

# SUNSTONE METALS



**STM**

September 2023

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# Sunstone Snapshot

Ecuador focussed, gold-copper explorer and discoverer

ASX - STM

Market Capitalisation <sup>1</sup> A\$74 mill  
Cash and Equities <sup>2</sup> ~A\$10.5 mill

Shares on Issue 3,082 million  
Top 20 Shareholding 36%  
Institutional and Family Office Shareholding 30%  
Board and Management Shareholding 5.0%

Desk notes and Analyst Coverage - Taylor Collison  
- Morgans

## Ecuador

- Pro-mining
- 2 modern operating mines, several advanced projects, all majors present
- Hugely prospective
- Mining significant contributor to GDP, and will grow in significance

<sup>1</sup> based on share price of A\$0.024 (30 day VWAP)

<sup>2</sup> At June 30 2023; Quarterly Report



# Investment Opportunity

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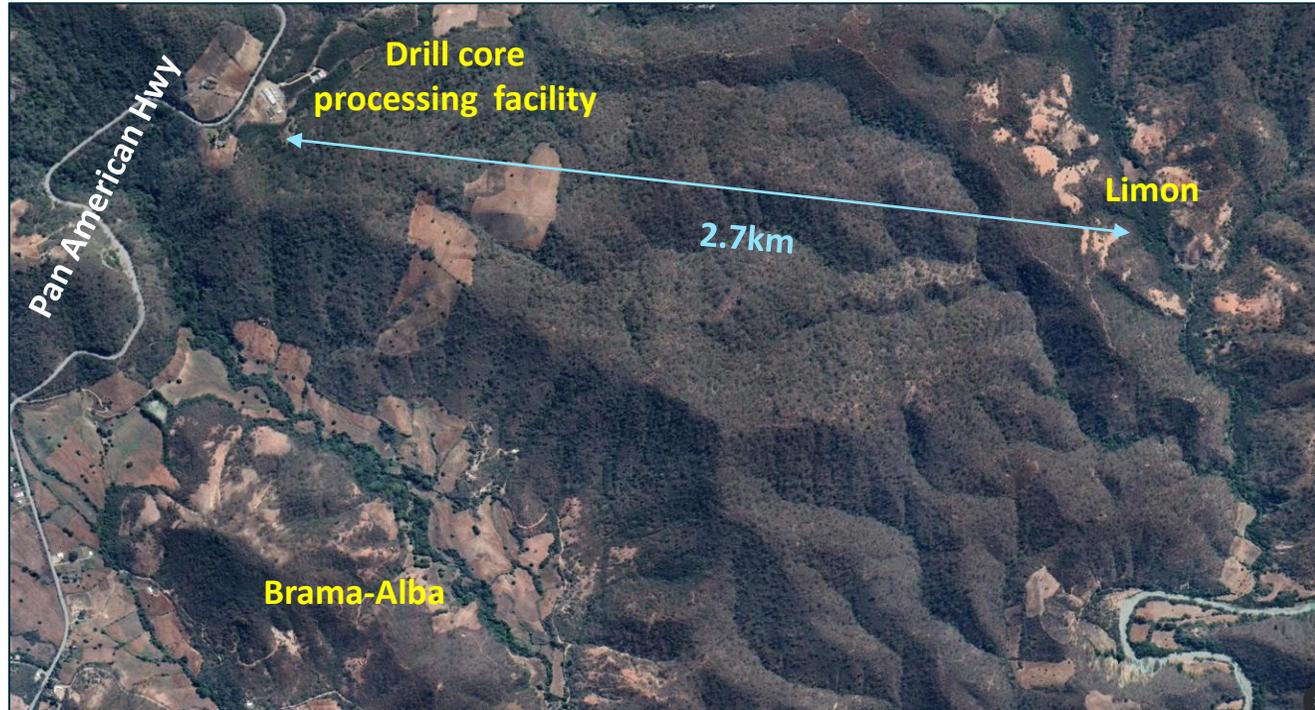
- **Key messages**

- *Exposure to 2 giant gold-copper-silver assets*
- *In southern Ecuador, the Limon gold-silver discovery is a breakthrough opportunity supporting a high-grade front end to a targeted 10Mozs gold equivalent camp at the Bramaderos project*
- *In northern Ecuador, the T1 + T3 discoveries move the El Palmar Project towards joining the big league of gold-copper porphyry discoveries*
- *Ecuador is pro-mining, major resources companies are investing in Ecuador, highly prospective*

- **Simple proposition – discovery adds significant shareholder value**

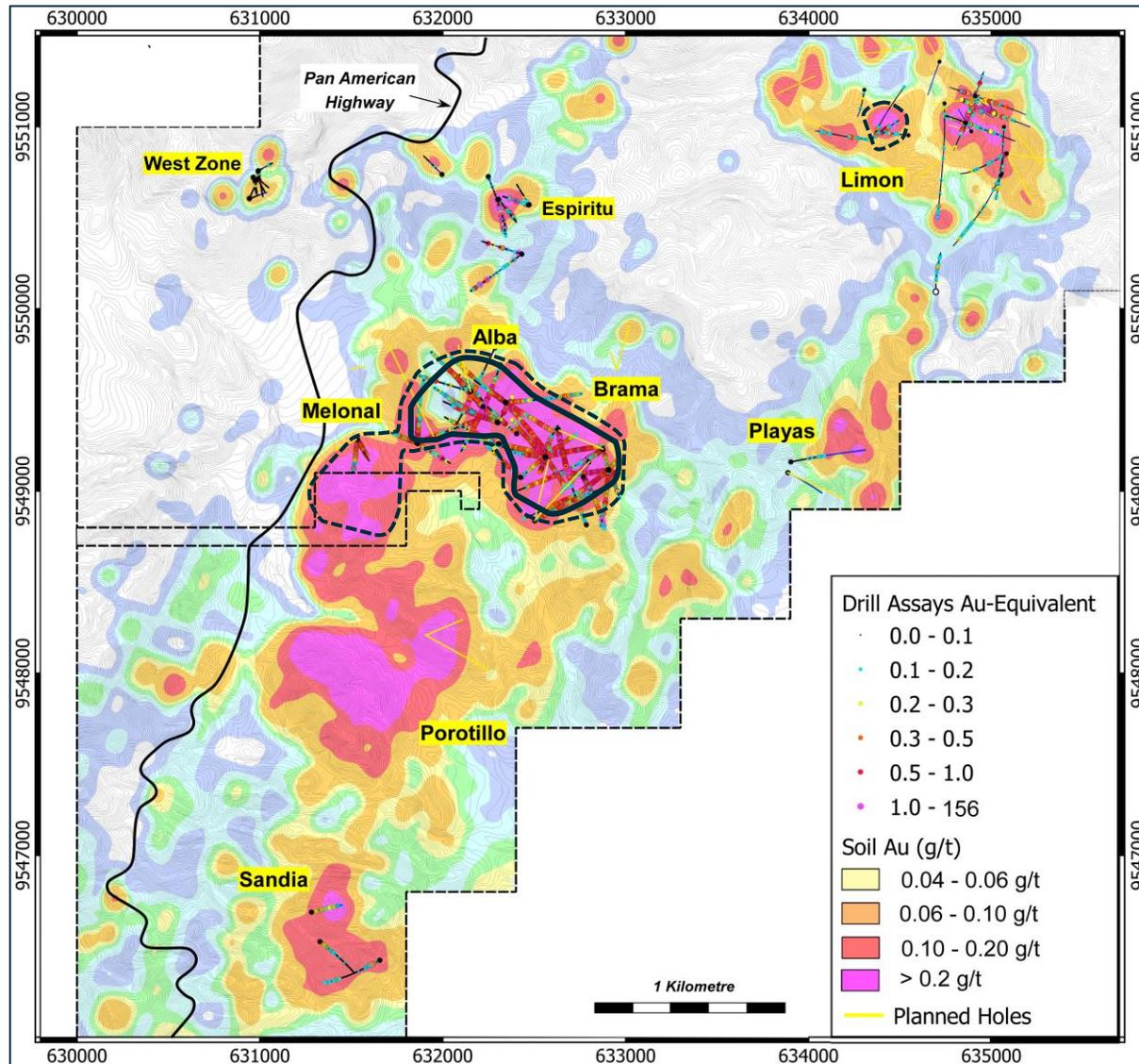
- **The Sunstone team has a track record of globally significant copper-gold porphyry discovery**
  - Tujuh Bukit, Indonesia (2008)
  - Alpala, Cascabel, Ecuador (2013)

# Bramaderos, Southern Ecuador



- 4,984ha concession
- Adjacent to the Pan American Highway
- At ~900m asl
- The project is supported by good infrastructure (hydroelectric power, regional airport nearby)
- 93% of Ecuador's power is generated from renewables, primarily hydro power

