ASX ANNOUNCEMENT

15 AUGUST 2023

Bramaderos Gold-Copper Project, Southern Ecuador

Limon gold discovery continues to grow with further wide high-grade intersections

Latest assays, including 42m at 3.9g/t AuEq* from 152m, show Limon is a major shallow discovery which will help underpin the next Resource update

Key Points

- **Limon continues to deliver high grade gold-silver results from outside the current Resource and Exploration Target areas, supporting the strategy to establish higher-grade open pits within a targeted 10Moz project**
- **Latest outstanding intersections include those from LMDD030:**
  - **42m at 3.9g/t AuEq* (3.37g/t gold and 43.3g/t silver) from 152m within;**
    - **243m at 1.32g/t AuEq* (1.11g/t gold and 16.9g/t silver) from 46m**
- **LMDD030 was drilled to follow-up the significant high-grade intersections in LMDD017 and LMDD026, expanding the vertical and lateral extent of high-grade gold mineralisation;**
  - **15.0m at 4.0g/t AuEq* (3.9g/t gold, 7.7g/t silver), from 81.2m, and**
  - **26.0m at 2.3g/t AuEq* (2.0g/t gold, 36.2g/t silver), from 157.5m within;**
    - **176.7m at 1.1g/t AuEq* (0.97g/t gold and 10.1g/t silver), from 6.8m in LMDD017, and**
  - **31m at 12.93g/t AuEq* (12.53g/t gold and 32.7g/t silver) from 146m, within;**
    - **185m at 2.85g/t AuEq* (2.67g/t gold and 15g/t silver) from 90m in LMDD026**
- **LMDD029 intersected significant mineralisation south of the main shoot, defining a target for a second high grade shoot. LMDD029 intersected:**
  - **28.2m at 1.31g/t AuEq* (1.25g/t gold and 5.3g/t silver) from 40.1m, within;**
    - **76.5m at 0.78g/t AuEq* (0.74g/t gold and 3.6g/t silver) from 21m**
- **Drilling is better defining geometry with multiple mineralised structural orientations with high-grade shoots at intersections**
- **Multiple epithermal targets defined across the 1.7 km by 700m Limon alteration zone**

***The gold equivalent calculation formula 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 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.**

[1] **See qualifying statements in the About Sunstone Metals section on page 13**

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- **Review of historical results has identified several other epithermal intersections down to 600m vertically within the broader Limon gold-in-soil anomaly**
- **The Brama-Alba initial Mineral Resource estimate is 156Mt at 0.53g/t AuEq*[1] for 2.7Moz gold-equivalent. In addition to this is the Bramaderos project 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 December 13, 2022)**

Sunstone Metals Ltd (ASX: STM) is pleased to announce further outstanding assays from the Limon discovery which highlight the potential for a significant increase in the size and grade of the Mineral Resource estimate at its Bramaderos project in southern Ecuador.

The recent drill results, and a review of previous drilling, provide more compelling evidence that Limon is a significant high-grade gold-silver discovery with mineralisation extending from surface to considerable depth and remains open in all directions (Figures 1, 2, 3, & 4).

These results from Limon continue to show the presence of structurally controlled high-grade gold-silver mineralisation within an extensive halo of lower grade mineralisation. The high-grade intersections reported today are from both the main shoot (LMDD030) and other nearby structures (LMDD029).

Limon remains outside the current Resource and Exploration Target at Bramaderos, and the upside is considerable.

Sunstone Managing Director Malcolm Norris said: “These results show that Limon is now clearly a major shallow high-grade gold-silver discovery which will underpin a significant increase in the scale, grade and development prospects for Bramaderos.

“We remain highly confident that our strategy to establish higher-grade open pits at Limon as the first stage of a wider development plan at Bramaderos is well on track.

“The higher-grade central shoot, as defined in holes LMDD030, 017 & 026, extends from surface to at least 300m deep and is open in all directions along significant structures.

“The results from LMDD029 give us great confidence that these structures, which lead towards the shoot, are also well mineralised in their own right, and expand the scale of the system.

“We have also reassessed previous drilling at Limon which was undertaken by Sunstone in 2019 to 2022. This drilling (at the time) was aimed at porphyry targets and intersected very extensive halo porphyry mineralisation in holes LMDD002, LMDD004 and LMDD007. Reappraisal has identified a number of deep and narrow epithermal intersections overprinting the outer porphyry halo, and which greatly expand the potential scale of the Limon epithermal opportunity. For example, hole LMDD002 intersected an epithermal vein delivering 0.25m at 2.2g/t gold, 43g/t silver, and 1.9% copper, at a depth of 890m down hole. This suggests that the Limon epithermal system that is currently being drilled may have roots that are very extensive to depth.

“Ongoing positive results from Limon will allow us to grow the resource base at Bramaderos and focus on higher-grade open pits as an early development opportunity. As we continue to drill at Bramaderos we remain confident that we can deliver the 10Moz district across multiple deposits within ~4km of one another”.

