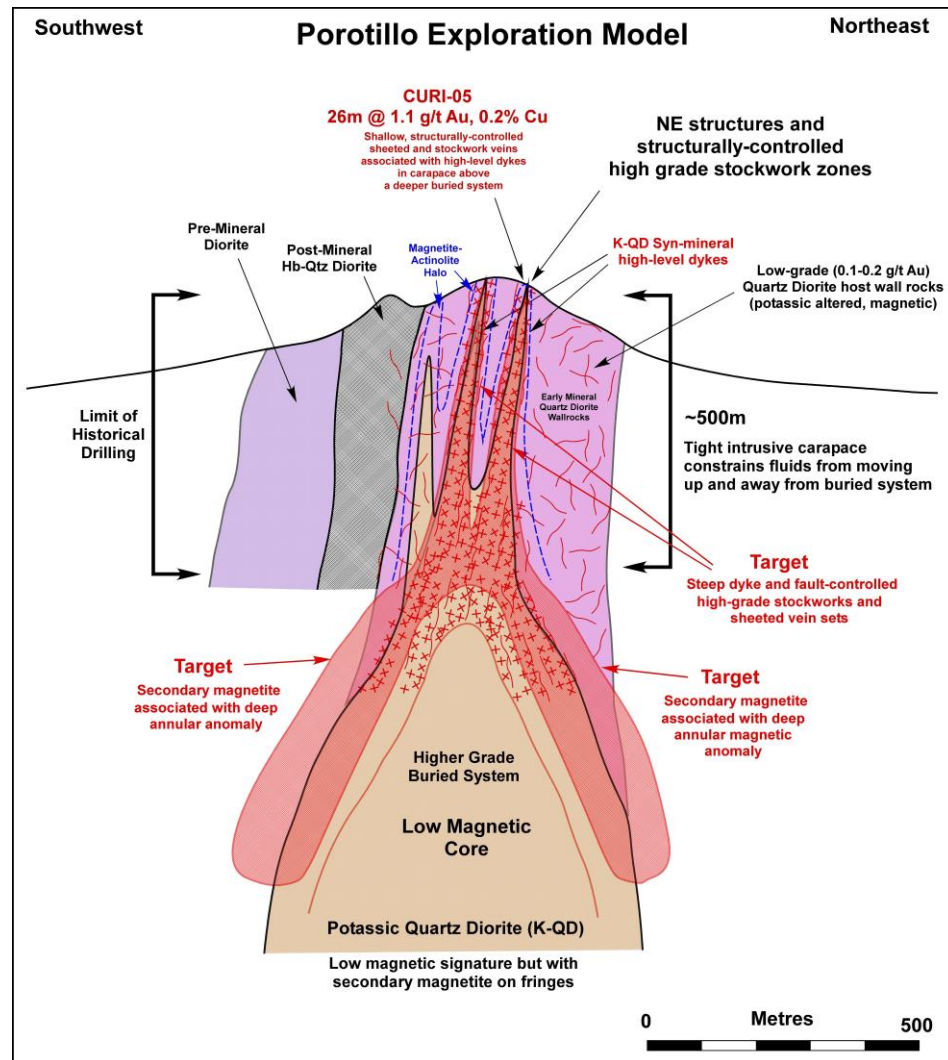
Historical drilling has delivered 26m at 1.1g/t gold and 0.2% copper from 6m down hole, from a stockwork veined quartz diorite; demonstrates that grades can be high

Potassic altered intrusives have been mapped at surface and further mapping and extensive rock chip sampling is to be undertaken in the coming months

Magnetic modelling and exploration model developed from Brama target deliver compelling targets at Porotillo