# Bramaderos – targeting 10Mozs opportunity



## LIMON - gold-copper-silver porphyry and epithermal

### Epithermal gold and silver (2023 drilling)

177m at 0.97g/t gold, 10.1g/t silver from 7m in LMDD017  
 185m at 2.67g/t gold and 15g/t silver from 90m in LMDD026  
 243m at 1.11g/t gold and 16.9g/t silver from 46m in LMDD030

### Porphyry gold-copper silver

97.6m at 0.71g/t gold and 0.23% copper in trench  
 79m at 0.52g/t gold, 0.19% copper, 9.4g/t silver from 90m in LMDD010

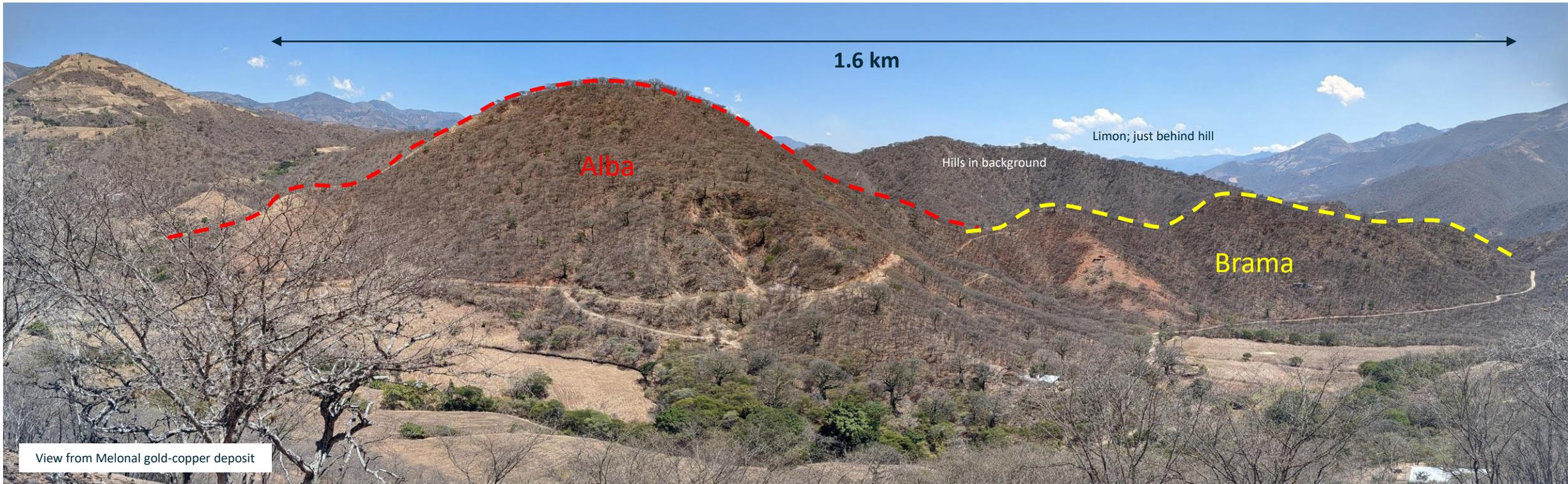
## BRAMA-ALBA only - Mineral Resource Estimate - 2022

156Mt at 0.53g/t AuEq (0.35g/t gold, 0.11% copper, 1.3g/t silver) for 2.7Mozs AuEq \*1

## Exploration Target - 2022 in addition to MRE

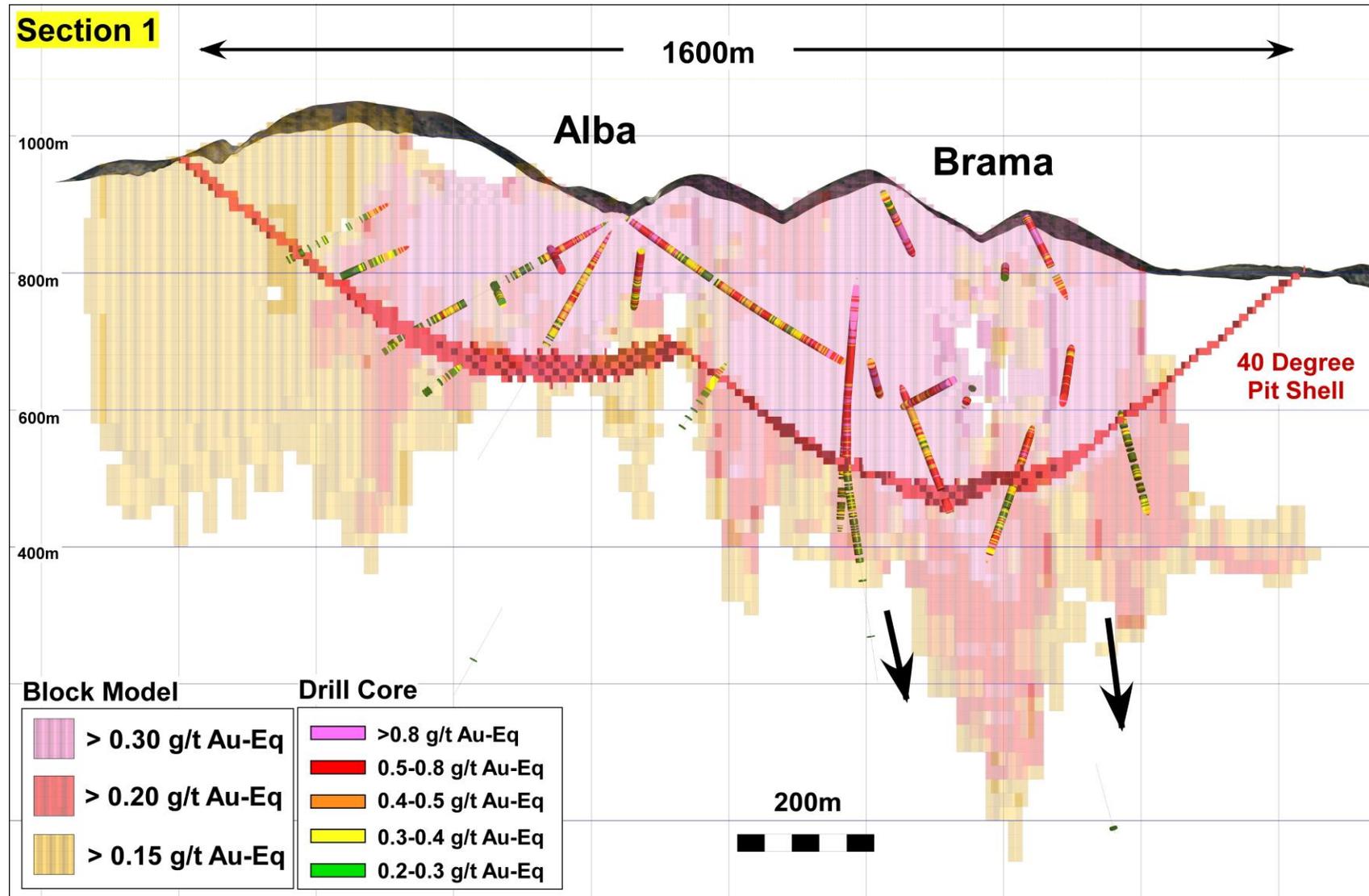
255 - 360Mt for 3.3 to 8.6Mozs AuEq \*2

# Brama-Alba – mineralisation from surface



- View looking NE; December 2022
- MRE, undertaken by CSA consultants, is pit constrained
- 1.2km long mineralised system – so far
- Outcropping gold-copper-silver
- Development would initially mine a hill – very low strip ratio
- Higher grade domains close to surface
- Many opportunities to grow resource, and define higher grades

# Brama-Alba – pit constrained MRE



# Limon – the game changer - view to NE



# Limon – the game changer – recent drill results

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Significant high-grade intersections in LMDD017 and LMDD026, include;

- 176.7m at 1.1g/t AuEq\* (0.97g/t gold and 10.1g/t silver), from 6.8m in LMDD017, 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
- 185m at 2.85g/t AuEq\* (2.67g/t gold and 15g/t silver) from 90m in LMDD026, including
  - 31m at 12.93g/t AuEq\* (12.53g/t gold and 32.7g/t silver) from 146m

LMDD029 intersected significant mineralisation south of the main shoot, defining a target for a second high grade shoot, intersecting

- 76.5m at 0.78g/t AuEq\* (0.74g/t gold and 3.6g/t silver) from 21m, including
  - 28.2m at 1.31g/t AuEq\* (1.25g/t gold and 5.3g/t silver) from 40.1m

LMDD030 intersected

- 243m at 1.32g/t AuEq\* (1.11g/t gold and 16.9g/t silver) from 46m, including
  - 42m at 3.9g/t AuEq\* (3.37g/t gold and 43.3g/t silver) from 152m within;

Results from holes LMDD031, 032, 034 and 035 include:

