

30 MAY 2024

Sunstone raises \$3.8M to fund drilling at rapidly growing Limon gold-silver discovery

Sunstone Metals Limited (ASX:STM) is pleased to advise that it has raised \$3.8 million through its recent institutional share placement and 1 for 9 non-renounceable Entitlement Offer.

The Entitlement Offer, which is now closed, raised a total of \$1.84M and follows the placement announced on 3 May 2024 that raised \$2M (before costs). Both the Entitlement Offer and the share placement were priced at 1.1c per share (see ASX release dated 3 May 2024).

The allotment of 167,433,908 new shares under the Entitlement Offer is scheduled to take place on 31 May 2024.

The Shortfall Shares under the Offer which total 221,527,375 can be placed at the discretion of the Board no later than three months after the closing date of the offer and the Company expects to place these shortfall shares at a price no less than the issue price under the Offer of \$0.011 per share.

The proceeds will be used:

- a) primarily to accelerate drilling at the Limon gold-silver epithermal discovery within the Company's Bramaderos concession;
- b) to fund other ongoing exploration activities on the Company's Bramaderos, El Palmar and Verde Chico Gold-Copper Projects; and
- c) to fund corporate running costs and replenish working capital.

Mr Patrick Duffy, Managing Director 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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ASX ANNOUNCEMENT

About Sunstone Metals

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

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 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 porphyry gold-copper-silver 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 gold-copper-silver 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).

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 (also refer to ASX announcement 5 February 2024) 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.

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 Llorimagua porphyry copper-gold and copper-molybdenum deposits.