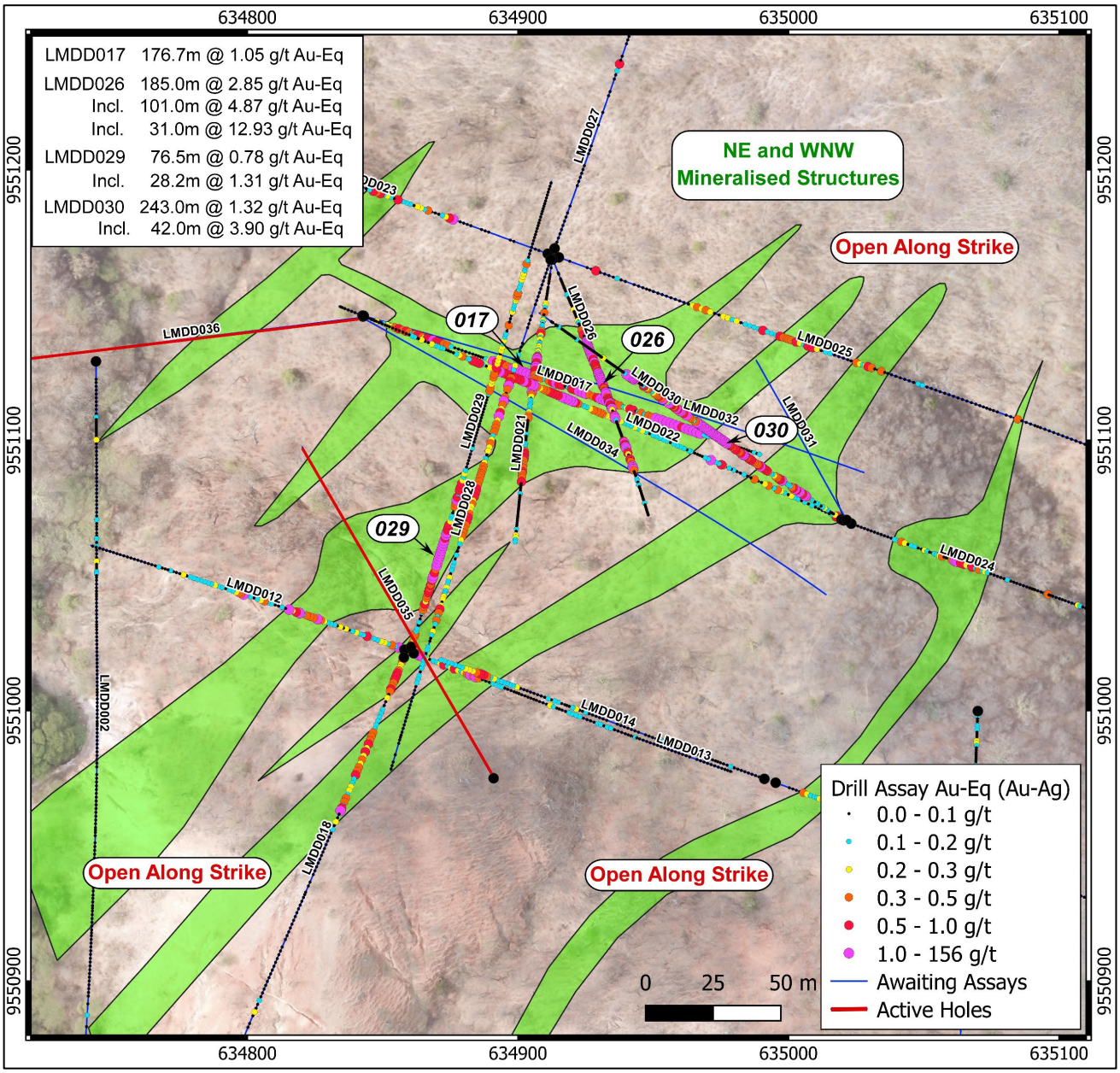

Figure 1: Limon epithermal gold-silver system in plan showing multiple mineralised structures in green. High grade domains are at intersections of NE and WNW trending structures. Several additional targets have been defined based on gold-in soil and zinc-in-soil anomalies, and structural interpretation. See Figures 2 and 4 for sections through this system, and Figure 3 for a broader context within the very large Limon target area.

The Limon target area is located 2.7km north-east of the Brama-Alba-Melonal gold-copper deposits, which host a porphyry Mineral Resource estimate of 2.7Moz AuEq and an 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 (Figure 5; see ASX announcement dated 13 December 2022, and qualifying statements in the 'About Sunstone Metals' section on page 13 of this announcement).

Summary of Results

The Limon gold-silver mineralisation is classified as an Intermediate Sulphidation epithermal system (ISE). Drilling to date has identified very high-grade gold-silver shoots at structural intersections, and broad lower grade gold-silver intervals along multiple structures. Table 1 provides a summary of the results to date.

Deep intervals of high-grade epithermal gold-silver-copper have also been identified that in places overprint broad low-grade gold-copper-molybdenum porphyry mineralisation.

Together these mineralisation styles deliver a very large target of considerable potential (Figure 3).

Mineralisation in LMDD030 comprises wide intervals of epithermal gold-silver-base metal mineralisation. The mineralisation occurs in fault zones and is associated with silicification, sulphidation, and tensional fractures in wallrock in proximity to these mineralised faults. The highest gold-silver grades are associated with breccias, abundant pyrite, clay alteration, and traces of telluride and base metal sulphides.

Drill hole LMDD030 was drilled towards the WNW exploring the high-grade shoot to depth that was intersected in LMDD017 and 026. Mineralisation was encountered from quite shallow in hole LMDD030 related to structures projecting to surface (Table 1, Figure 2).

LMDD017 intersected 176.7m at 1.1g/t AuEq* (0.97g/t gold and 10.1g/t silver), from 6.8m including, 15.0m at 4.0g/t AuEq* (3.9g/t gold, 7.7g/t silver), from 81.2m, and 26.0m at 2.3g/t AuEq* (2.0g/t gold, 36.2g/t silver), from 157.5m.

LMDD026, intersected 185m at 2.85g/t AuEq* (2.67g/t gold and 15g/t silver) from 90m, including 31m at 12.93g/t AuEq* (12.53g/t gold and 32.7g/t silver) from 146m.

LMDD029 is a significant hole. It was drilled to the NNE and intersected 28.2m at 1.31g/t AuEq (1.25g/t gold, 5.3g/t silver) from 40.1m. This mineralisation occurs within a NNE trending structure. Multiple NNE structures are interpreted to occur in the Limon area (Figure 1, Table 1).

LMDD028 drilled towards the SSW away from main shoot and intersected a well mineralised 20m interval of 0.77g/t AuEq* (0.71g/t gold and 4.9g/t silver) from 62m.

LMDD027 drilled towards the NNE to test for additional structures but only intersected minor mineralisation in a single structure.

Two drilling rigs are currently operating at Limon on holes LMDD035 and 36 (Figures 1 & 3).

About Bramaderos

The Bramaderos project straddles the Pan American highway (Figure 5), and is close to available hydroelectric power, supporting the economics of potential development opportunities. Ecuador sources 93% of its power from renewables and is ideally placed to participate in the global demand for clean energy sourced metals. The project is also supported by nearby commercial airports and significant cities (Loja, population 200,000) and has strong community support.