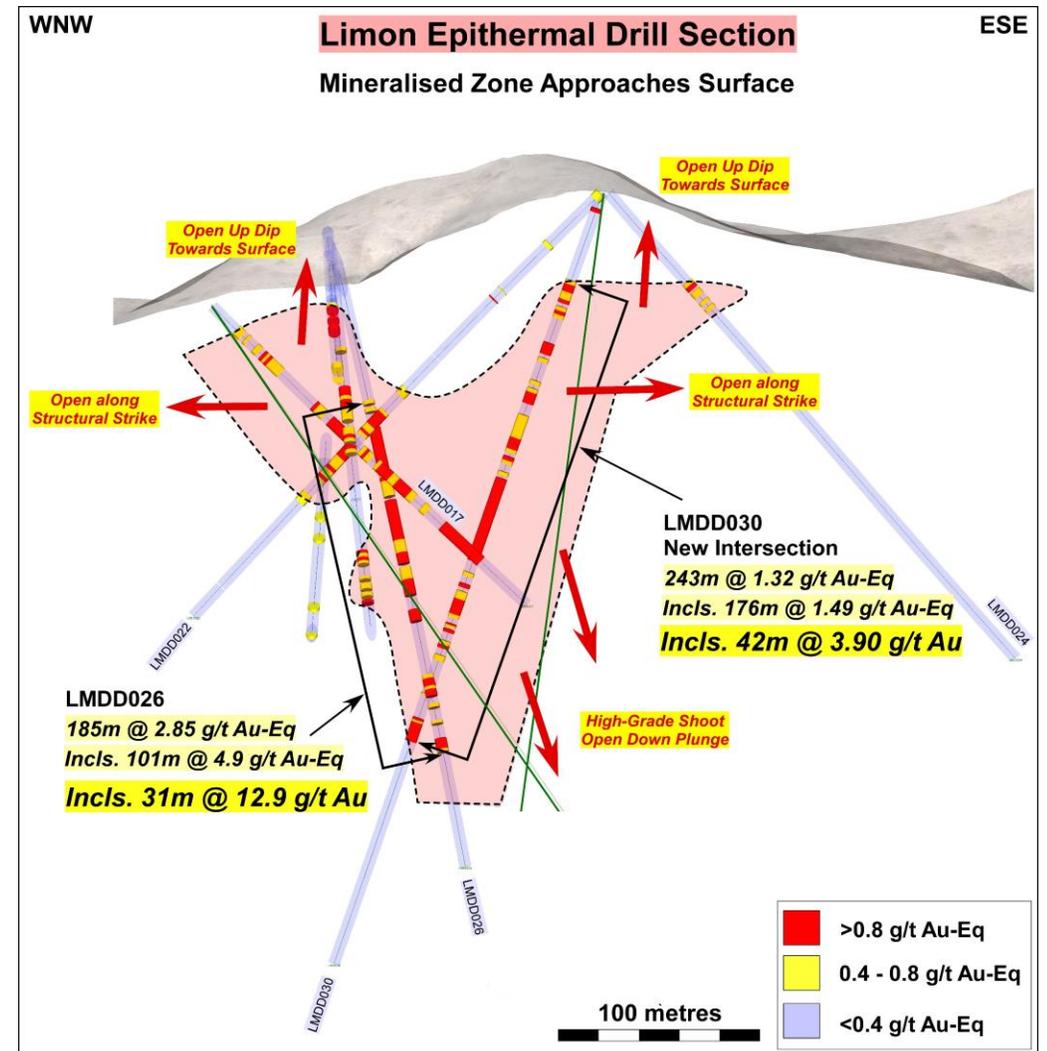
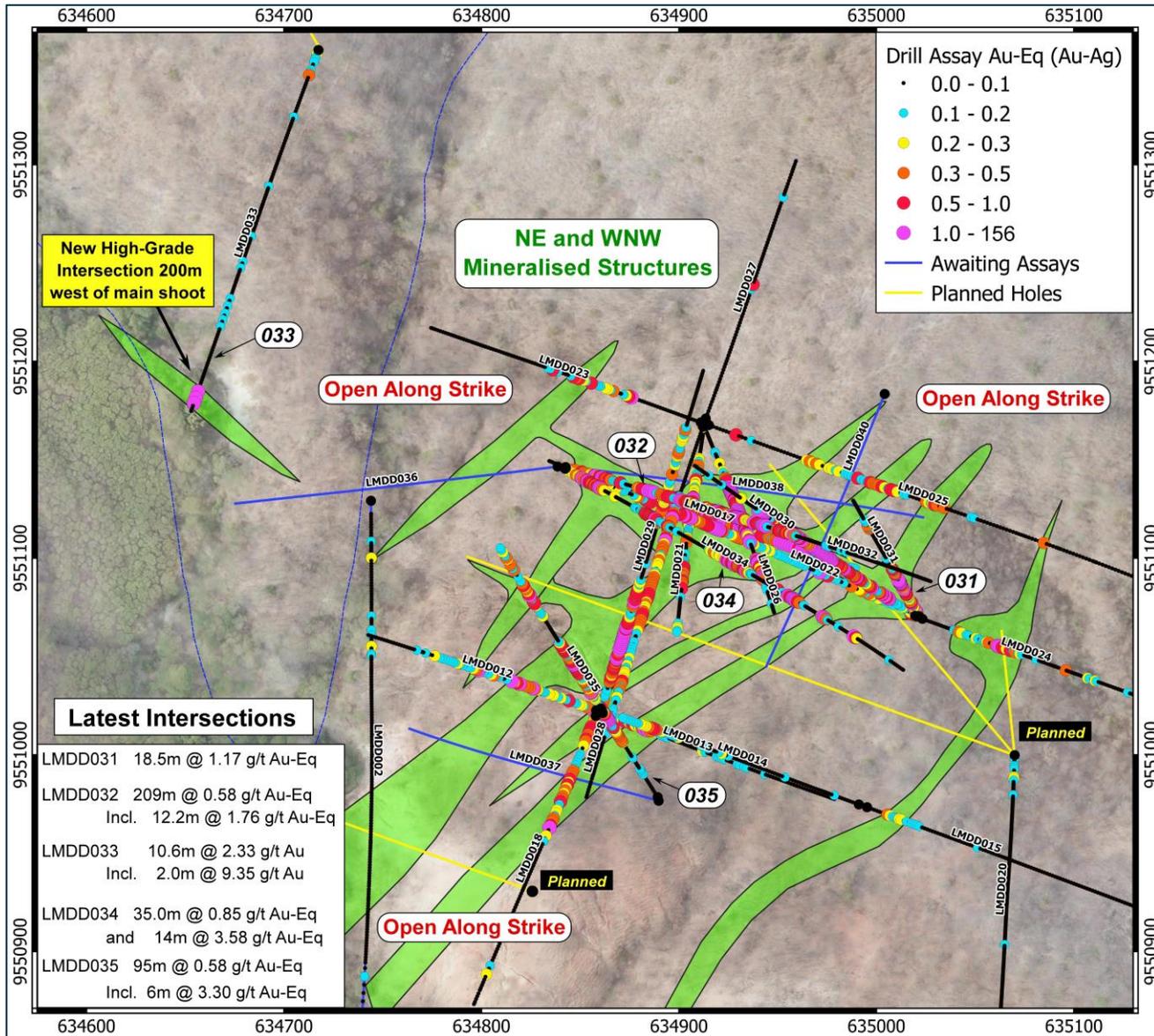
- 18.5m at 1.17g/t AuEq\* (0.89g/t gold and 22.9g/t silver) from 106.5m in LMDD031
- 209m at 0.58g/t AuEq\* (0.51g/t gold and 5.7g/t silver) from 6m in LMDD032, including
  - 12.2m at 1.76g/t AuEq\* (1.59g/t gold and 13.8g/t silver) from 155m
- 35.0m at 0.85g/t AuEq\* (0.83g/t gold and 2g/t silver) from 3m in LMDD034, and
- 14.0m at 3.58g/t AuEq\* (2.92g/t gold and 54.1g/t silver) from 225m in LMDD034

LMDD033 was drilled on a separate target, located 200m west of the main high-grade zone, and intersected high-grade gold:

