

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to welcome you to the 2022 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.

It has been a year of significant growth for the Company highlighted by two globally significant discoveries.

At El Palmar in Northern Ecuador, first assays of gold and copper over wide intersections from surface were announced in October 2021 confirming a significant gold-copper porphyry discovery. The Company is acquiring a 100% interest in the El Palmar project and currently holds 70% through a staged acquisition agreement. The drilling results to date demonstrate El Palmar has substantial scale and gold-copper grades. The area has proven world class potential as El Palmar is in close proximity to the 1.0Bt Llorimagua copper-molybdenum porphyry deposit, and in the same structural belt hosting the 2.6Bt Alpala copper-gold deposit within the Cascabel project. There is immense upside at El Palmar for further discoveries as drilling to date has been limited to the south-eastern portion of the main target area with the western and northern portions remaining largely untested along with a number of regional targets.

The success at El Palmar was soon followed by further discovery success at Bramaderos in southern Ecuador where the initial drill program of the Alba target returned high-grade gold values and gold-copper values over significant widths. Ongoing drilling success at Alba and the nearby Brama target has significantly extended the scale of the combined Brama-Alba system and has consistently returned grades and widths in line with, or better than, other porphyry gold-copper deposits. The Brama-Alba system is at least 1.1km long and open to the east and west and an initial mineral resource estimate is planned for late 2022 – a significant milestone for the Project and the Company.

The Company continues to grow its footprint in Ecuador in line with its aspirations to become a safe and responsible discoverer and developer in the porphyry copper gold space. Sunstone has signed a Staged Acquisition Agreement to acquire the Verde Chico Project located to the west of El Palmar.

The local exploration team in Ecuador continues to do a fantastic job and during the COVID travel restrictions Sunstone was able to implement significant exploration programs under strict operating procedures to responsibly manage the risks associated with COVID-19. This work was completed under the direction of the Australia based executive team whose previous work in Ecuador and overseas led to significant discoveries and shareholder value growth. We look forward to repeating that success at Bramaderos and El Palmar.

At the end of the financial year Sunstone held \$24 million in cash and the value of our interest in Copperstone and other listed securities was \$1.7 million, providing a very healthy balance sheet for the Company.

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.

Yours sincerely

Graham Ascough - Chairman, Sunstone Metals Limited