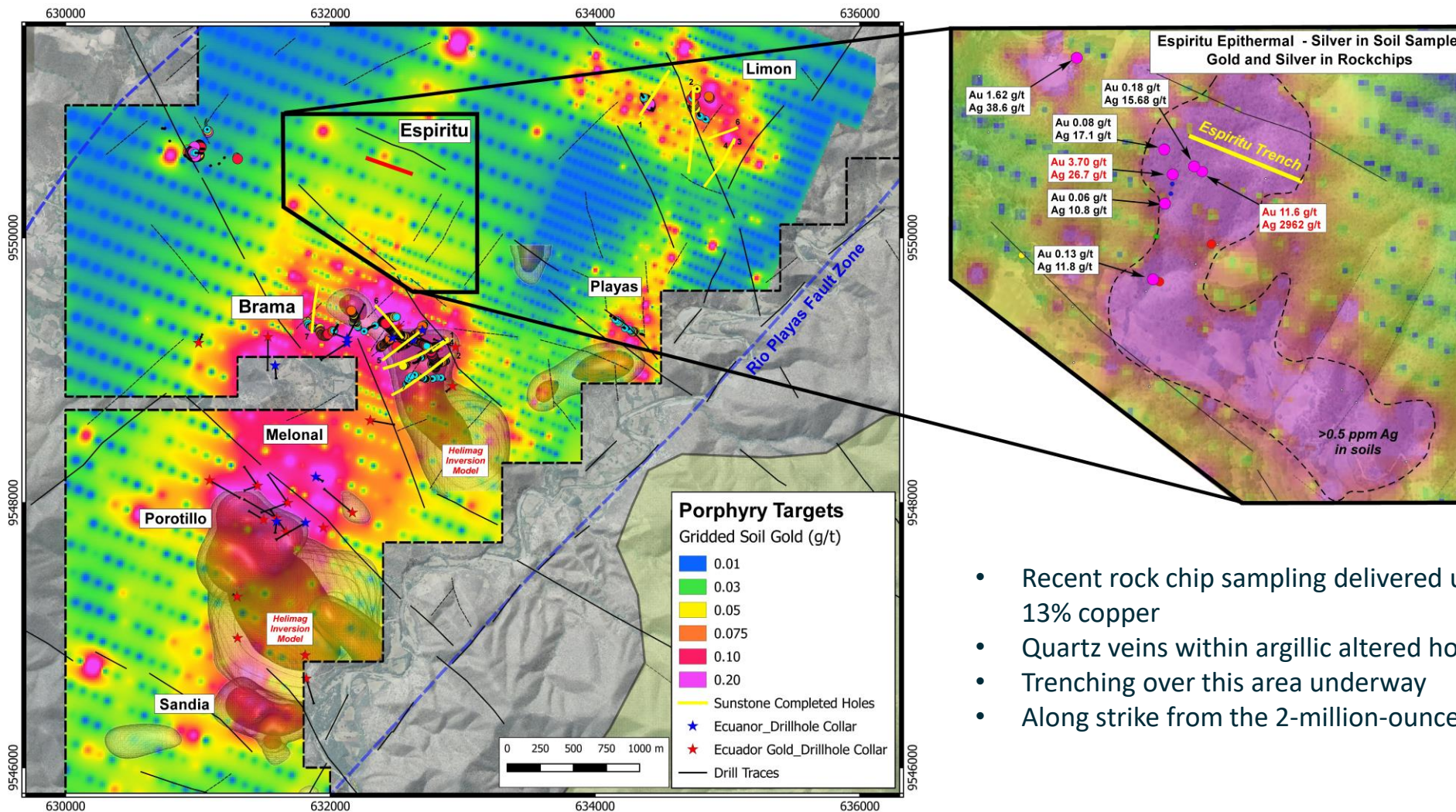
Porotillo Target

Robust 3-D magnetic model



Espiritu Target

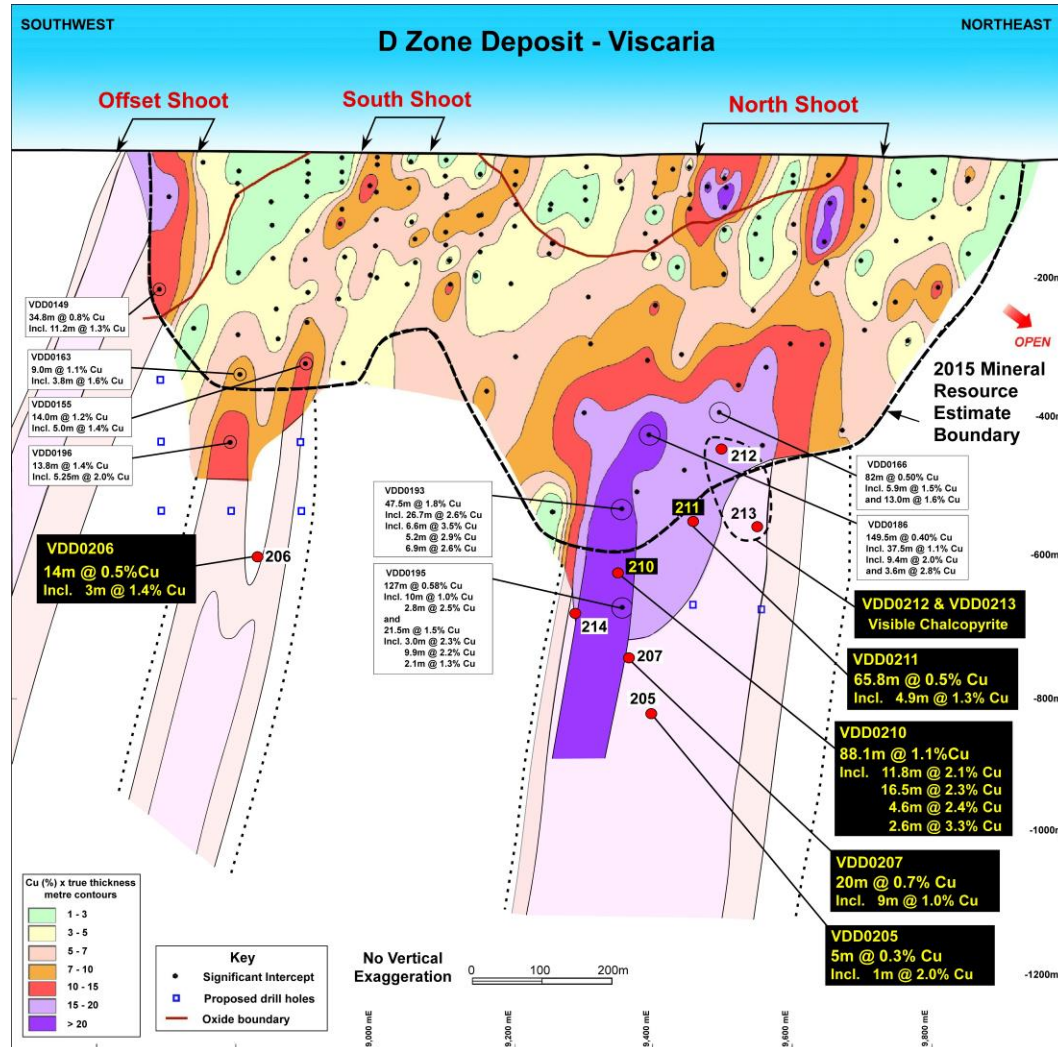
Epithermal Gold Belt – significant opportunity for high grade gold



- Recent rock chip sampling delivered up to 11.6g/t gold, 2962g/t silver, 13% copper