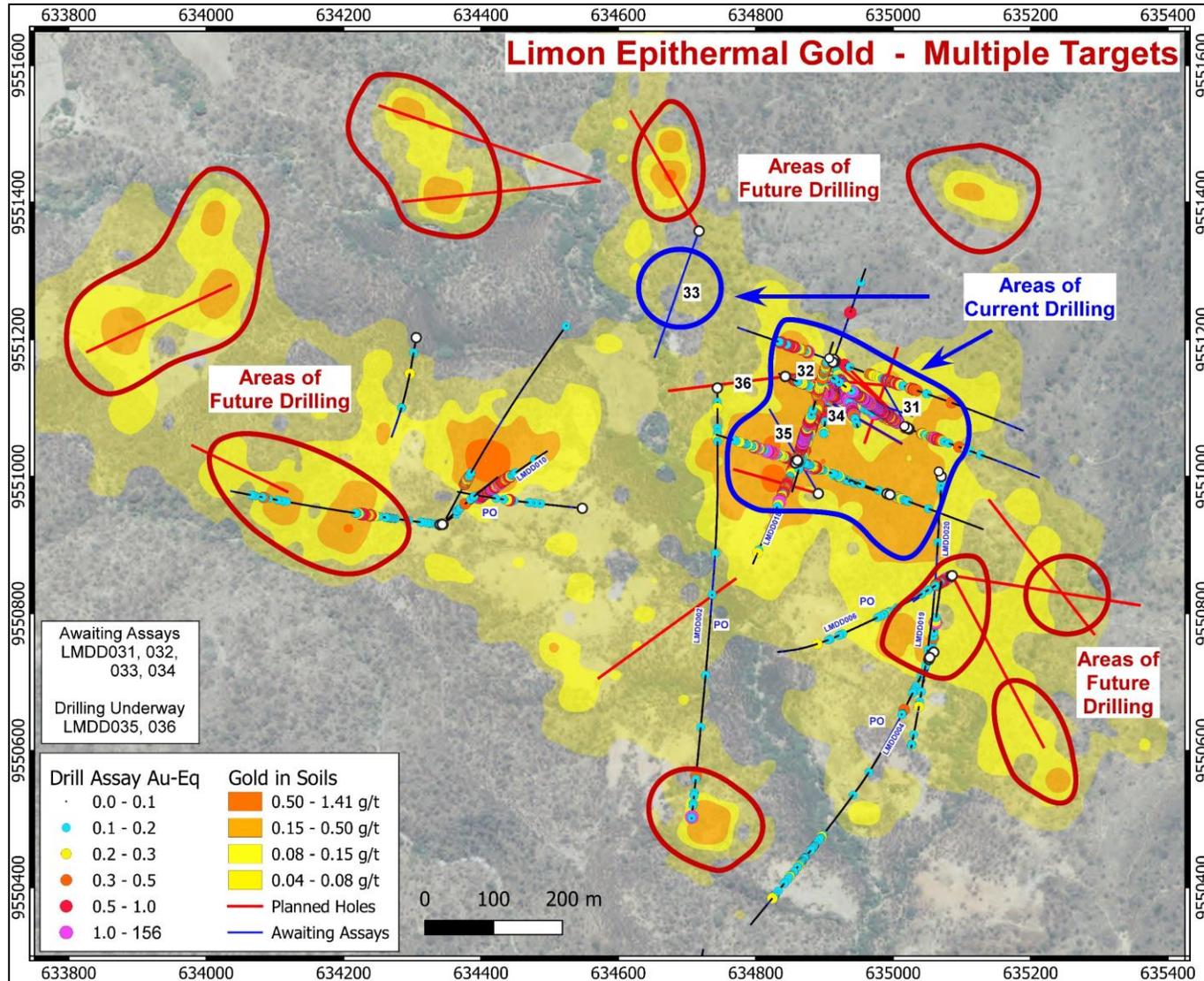
- 2.0m at 9.35g/t gold from 270m, within 10.6m at 2.33g/t gold from 261.4m

\* See pages 21 and 22

# Limon – gold-silver epithermal

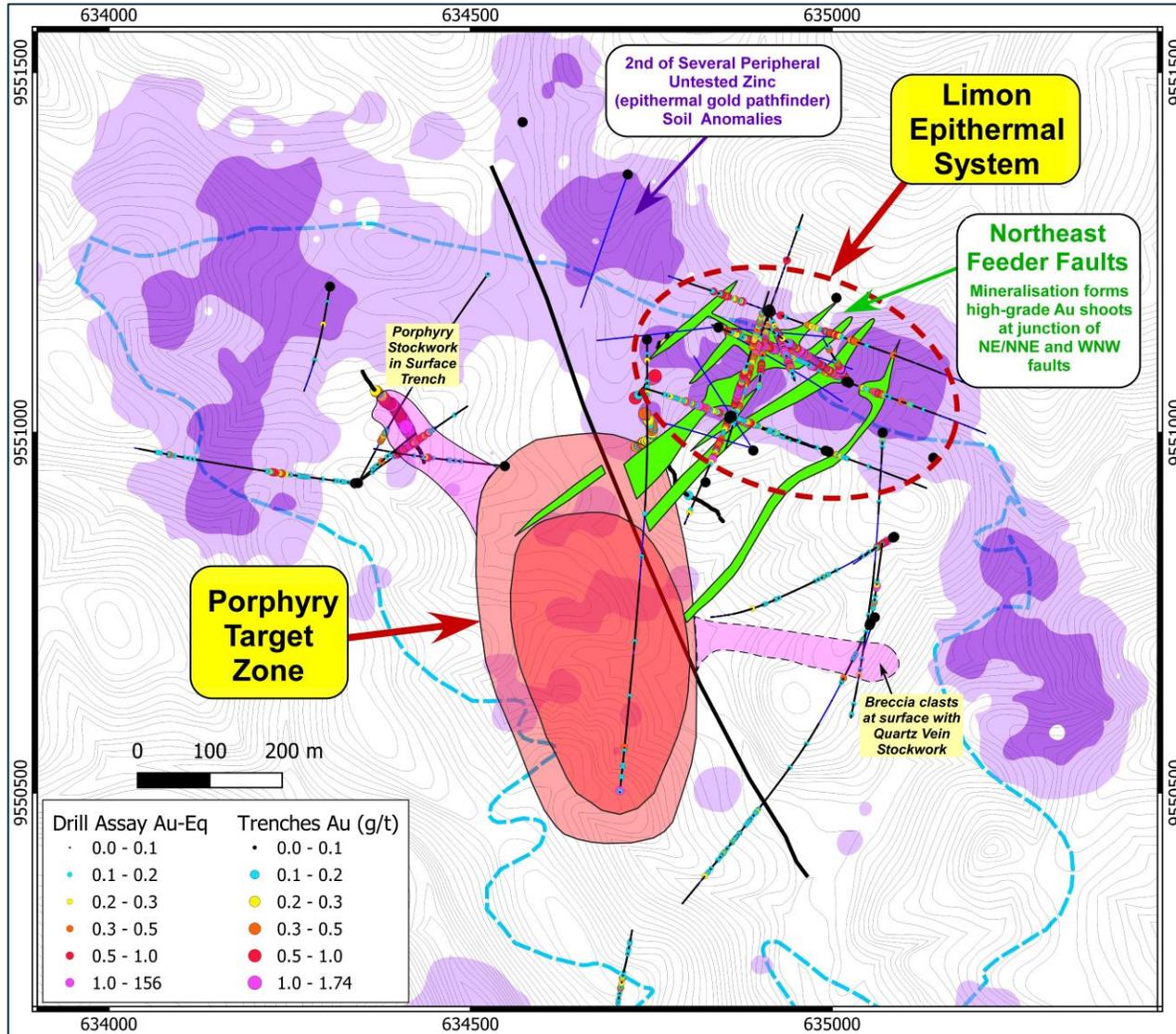


# Limon – gold-silver epithermal



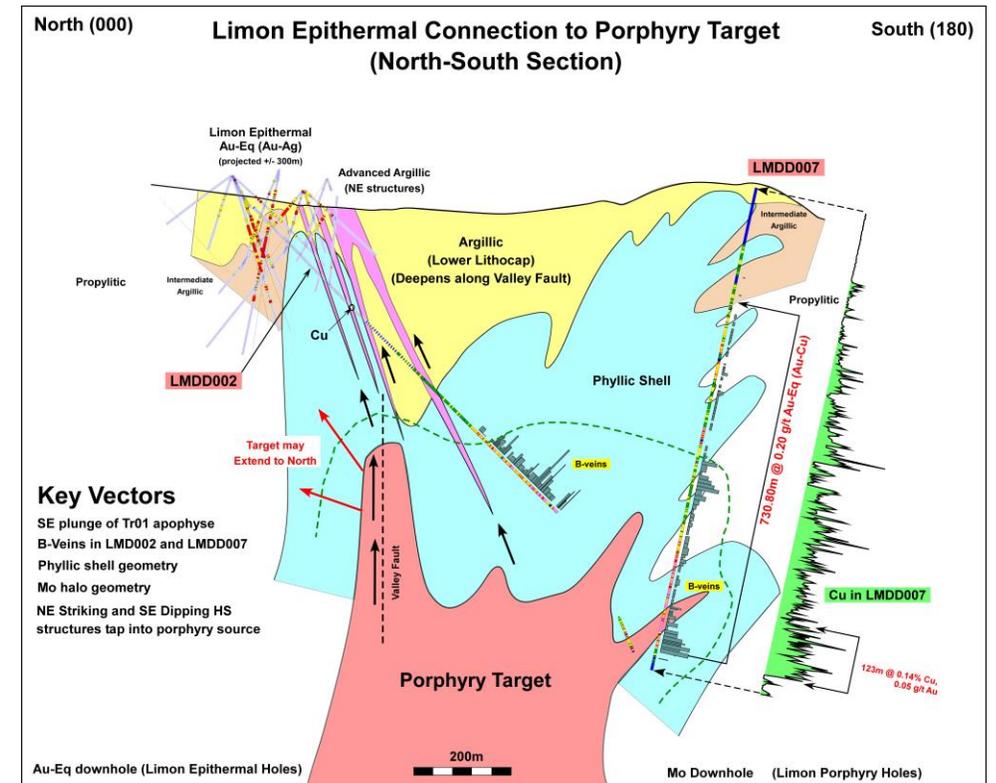
- **Very significant discovery; delivers the higher-grade front end for a larger development**
- Large search space for epithermal gold-silver-base metal mineralisation
- Evidence of epithermal veins to depths exceeding 600m from previous drilling
- Evidence of multiple epithermal vein occurrences within 1.7km x 700m Limon alteration zone
- Current interpretation of mineralised structures trending NW and NE, and higher grades developed at the intersections of these structures
- Multiple targets scheduled for drilling