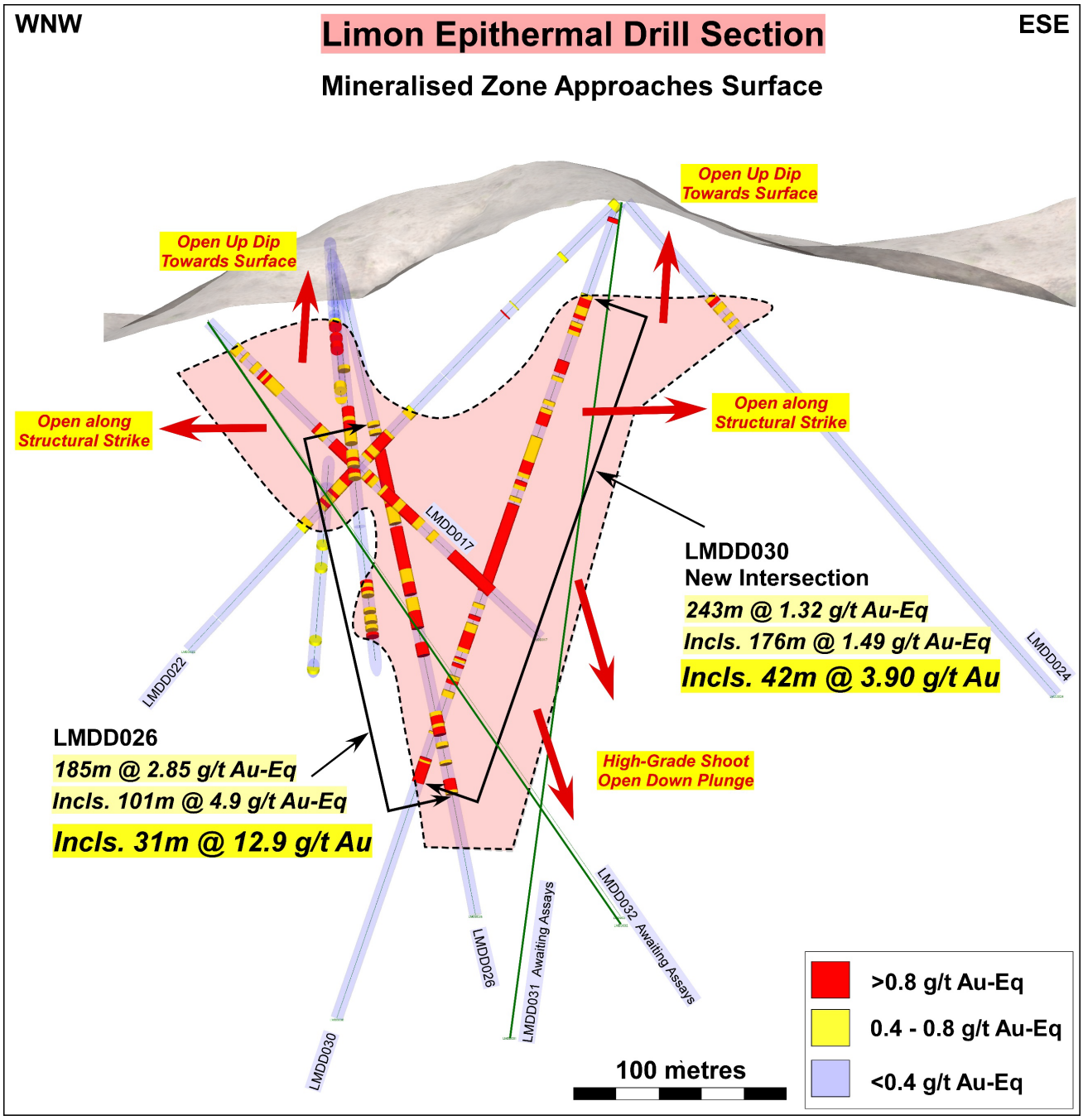

Figure 2: Limon main shoot WNW-ESE section showing the relationship between holes LMDD026 and 030.

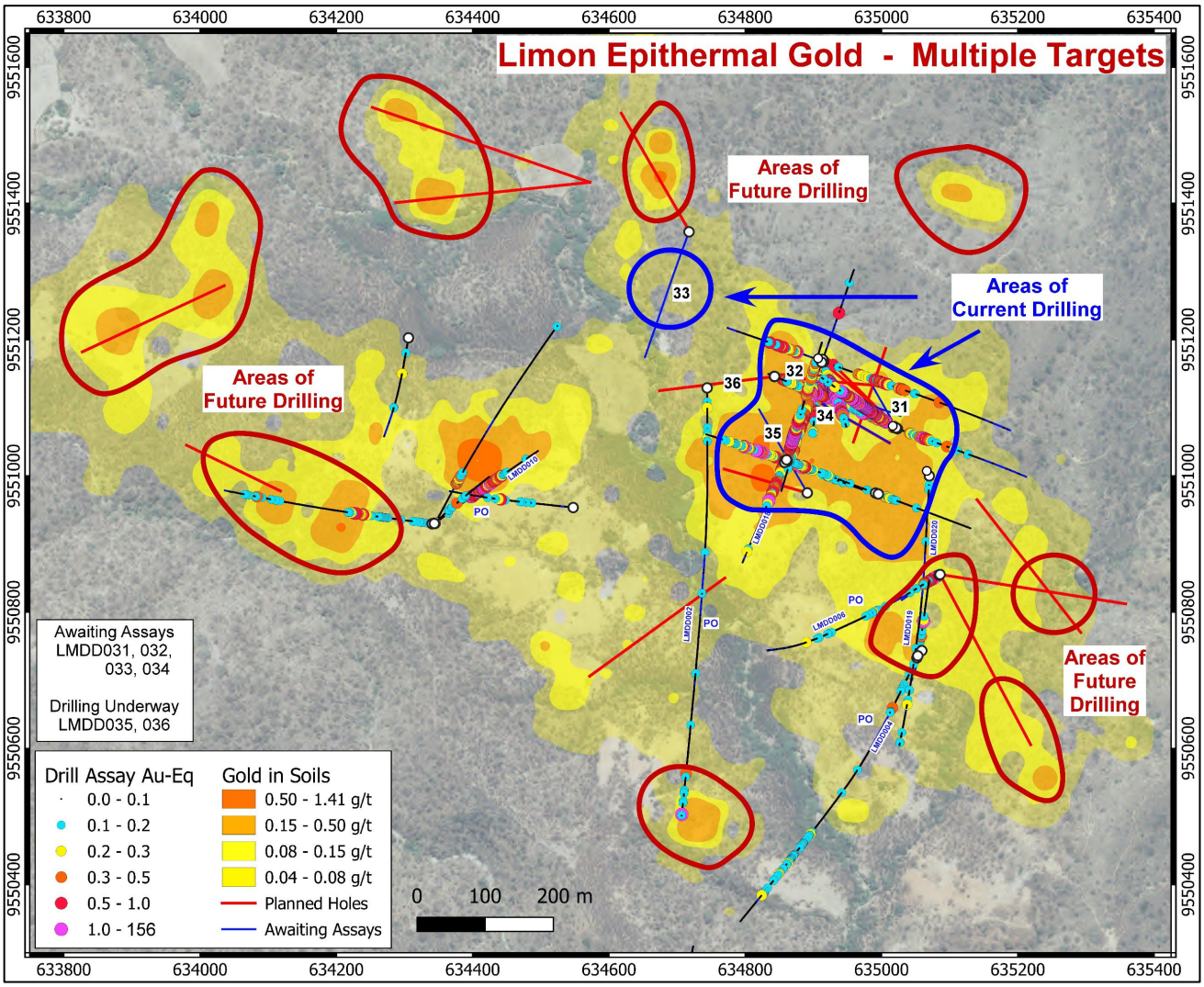

Figure 3: Limon gold in soils map showing extensive anomalous gold over an area of 1.7km x 700m. The blue circled areas are where current drilling is active. Red circled areas show the multiple epithermal gold-silver targets. Several of these demonstrate direct evidence of epithermal mineralisation based on historical drilling.