- Quartz veins within argillic altered host rocks
- Trenching over this area underway
- Along strike from the 2-million-ounce Dynasty Goldfield

Copperstone Equity Investment

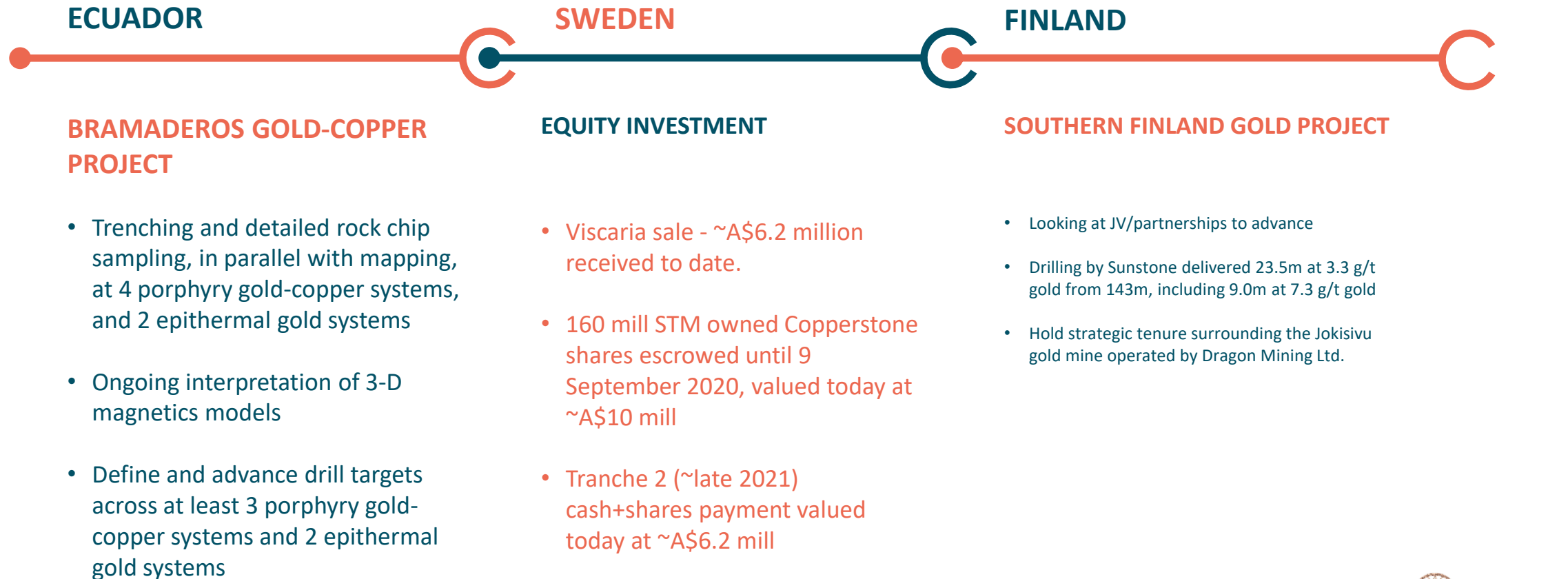
Viscaria Copper Project – northern Sweden