# Limon – gold-copper-silver porphyry

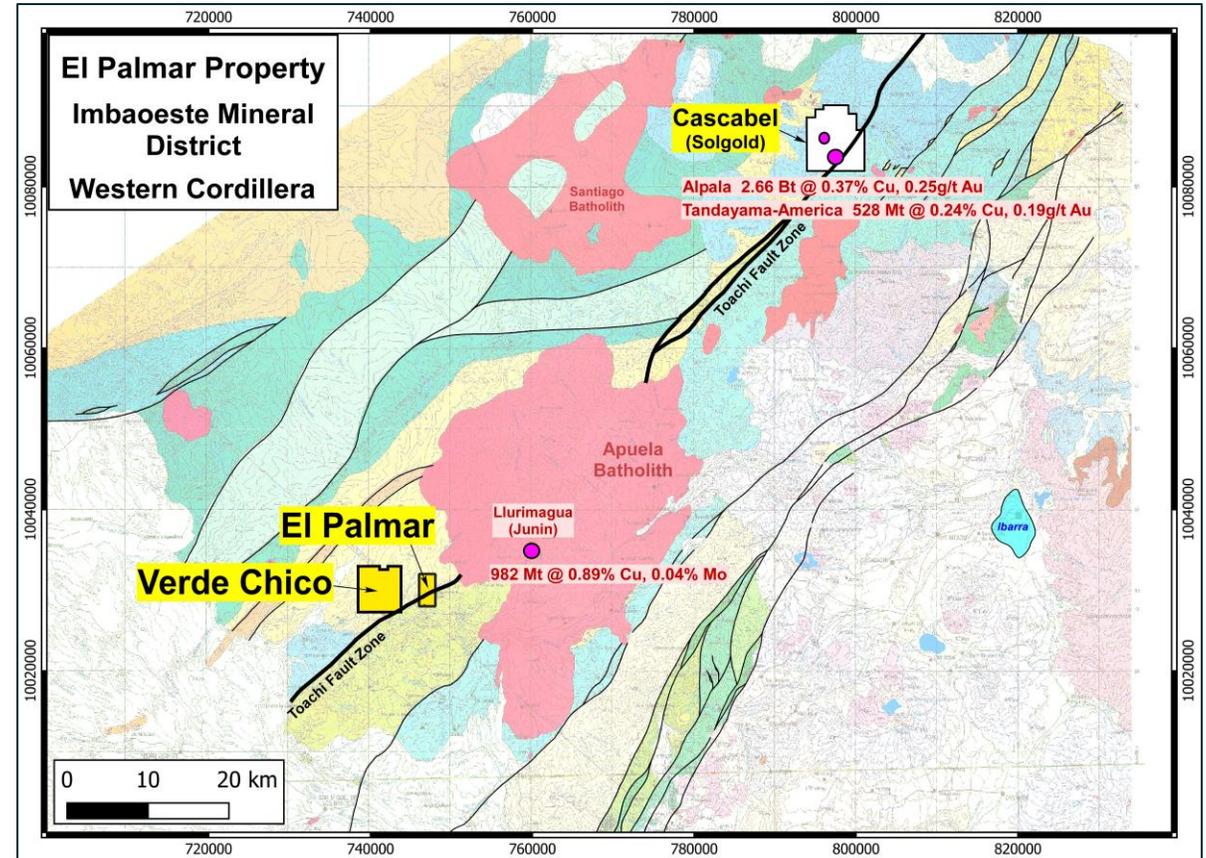
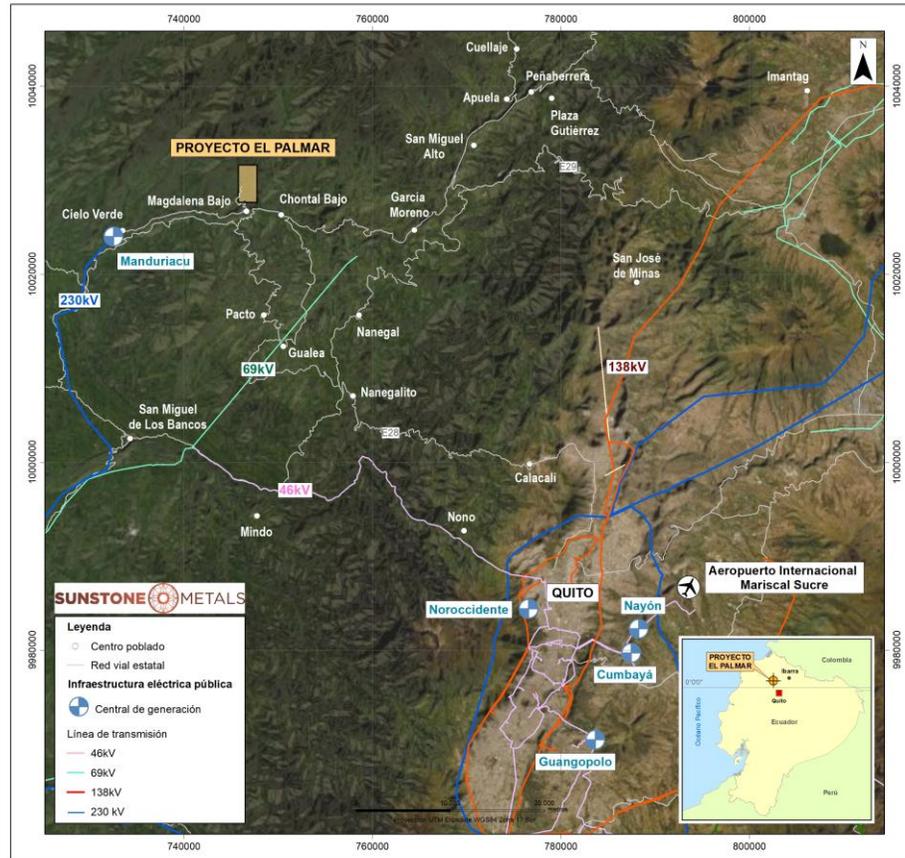


- 97.6m at 0.71g/t gold and 0.23% copper in trench
- 79m at 0.52g/t gold, 0.19% copper, 9.4g/t silver from 90m in LMDD010

Large porphyry target sitting below the high grade epithermal  
Several independent datasets make this a robust target