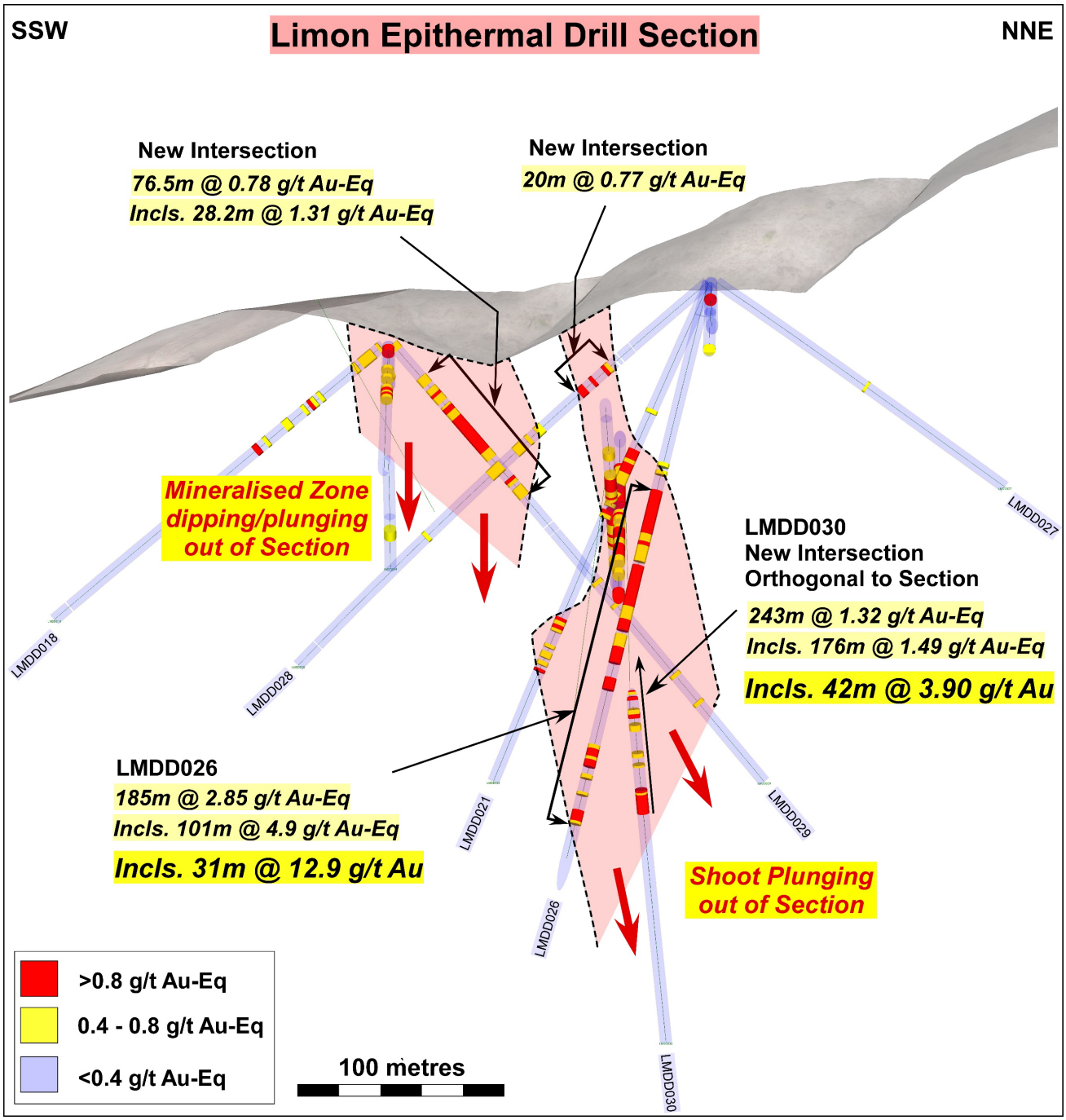

Figure 4: Limon main shoot NNE-SSW cross section. The high-grade shoot is plunging towards the viewer.

Table 1: Summary of mineralised epithermal intersections in Limon drill holes LMDD002 to 030. AuEq is calculated using gold and silver only, there is no contribution from base metals.