- Sunstone holds ~27% of NASDAQ Stockholm listed Copperstone Resources. The holding is valued at ~A\$10 million
- Recent drilling by Copperstone at the Viscaria Copper Project in northern Sweden has delivered some very exciting high grade copper intersections from hole VDD 210:
 - **88.1m at 1.1% copper from 620m, including**
 - ✓ **11.8m at 2.1% copper from 635m**
 - ✓ **16.5m at 2.3% copper from 668.6m**
 - ✓ **4.6m at 2.4% copper from 695.1m**
 - ✓ **2.6m at 3.3% copper from 705.5m**
 - **And other holes with visible chalcopyrite, not yet assayed**
- Copperstone has a market capitalisation of ~A\$37.2 million (see <http://www.nasdaqomxnordic.com/aktier/microsite?Instrument=SE38904>)

Planned Workflow and News Flow

Focus is on Bramaderos in Ecuador – Deliver a Discovery



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.

Refer to Annual Report released 7 September 2017 for the Competent Persons Statement in relation to the estimates of mineral resources. The Company confirms that it is not aware of any new information or data that materially affects the information and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

MULTI DISCIPLINARY STRONG BOARD



GRAHAM ASCOUGH
CHAIRMAN

A senior resources executive with considerable experience evaluating mineral projects and resources in Australia and overseas. He is currently non-executive Chairman of ASX listed companies: PNX Metals Limited and Musgrave Minerals Limited. Mr Ascough was previously Falconbridge Limited.



MALCOLM NORRIS
CEO & MANAGING DIRECTOR

Mining industry executive with a track record of discovery and growth. Previously with WMC Resources. Led team that discovered Tujuh Bukit porphyry Cu-Au in Indonesia with Intrepid Mines. Former CEO of SolGold and secured Cascabel Cu-Au project in Ecuador.



DON HYMA
NON-EXECUTIVE DIRECTOR

Mining industry executive with more than 25 years of progressive capital project experience in the resource sector in Canada, Chile, New Caledonia and Australia. His experience includes direct involvement in delivering numerous major projects, taking them from studies through to implementation, for several multi-national resource companies in the nickel, copper and iron ore industries.



STEPHEN STROUD
NON-EXECUTIVE DIRECTOR

Corporate finance executive with over 20 years experience across all aspects of corporate finance both as an advisor and client. He has advised boards and management teams across a broad range of transactions including public and private equity raisings, debt/hybrid debt, Initial Public Offerings, mergers & acquisitions, sell-downs and restructures both in Australia and overseas.

A VERY HIGH QUALITY TEAM



MALCOLM NORRIS
CEO & MANAGING DIRECTOR

Mining industry executive with a track record of discovery and growth. Previously with WMC Resources. Led team that discovered Tujuh Bukit porphyry Cu-Au in Indonesia with Intrepid Mines. Former CEO of SolGold and secured Cascabel Cu-Au project in Ecuador.



GAVIN LEICHT
CFO & COMPANY SECRETARY

Finance professional with significant experience in developing and financing copper and gold projects through to production including marketing of copper concentrates.



RAY ROBINSON
GENERAL MANAGER
STUDIES & TECHNICAL SERVICES

Mining engineer with over 20 years operational, studies and construction experience worldwide. Delivered PEA, PFS and DFS level studies from 0.5Mtpa underground epithermal gold developments, 10Mtpa gold oxide heap leach projects to 40Mtpa copper-gold concentrator plants.



DR. BRUCE ROHRLACH
GENERAL MANAGER GEOLOGY

Geologist who has played a key role in several significant discoveries and feasibility studies. Extensive international experience with both major and junior mining and exploration companies. Led the technical teams that discovered Tujuh Bukit and Cascabel porphyry copper-gold deposits.

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