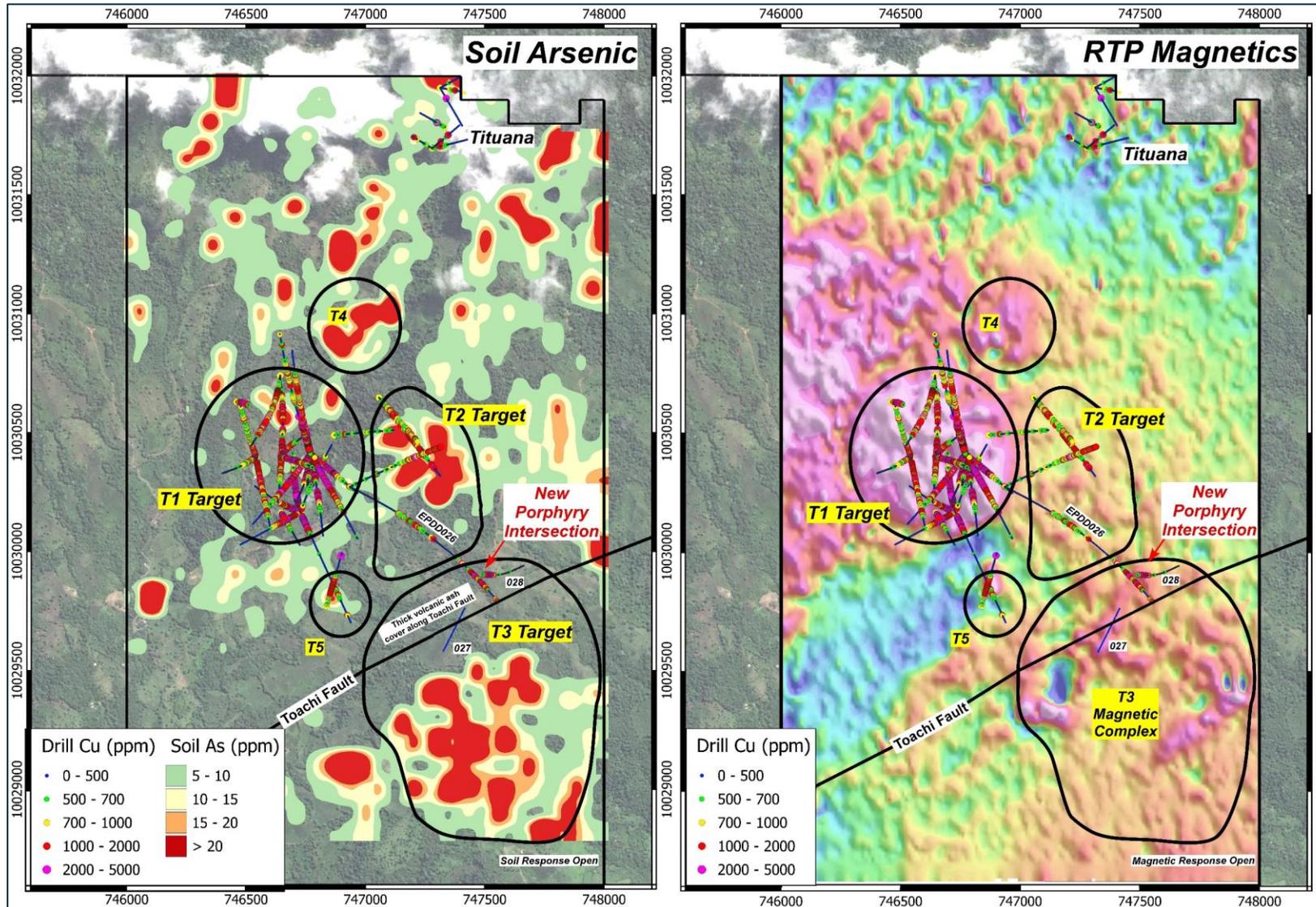


# El Palmar, northern Ecuador



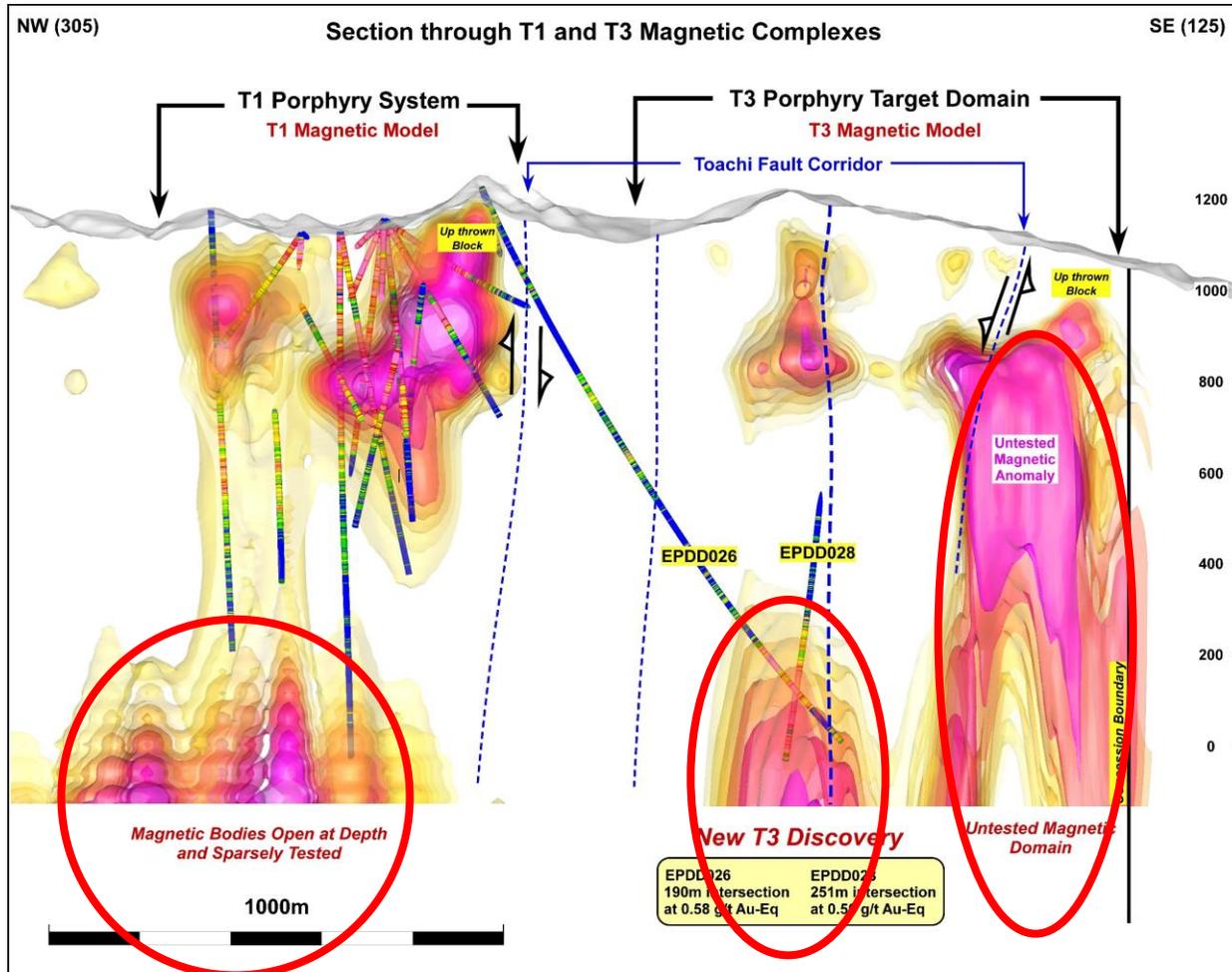
- Highly prospective belt of rocks related to the Toachi Fault Zone
- To date includes the 2.7Bt Alpala copper-gold porphyry deposit (0.53% CuEq) at Cascabel, the 0.53Bt Tandayama-America copper-gold porphyry deposit (0.36% CuEq) at Cascabel, and the 1Bt Llurimagua copper-moly porphyry deposit (1.0% CuEq)