Drill Hole	EOH (m)	From (m)	To (m)	Interval (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Zn (%)	Cu (%)
LMDD002	**893.58**	28.6	29.6	0.9	0.11	0.10	0.7	0.60	0.00
		40.0	42.0	2.0	0.29	0.28	0.5	0.61	0.00
		92.0	94.0	2.0	0.14	0.13	0.7	0.54	0.05
		110.0	112.0	2.0	0.16	0.14	1.5	0.13	0.07
		805.1	**805.4**	**0.3**	**0.45**	**0.17**	**23.7**	**2.67**	**1.22**
		890.4	**890.7**	**0.3**	**2.67**	**2.15**	**42.9**	**0.32**	**1.88**
LMDD004	**1063.78**	57.75	73.1	15.4	0.13	0.1	2.3	0.00	**0.42**
LMDD006	**1212.62**	3.5	131.3	127.8	0.19	0.18	0.8	0.03	0.02
	incl.	34.4	54.0	19.7	0.38	0.37	1.0	0.04	0.02
	and	**44.3**	**52.5**	**8.2**	**0.62**	**0.61**	**0.8**	**0.01**	**0.01**
	and	75.4	90.6	15.2	0.37	0.36	0.5	0.01	0.01
LMDD009	**414.89**	138.0	171.7	33.7	0.28	0.27	1.0	0.13	0.01
	incl.	140.0	159.7	19.7	0.36	0.34	1.3	0.06	0.01
LMDD012	**178.08**	0.0	126.0	126.0	0.29	0.28	0.8	0.16	0.03
	incl.	2.0	22.0	20.0	0.36	0.35	1.0	0.06	0.01
	and	**48.0**	**66.0**	**18.0**	**0.75**	**0.74**	**1.1**	**0.39**	**0.04**
	and	**90.0**	**94.0**	**4.0**	**0.73**	**0.70**	**2.4**	**0.27**	**0.14**
LMDD013	**178.65**	**0.0**	**37.8**	**37.8**	**0.53**	**0.34**	**15.6**	**0.07**	**0.02**
	incl.	**2.0**	**6.0**	**4.0**	**1.79**	**1.72**	**5.5**	**0.13**	**0.02**
	and	**29.0**	**37.8**	**8.8**	**0.76**	**0.21**	**45.0**	**0.05**	**0.02**
		43.8	49.2	5.5	0.14	0.10	3.3	0.04	0.01
		76.0	78.0	2.0	0.21	0.16	4.4	0.25	0.01
LMDD014	**183.51**	18	20	2.0	0.19	0.18	0.3	0.00	0.01
		56	58	2.0	0.12	0.12	0.6	0.00	0.00
		105.2	109.2	4.0	0.20	0.17	2.8	0.16	0.02
		138.6	183.5	44.9	0.23	0.19	3.2	0.06	0.01
	incl.	**157.5**	**163.5**	**6.0**	**0.55**	**0.45**	**8.3**	**0.15**	**0.02**
LMDD015	**201.02**	14.5	37.0	22.5	0.17	0.15	1.9	0.06	0.03
LMDD017	**214.92**	**6.8**	**183.5**	**176.7**	**1.09**	**0.97**	**10.1**	**0.20**	**0.11**
	incl.	**81.2**	**96.2**	**15.0**	**4.00**	**3.91**	**7.69**	**0.34**	**0.01**
	incl.	**81.2**	**82.9**	**1.7**	**22.28**	**22.20**	**6.8**	**0.09**	**0.00**
	and	**157.5**	**183.5**	**26.0**	**2.46**	**2.02**	**36.2**	**0.14**	**0.00**
LMDD018	**207.19**	**0.0**	**18.5**	**18.5**	**0.42**	**0.40**	**1.6**	**1.23**	**0.03**
		42.0	**50.0**	**8.0**	**0.57**	**0.55**	**1.9**	**0.06**	**0.05**
		77.5	**80.4**	**2.9**	**0.93**	**0.92**	**1.0**	**0.01**	**0.02**
LMDD019	**222.70**	**0.0**	**2.0**	**2.0**	**0.45**	**0.45**	**0.3**	**0.00**	**0.01**
		50.0	59.9	9.9	0.17	0.16	0.9	0.00	0.07
	incl.	56.3	59.9	3.7	0.26	0.24	1.3	0.01	**0.17**
		95.7	107.8	12.1	0.38	0.38	0.4	0.01	0.02
	incl.	**102.9**	**104.6**	**1.6**	**1.13**	**1.12**	**0.4**	**0.01**	**0.05**
LMDD020	**948.99**	26.0	32.0	6.0	0.21	0.18	2.4	0.54	0.02
		665.1	666.2	1.2	0.17	0.06	8.9	0.04	**1.50**

		788.0	790.0	2.0	0.12	0.12	0.2	0.00	0.00
		902.8	904.8	2.0	0.16	0.16	0.3	0.00	0.02
LMDD021	**263.44**	40.0	206.0	166.0	0.35	0.30	3.9	0.18	0.02
	incl.	**40.0**	**127.0**	**87.0**	**0.43**	**0.37**	**4.8**	**0.24**	**0.02**
	incl.	**88.8**	**105.0**	**16.2**	**0.96**	**0.86**	**8.1**	**0.43**	**0.02**
	and	**90.5**	**101.0**	**10.5**	**1.09**	**0.99**	**8.5**	**0.64**	**0.02**
	and	**175.8**	**206.0**	**30.2**	**0.47**	**0.40**	**5.9**	**0.21**	**0.01**
	incl.	**177.8**	**183.5**	**5.7**	**0.81**	**0.69**	**10.2**	**0.05**	**0.06**
		255.1	259.3	4.2	0.25	0.25	0.1	0.00	0.00
LMDD022	**291.25**	0.0	249.5	249.5	0.32	0.26	5.1	0.42	0.01
	incl.	**0.0**	**4.0**	**4.0**	**0.55**	**0.39**	**13.2**	**0.34**	**0.01**
	and	**74.4**	**75.1**	**0.7**	**2.24**	**2.19**	**4.0**	**0.05**	**0.02**
	and	**129.5**	**221.5**	**92.0**	**0.61**	**0.52**	**7.4**	**0.29**	**0.01**
	incl.	**153.7**	**167.0**	**13.3**	**1.29**	**1.04**	**20.1**	**0.15**	**0.02**
	and	**176.2**	**184.0**	**7.8**	**1.30**	**1.15**	**12.1**	**0.29**	**0.01**
LMDD023	**208.81**	52.0	119.0	67.0	0.25	0.22	2.9	0.08	0.02
	incl.	**52.0**	**58.0**	**6.0**	**0.79**	**0.78**	**0.9**	**0.01**	**0.00**
	and	**93.0**	**99.0**	**6.0**	**0.59**	**0.44**	**12.2**	**0.06**	**0.04**
	and	113.0	119.0	6.0	0.31	0.26	4.5	0.31	0.04
LMDD024	**306.77**	0.0	77.0	77.0	0.09	0.05	3.0	0.44	0.01
	incl.	**59.0**	**77.0**	**18.0**	**0.49**	**0.44**	**4.2**	**0.14**	**0.00**
	incl.	**59.0**	**63.5**	**4.5**	**0.88**	**0.77**	**8.9**	**0.42**	**0.01**
		115	125	10.0	0.10	0.04	5.07	0.76	0.023
		134.5	141.6	7.1	0.13	0.05	6.6	1.28	0.05
LMDD025	**335.34**	**16.0**	**18.0**	**2.0**	**0.84**	**0.83**	**0.6**	**0.04**	**0.01**
		60.5	119.0	58.6	0.28	0.15	10.4	0.59	0.03
	incl.	92.5	117.0	24.6	0.39	0.26	10.8	0.92	0.04
		135.0	148.0	13.0	0.29	0.22	5.6	1.02	0.05
LMDD026	**334.30**	**90.0**	**275.0**	**185.0**	**2.85**	**2.67**	**15.0**	**0.50**	**0.02**
	incl.	**106.0**	**207.0**	**101.0**	**4.88**	**4.65**	**18.9**	**0.14**	**0.00**
	incl.	**146.0**	**177.0**	**31.0**	**12.93**	**12.53**	**32.7**	**0.16**	**0.00**
	incl.	**171.4**	**179.0**	**7.6**	**42.69**	**42.15**	**43.9**	**0.26**	**0.01**
	and	**201.0**	**207.0**	**6.0**	**2.60**	**2.38**	**18.2**	**0.19**	**0.00**
	and	**235.0**	**252.0**	**17.0**	**1.01**	**0.59**	**34.3**	**1.81**	**0.10**
	and	**268.0**	**275.0**	**7.0**	**1.11**	**0.92**	**15.6**	**2.78**	**0.20**
LMDD027	**170.83**	**87.5**	**89.0**	**1.5**	**0.52**	**0.52**	**0.6**	**0.01**	**0.00**
LMDD028	**271.08**	60.0	145.0	85.0	0.46	0.43	2.2	0.15	0.03
	incl.	**62.0**	**82.0**	**20.0**	**0.77**	**0.71**	**4.9**	**0.35**	**0.04**
	incl.	**80.0**	**82.0**	**2.0**	**2.47**	**2.36**	**9.0**	**1.41**	**0.12**
		182.0	**186.0**	**4.0**	**0.50**	**0.49**	**0.7**	**0.01**	**0.00**
LMDD029	**277.59**	0.0	8.5	8.5	0.42	0.39	2.20	0.01	0.01
		21.0	**97.5**	**76.5**	**0.78**	**0.74**	**3.6**	**0.17**	**0.02**
	incl.	**40.1**	**68.3**	**28.2**	**1.31**	**1.25**	**5.3**	**0.24**	**0.03**
	incl.	**53.0**	**56.0**	**3.0**	**3.12**	**3.04**	**6.5**	**0.03**	**0.02**
		151.0	167.0	16.0	0.33	0.27	4.9	0.16	0.00
		207.7	211.5	3.8	0.43	0.28	12.6	0.05	0.00

