

## CHAIRMAN'S ADDRESS 2020 AGM

23 October, 2020

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to welcome you to the 2020 Annual General Meeting for Sunstone Metals Limited ('Sunstone' or 'Company').

I note that Malcolm Norris, our Managing Director, will be presenting an update on our activities at the end of today's meeting but before we get underway with the formal agenda there are a few points that I wanted to highlight.

Sunstone, like most companies, has been impacted by COVID-19 and I am quite proud of the way that the Company has managed our activities during this global pandemic. We suspended exploration activities in Ecuador in March 2020 in line with the directives of the Ecuadorian government decree declaring a nationwide emergency to manage the risks associated with the pandemic. However, we were able to keep our core team intact so that field activities were able to resume immediately in May when certain restrictions were lifted. We continue our activities, under strict operating procedures to responsibly manage the risks associated with COVID-19 and to ensure that we do not compromise local health and safety. Importantly, with these procedures in place, we are able to move forward with significant exploration programs and this includes the current drilling that is underway at the highly prospective Espiritu gold-silver epithermal target.

Sunstone continues to grow its business in Ecuador, increasing our holding in Bramaderos to 87.5% during the year and acquiring the highly prospective El Palmar copper-gold porphyry project in northern Ecuador. Malcolm will provide further detail on this exciting opportunity in his presentation.

At Bramaderos, drilling at the Limon and Brama porphyry targets returned exciting results, demonstrating that we have identified an exceptionally large mineralised system that hosts multiple gold-copper porphyry bodies. An in-depth review of the results to date from these porphyry systems has enhanced our exploration approach and has vastly improved the potential for building significant tonnes at higher grades and we look forward to further drilling success in 2021.

During the year, the value of Sunstone's investment in Swedish listed exploration company, Copperstone Resources AB (listed on Nasdaq Sweden First North) steadily increased with the appreciation of Copperstone's share price on the back of exciting drilling results from Viscaria and the increase in the copper price. Sunstone holds ~24% of Copperstone which has a current market value of approximately A\$20.1M. This investment means the Company retains a significant exposure to the Viscaria Copper Project as well as to Copperstone's other copper exploration projects in Sweden. Also, with the shares in Copperstone coming out of escrow in September 2020, we now have the flexibility to monetise a portion of this investment to assist with funding of our significant efforts in Ecuador.

In closing, I would like to take this opportunity to express my thanks to Sunstone's staff, management and my fellow directors for their dedication and work during the past 12 months. We are committed to delivering strong shareholder returns and growing the Company through its activities in Ecuador, and realising value from the investment in shares held in Copperstone.

Yours sincerely

Graham Ascough

Chairman, Sunstone Metals Limited