# El Palmar; T1-T2-T3-T5 porphyry cluster



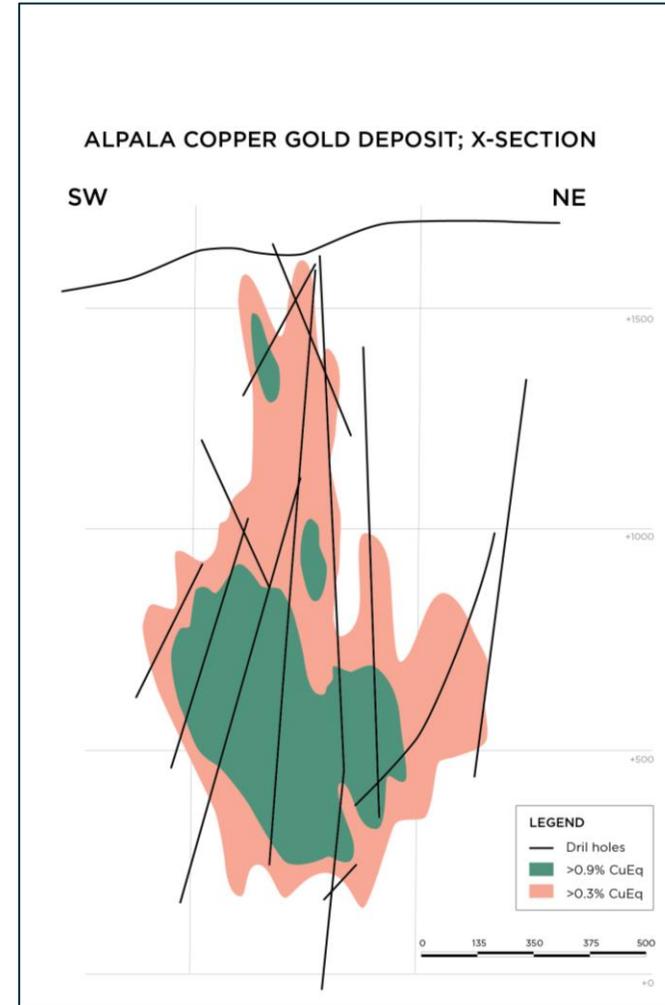
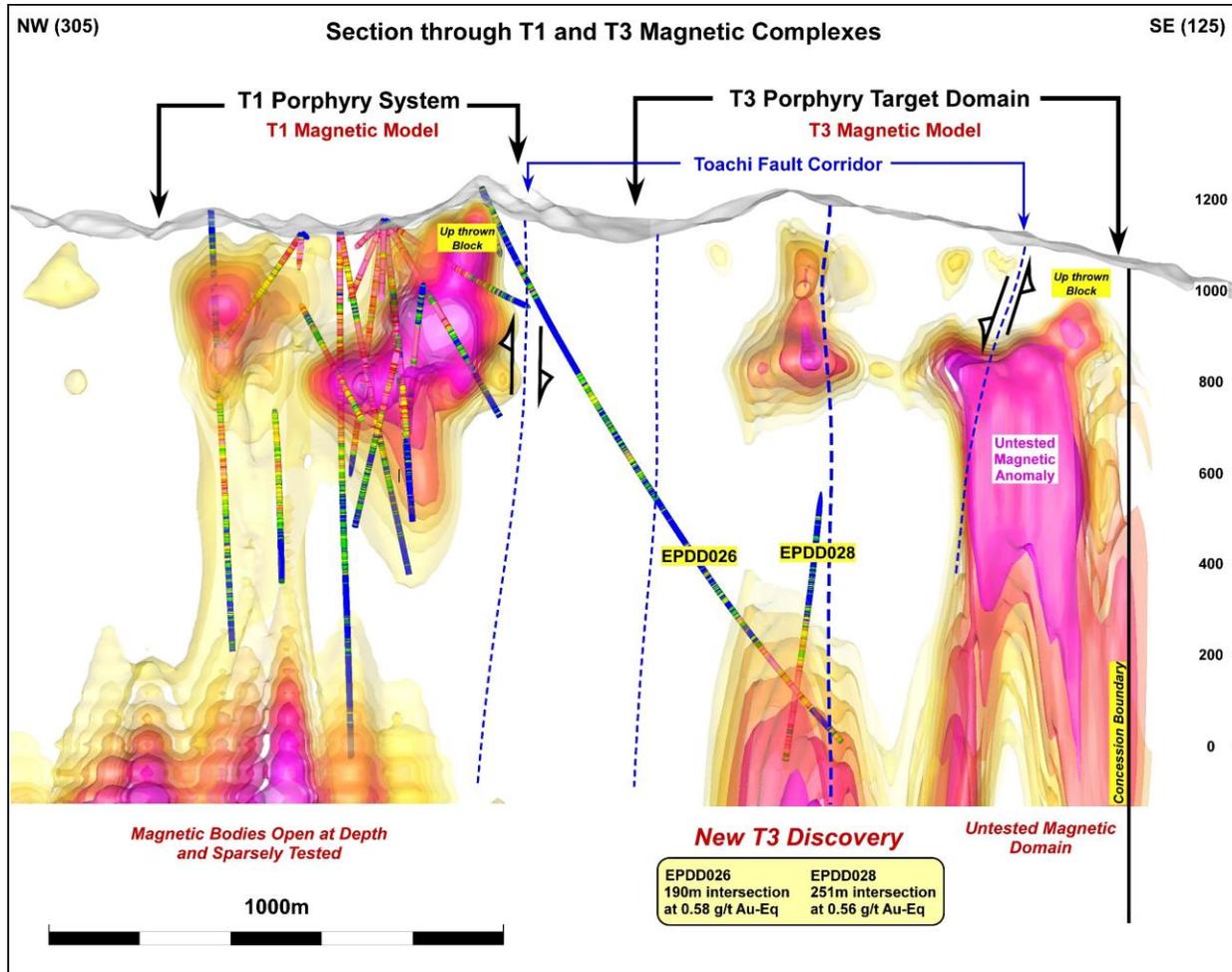
- Mineralisation from surface at T1, T2, and T5
- 2.3km long cluster of porphyry targets identified to date; T1 to T5
- Targets could all be related and have geometries that relate to their position on or adjacent to the Toachi fault, and subsidiary orthogonal faults
- Results from holes EPDD026 and 028 in T3 are extremely significant – first holes into a large target delivering ore grade mineralisation. Drill hole intersections are deep, but targets extend towards surface.
- Potential to deliver a very large gold-copper deposit camp

# El Palmar; multiple large targets



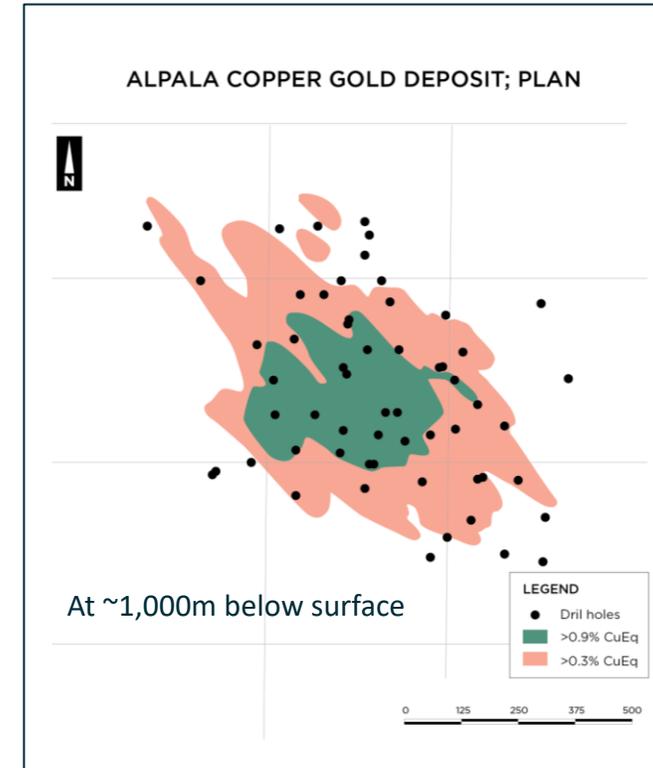
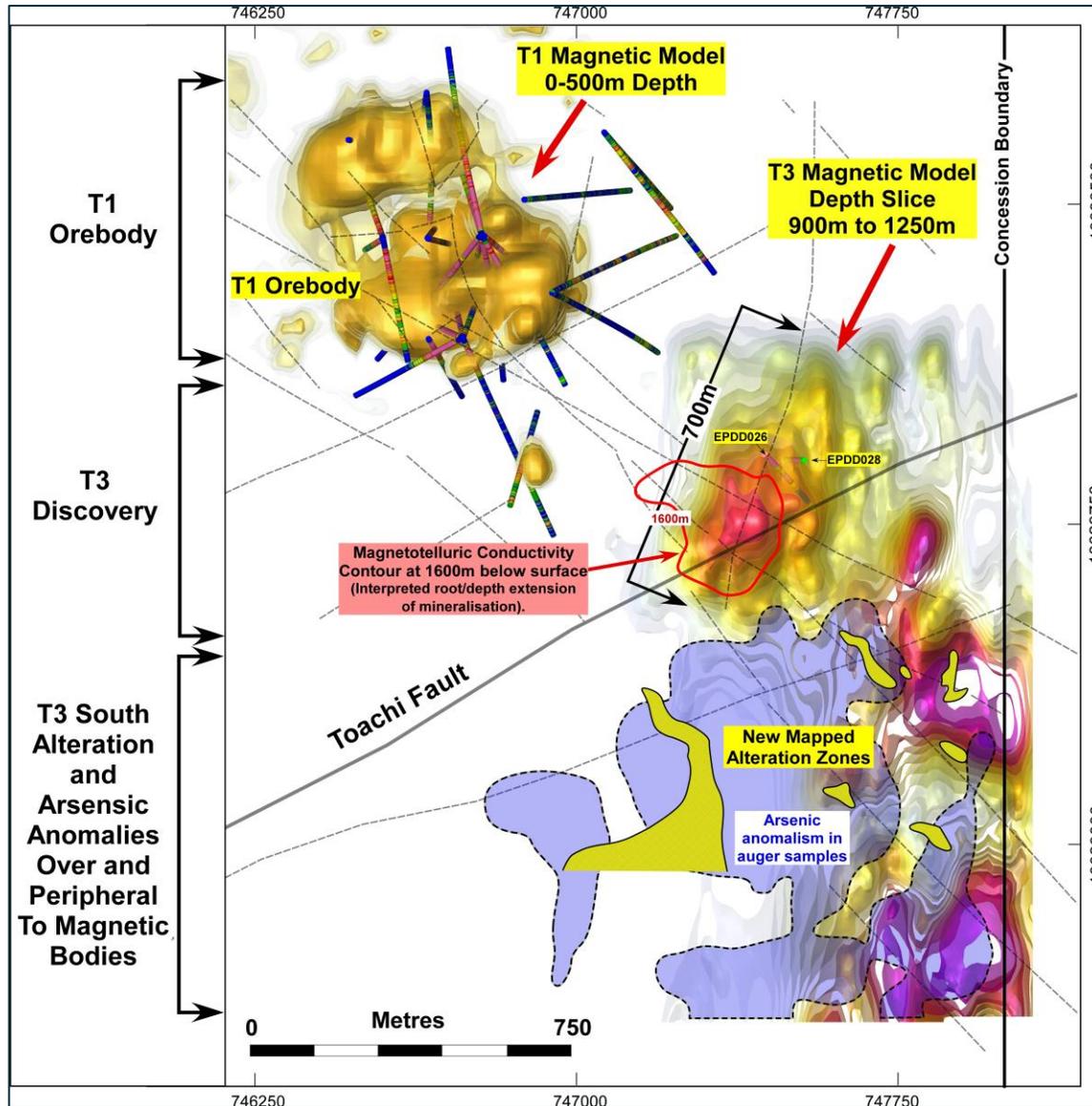
- **T1**; 800m long (in NW-SE orientation) already an orebody in its own right
- **T1**; 21 drill holes completed, gold-copper from surface to 500m below surface, intersections include 160m at 0.7g/t gold and 0.2% copper from 52m (LMDD001)
- **T3**; EPDD026 and 028 intersections deep but coincident magnetic anomalies extend towards surface
- Increasing confidence that magnetic bodies correlate with gold-copper
- HUGE opportunity