		227.0	229.0	2.0	0.47	0.34	10.7	0.01	0.01
LMDD030	**406.25**	**46.0**	**289.0**	**243.0**	**1.32**	**1.11**	**16.9**	**0.36**	**0.02**
	incl.	**48.0**	**224.0**	**176.0**	**1.49**	**1.27**	**18.0**	**0.22**	**0.01**
	incl.	**152.0**	**194.0**	**42.0**	**3.90**	**3.37**	**43.3**	**0.29**	**0.01**

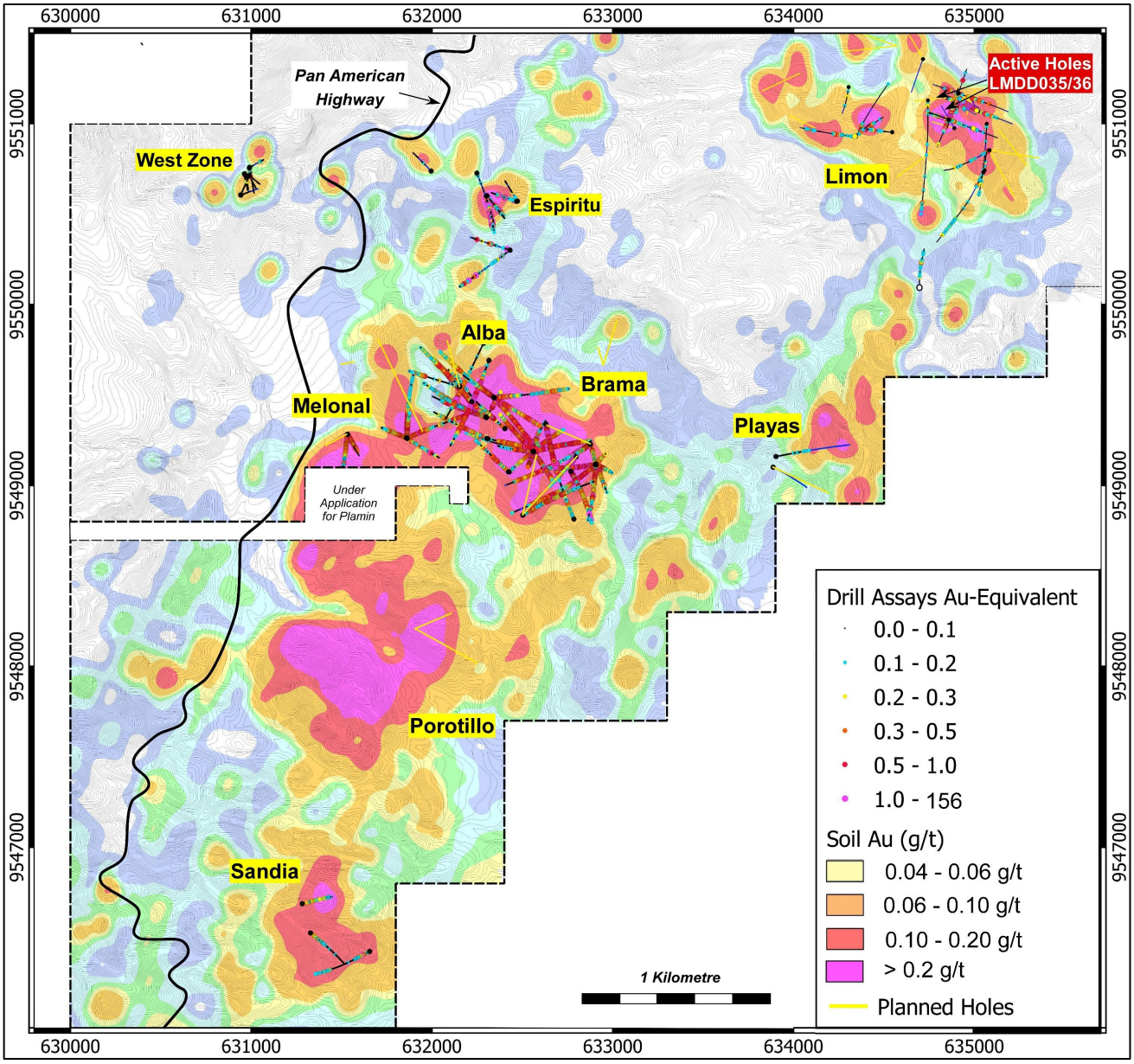

Figure 5: Bramaderos concession showing the location of Limon and other gold-copper porphyry targets in yellow. The background image is gold-in-soil highlighting the potential scale increase to be delivered with more drilling at Bramaderos across multiple targets. Drilling is continuing at Limon.

Table 2: Limon drill hole location details for LMDD001 – 036. LMDD001 to 033 have been located with Differential GPS.