# El Palmar; multiple large targets



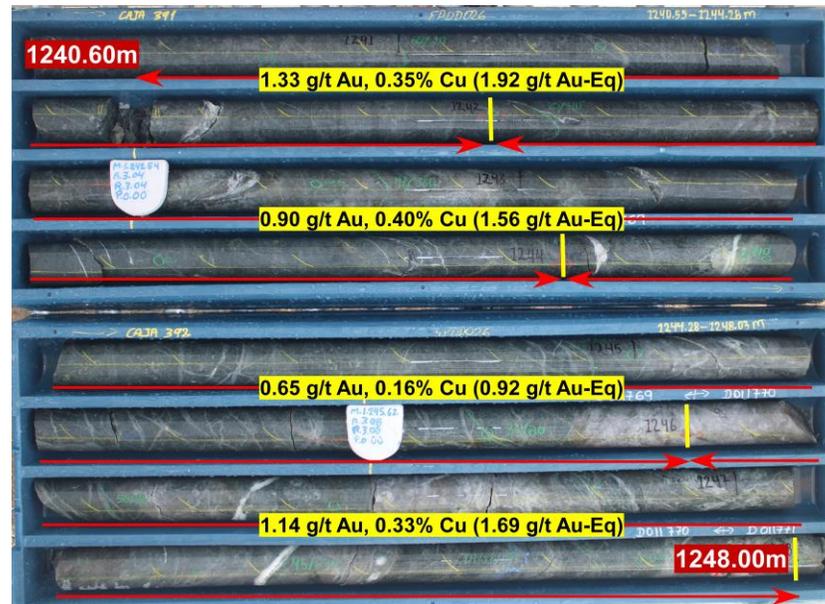
- Cross section, same scale comparison with the 3Bt Alcala deposit at Cascabel (SolGold)
- Depth to top of the main Alcala orebody is ~700m
- Comparable scale to the evolving El Palmar exploration

# El Palmar; comparison with SolGold-Cascabel-Alpala

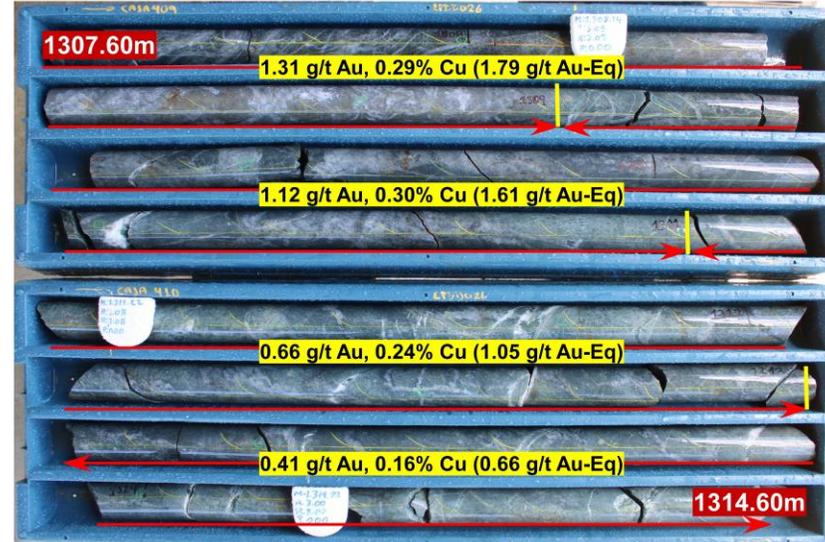


- Plan view, same scale comparison with the 3Bt Alpala deposit at Cascabel (SolGold)
- At >0.3% CuEq Alpala orebody measures 500m x 900m
- Depth to top of the main Alpala orebody is ~700m
- Comparable scale to the evolving El Palmar exploration

# El Palmar; cluster of opportunities



EPDD026



Targets T1 to T5 could all be related and have geometries that relate to their position on or adjacent to the Toachi fault

Porphyries have very large vertical extent – can be > 1,000m

EPDD026 and 028 grades suggest the T3 system can deliver very high grades relative to other porphyry deposits

Depth and vertical extent of El Palmar opportunities are in line with major company exploration search space

# What's ahead

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## ✓ Bramaderos

- **Limon gold-silver epithermal discovery will fundamentally change Bramaderos**
- **Limon gold-silver epithermal discovery will deliver the near surface higher-grade front end needed for a larger development**
- Deliver **additional discoveries** at Melonal, Limon porphyry, Porotillo
- **Strengthen expectation of 10Mozs AuEq district with Exploration Target updates**

## ✓ El Palmar

- Continue to drill **compelling T3 target** – follow-up to holes EPDD026 & 028, and drill in shallower domains
- **In the same belt as >1Bt orebodies – will El Palmar join that club?**

# Competent Persons Statement

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## Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Aaron Meakin. Mr Aaron Meakin is a full-time employee of CSA Global Pty Ltd and is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Aaron Meakin has sufficient experience 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 the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Aaron Meakin consents to the disclosure of the information in this report in the form and context in which it appears.

## Exploration Target Competent Person

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

*See ASX announcements*

- 18<sup>th</sup> September 2023 – High grade near surface gold at Limon
- 11<sup>th</sup> September 2023 - El Palmar 2nd hole confirms T3 strongly mineralised porphyry
- 15<sup>th</sup> August 2023 - Limon gold discovery continues to grow
- 3<sup>rd</sup> July 2023 – High grade gold and silver at Limon, Bramaderos
- 20<sup>th</sup> June 2023 – El Palmar T3 gold-copper porphyry discovery
- 28<sup>th</sup> April 2023 – El Palmar drilling intersects porphyry copper system
- 14<sup>th</sup> April 2023 – Limon emerging as major discovery with visible gold in hole
- 29<sup>th</sup> March 2023 – Limon epithermal drilling results
- 16<sup>th</sup> March 2023 – Drilling commences at T2 porphyry target, El Palmar
- 18<sup>th</sup> January 2023 – Limon delivers porphyry discovery
- 13<sup>th</sup> December 2022 – Bramaderos MRE and Exploration Target
- 20<sup>th</sup> October 2022 – More wide intersections at Brama-Alba to support initial MRE
- 27<sup>th</sup> September 2022 – El Palmar drilling results and new target defined
- 30<sup>th</sup> August 2022 – Brama-Alba – best porphyry intersection to date
- 19<sup>th</sup> July 2022 – Brama-Alba drilling, met test work, resource preparation
- 29<sup>th</sup> June 2022 – El Palmar drilling expands gold-copper discovery

# About Sunstone Metals

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

• **The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest with Cornerstone Capital Resources, a subsidiary of SolGold, holding 12.5% (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* <sup>1</sup> (g/t)	AuEq (Mozs)* <sup>1</sup>
Indicated	9	0.38	0.09	1.1	0.53	0.2
Inferred	147	0.35	0.11	1.3	0.53	2.5
<b>Total</b>	<b>156</b>	<b>0.35</b>	<b>0.11</b>	<b>1.3</b>	<b>0.53</b>	<b>2.7</b>

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.

\*<sup>1</sup> 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. In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

\*<sup>2</sup> 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 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

• **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.

# SUNSTONE METALS



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