Drill Hole Number	Easting (PSAD56)	Northing (PSAD56)	RL (m)	Dip (degrees)	Azimuth (PSAD56 Grid) (degrees)	EOH (m)
LMDD001	634344.502	9550929.943	904.027	-44	31.02	490.60
LMDD002	634744.040	9551129.151	844.407	-45	178	893.58
LMDD003	635059.042	9550743.466	880.733	-68	202	130.48
LMDD004	635051.913	9550732.873	880.722	-68	202	1063.78
LMDD005	635084.329	9550854.285	901.025	-77	244	289.65
LMDD006	635085.843	9550855.193	900.928	-77	242	1212.62
LMDD007	634700.442	9550094.135	879.691	-77	350	1015.71
LMDD008	634305.673	9551202.667	868.708	-70	188	455.33
LMDD009	634340.227	9550929.673	903.721	-45	275	414.89
LMDD010	634343.957	9550930.009	903.910	-45	50	254.72
LMDD011	634547.464	9550953.480	861.726	-53	275	308.32
LMDD012	634858.025	9551022.573	873.276	-45	290	178.08
LMDD013	634861.482	9551021.221	873.304	-45	110	178.65
LMDD014	634991.086	9550974.777	897.279	-45	290	183.51
LMDD015	634995.263	9550973.346	897.474	-45	110	201.02
LMDD016	634343.617	9550930.052	903.500	-65	45	260.64
LMDD017	634842.736	9551145.726	863.192	-45	110	214.92
LMDD018	634857.848	9551019.696	873.208	-40	202	207.19
LMDD019	635053.141	9550735.753	880.426	-60	9	222.70
LMDD020	635070.003	9550999.845	897.844	-66	182	948.99
LMDD021	634912.816	9551167.439	903.602	-65	188	263.44
LMDD022	635019.58	9551070.701	919.289	-45	295	291.25
LMDD023	634911.048	9551168.978	903.854	-45	290	208.81
LMDD024	635023.206	9551069.156	919.572	-50	110	306.77
LMDD025	634915.118	9551167.636	903.938	-30	110	335.34
LMDD026	634912.809	9551166.876	903.667	-73	157	334.30
LMDD027	634913.555	9551170.935	903.698	-35	19	170.83
LMDD028	634912.079	9551166.792	903.594	-40	199	271.08
LMDD029	634860.536	9551023.56	873.867	-50	19	277.59
LMDD030	635020.368	9551070.371	919.359	-70	303	406.25
LMDD031	635021.456	9551070.536	919.286	-80	330	397.13
LMDD032	634842.587	9551146.089	863.942	-55	105	343.26
LMDD033	634717.431	9551358.275	902.284	-45	199	277.86
LMDD034	634843	9551146	863	-55	120	346.10
LMDD035	634891	9550975	895	-50	330	In progress
LMDD036	634843	9551146	863	-45	263	In progress

Figure 6: Location of Sunstone's Bramaderos and El Palmar projects, Ecuador.

For further information, please visit www.sunstonemetals.com.au

Mr Malcolm Norris
Managing Director
Sunstone Metals Ltd
Tel: 07 3368 9888
Email: mnorris@sunstonemetals.com.au

Media:
Paul Armstrong
Read Corporate
+61 8 9388 1474

About Sunstone Metals

Sunstone has an advanced portfolio of exploration and development projects in Ecuador, comprising:

1. **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 10th April 2017, 28th 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 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 December 13, 2022).

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**

   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 is AuEq(g/t) = (Au grade x Au price x Au recov / 31.1035) + (Ag grade x Ag price x Ag recov / 31.1035) + (Cu grade x Cu price x Cu recov / 100)) / (Au price x Au 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. In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

2. **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.

Competent Persons Statement

The information in this report that relates to exploration 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.

Mr Malcolm Norris, Managing Director of Sunstone Metals Ltd., has authorised this announcement to be lodged with the ASX.

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	• The results announced here are from diamond drilling samples. The drill core sampling was carried out using half core, generally at 1-2m intervals.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Core recovery was good, and core aligned prior to splitting.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling, rock chip and channel sampling points have been guided by geological mapping. The drill samples from Limon were dried, crushed to 70% passing 2mm, Split 1000g and pulverised to 85% passing 75microns. A 20g portion of this sample was used for multi-element analysis (IMS-230) and a 30g sample for Fire Assay Au (FAS-111).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Current drilling by Sunstone is diamond core drilling and has drilled to various depths up to 720m. The diamond core was drilled delivering either HTW (70.9mm) or NTW (56mm) core. Drill core is oriented using a Reflex ACT II tool for bottom of hole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recovery data for the Limon drilling was measured for each drill run and captured in a digital logging software package. The data has been reviewed and core recovery was approximately 100% throughout.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Core recovery at Limon was good, no extra measures were taken to maximise sample recovery.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No relationship between sample recovery and grade has been established.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Drill samples, trench samples and rock chips were logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features. Logging and sampling were carried out according to Sunstone's internal protocols and QAQC procedures which comply with industry standards.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	• Drill samples, and trench and rock chip samples are logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features.
	• *The total length and percentage of the relevant intersections logged.*	• The drill holes and trenches are logged in full, from start to finish of the excavation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Half core was used to provide the samples that were submitted for assay. Quarter core samples were taken ~1 in every 28 samples for duplicate sampling. The remaining core is left in the core trays.
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• N/A.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Surface and drill core samples from Limon were sent to the LAC y Asociados Cia. Ltda. Sample Preparation Facility in Cuenca, Ecuador for sample preparation. The standard sample preparation for drill core samples (Code PRP-910) is: Drying the sample, crushing to size fraction 70% <2mm and splitting the sample to a 250g

Criteria	JORC Code explanation	Commentary
		portion by riffle or Boyd rotary splitter. The 250g sample is then pulverised to >85% passing 75 microns and then split into two 50g pulp samples. Then one of the pulp samples was sent to the MS Analytical Laboratory in Vancouver (Unit 1, 20120 102nd Avenue, Langley, BC V1M 4B4, Canada) for gold and base metal analysis. • The sample preparation is carried out according to industry standard practices using highly appropriate sample preparation techniques.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Sunstone used an industry standard QAQC programme involving Certified Reference Materials "standards" and blank samples, which were introduced in the assay batches. • Standards (Certified Reference Materials) or analytical blanks were submitted at a rate of 1 in 28 samples. Field duplicates were also taken at a rate of approximately 1 in 28 samples. • The check or duplicate assay results are reported along with the sample assay values in the final analysis report.
	• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*	• For diamond core, the routine sample procedure is to always take the half/quarter core to the right of the orientation line (looking down hole) or the cut line (in cases where the orientation line was not reliable). • Once assay results are received the results from duplicate samples are compared with the corresponding routine sample to ascertain whether the sampling is representative.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered to be appropriate for the style of sampling undertaken and the grainsize of the material, and correctly represent the style and type of mineralisation at the exploration stage.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Sunstone uses a fire assay gold technique for Au assays (FAS-111) and a four acid multi element technique (IMS-230) for a suite of 48 elements. FAS-111 involves Au by Fire Assay on a 30-gram aliquot, fusion and atomic absorption spectroscopy (AAS) at trace levels. IMS-20 is considered a near total 4 acid technique using a 20g aliquot followed by multi-element analysis by ICP-AES/MS at ultra-trace levels. • This analysis technique is considered suitable for this style of mineralisation.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Handheld XRF data, together with detailed geological logging, are used as a guide to areas of potential mineralisation and samples from these areas are sent for laboratory analysis as described above.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Standards, blanks and duplicates are inserted ~1/28 samples. The values of the standards range from low to high grade and are considered appropriate to monitor performance of values near cut-off and near the mean grade of the deposit. • The check sampling results are monitored, and performance issues are communicated to the laboratory if necessary.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Procedure checks have been completed by the Competent Person for exploration results for this announcement.
	• *The use of twinned holes.*	• Twin holes have not been drilled in these areas.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</td><td>• Sunstone sampling data were imported and validated using Excel.</td></tr>
<tr><td></td><td>• Discuss any adjustment to assay data.</td><td>• Assay data were not adjusted. Core loss intervals are assigned assay values of zero where present.</td></tr>
<tr><td>Location of data points</td><td>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</td><td>• Sample co-ordinates are located by GPS and for trench samples measured along the length of the trench.</td></tr>
<tr><td></td><td>• Specification of the grid system used.</td><td>• Ecuador projection parameters:
<table><tr><th>Parameter</th><th>Value</th></tr><tr><td>Reference Ellipsoid</td><td>International 1924</td></tr><tr><td>Semi Major Axis</td><td></td></tr><tr><td>Inverse Flattening (1/f)</td><td></td></tr><tr><td>Type of Projection</td><td>UTM Zone -17S (Datum PSAD56)</td></tr><tr><td>Central Meridian:</td><td>-81.0000</td></tr><tr><td>Latitude of Origin</td><td>0.0000</td></tr><tr><td>Scale on Central Meridian</td><td>0.9996</td></tr><tr><td>False Northing</td><td>10000000</td></tr><tr><td>False Easting</td><td>500000</td></tr></table></td></tr>
<tr><td></td><td>• Quality and adequacy of topographic control.</td><td>• The topographic control was compared against published maps and satellite imagery and found to be good quality.</td></tr>
<tr><td>Data spacing and distribution</td><td>• Data spacing for reporting of Exploration Results.</td><td>• The drill core samples were collected from diamond drill holes from the Limon target, and with sample length generally ranging between 1.0 – 2.0m.</td></tr>
<tr><td></td><td>• Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</td><td>• The data from these samples does not contribute to any resource estimate nor implies any grade continuity.</td></tr>
<tr><td></td><td>• Whether sample compositing has been applied.</td><td>• No sample compositing was done.</td></tr>
<tr><td>Orientation of data in relation to geological structure</td><td>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</td><td>• Drilling orientations were appropriate for the interpreted geology providing representative samples.
• Trench orientations and rock chip locations were appropriate for the interpreted geology providing representative samples.</td></tr>
<tr><td></td><td>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</td><td>• No sampling bias is expected at this stage.</td></tr>
<tr><td>Sample security</td><td>• The measures taken to ensure sample security.</td><td>• Sunstone sampling procedures indicate individual samples were given due attention.
• Sample security was managed through sealed individual samples and sealed bags of multiple samples for secure delivery to the laboratory by permanent staff of the joint venture.
• MS Analytical is an internationally accredited laboratory that has all its internal procedures heavily scrutinised in order to maintain their accreditation. MS Analytical is accredited to ISO/IEC 17025 2005 Accredited Methods.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sunstone's sampling techniques and data have been audited multiple times by independent mining consultants during various project assessments. These audits have concluded that the sampling techniques and data management are to industry standards. • All historical data has been validated to the best degree possible and migrated into a database.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• The Bramaderos Exploration Concession is located in the Loja Province of southern Ecuador. The concession was granted to La Plata Minerales S.A. ("PLAMIN") in January 2017. PLAMIN is a subsidiary of Sunstone Metals Ltd. The concession is subject to a Joint Venture between SolGold Canada Inc. (12.5%) and Sunstone Metals Ltd. (87.5%). There are no declared wilderness areas or national parks within or adjoining the concession area. There are no established native title interests.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Bramaderos Exploration Concession was granted to La Plata Minerales S.A. ("PLAMIN") in January 2017. PLAMIN is now a subsidiary of Sunstone Metals Ltd. The Bramaderos Concession is subject to a Joint Venture between Sunstone Metals and SolGold. Sunstone has an 87.5% interest in the JV. SolGold's 12.5% interest is loan carried.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The historic exploration at Bramaderos was completed by various groups over the period 1970-1984, 2001-2002 and 2004-2007. Most of the readily available historic data has been acquired and compiled into databases and a GIS project. Exploration by other parties has included stream sediment surveys, geological mapping, rock chip sampling (888 samples) and grid-based soil sampling (1324 samples), trenching and channel sampling (17 trenches), ground magnetic surveys (31 line kilometres), electrical IP surveys and diamond drilling (10426m).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit style being explored for includes intrusion-related and stockwork hosted porphyry Au-Cu systems plus epithermal gold-silver-polymetallic veins. The setting at Limon is a volcanic arc setting of Cretaceous age intrusions.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *a. easting and northing of the drill hole collar* *b. elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *c. dip and azimuth of the hole* *d. down hole length and interception depth* *e. hole length.*	• Details of the samples discussed in this announcement are in the body of the text. • See Figures 1-5 for the location of soil sampling and drilling activities at Limon, and nearby areas.
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Information included in announcement.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Weighted averages were calculated over reported intervals according to sample length. • No grade cut-offs were applied.
	• *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• No aggregating of intervals undertaken at this stage.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Preliminary metallurgical studies are indicating a standard grind with a flotation circuit. Stage one will recover copper and the majority of gold as a saleable concentrate. Stage two is a finer grind with a cyanide leach for gold on site. Current, overall estimated recoveries for the combined process are 86% for copper and 89% for gold.
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	• Figures 1-5 show the interpreted strike orientation of the mineralised lodes based on mapping and interpretation of detailed magnetic data.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• True widths of mineralised lodes are not known at this stage.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See Figures 1-5 for maps showing distribution of samples.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Figures 1-5 show the current interpretations of geology.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Figures 1-5 above show various datasets that are being used to identify target areas and to guide current and future drilling.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The planned exploration program is outlined in the announcement.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• See Figures 1-5 which show areas for further exploration.