

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to welcome you to the 2024 Annual General Meeting for Sunstone Metals Limited ('Sunstone' or 'Company').

I note that Patrick Duffy, 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.

This past year has been an important step in progressing Sunstone's projects, highlighted by the emergence of Limon as a potential high-grade initial development opportunity to unlock the value of the large Bramaderos Project, as well as this week's announcement of an inaugural Mineral Resource estimate and Exploration Target at El Palmar.

At Bramaderos in Southern Ecuador, continued drilling at Limon continued to define an extensive and near surface gold and silver epithermal deposit. The strategic importance of such a system cannot be understated, as a potential initial development option, Limon may pave the way to unlock the extensive large scale gold-copper porphyry systems at Bramaderos.

Further, recent trenching at the Melonal gold-copper porphyry target, located next to the Brama-Alba resource, has identified the potential for significant mineralisation¹. These trenching results increase the confidence in the Bramaderos porphyry Exploration Target² of 3.3 to 8.6Moz³ AuEq⁴. The untapped potential of the area is further highlighted by extensive geological mapping completed with has identified additional porphyry bodies to the south-east of Melonal.

At El Palmar in Northern Ecuador, we were very pleased to announce the inaugural Mineral Resource estimate of 1.2Moz AuEq^{5,6} and Exploration Target² of 15 – 45Moz AuEq^{6,7} released this week. These clearly demonstrate the scale of the opportunity and the potential value. Tier 1 deposits are rare and Sunstone is on the path to define one at El Palmar.

Engagement and support of the communities in the areas we operate is also extremely important to Sunstone. The release of our first Sustainability report in November last year highlights the incredible work the team does within the community. Together with the commendable health and safety performance, and representation of women within our technical teams, this report underpins the Company's belief that responsible mining can be transformative for the development of communities in Ecuador.

During the year, the Company appointed Patrick Duffy as Managing Director and CEO, as well as Neal O'Connor as a non-executive Director. Both bring a wealth of experience in international mining operations and jurisdictions. The ability to attract high-quality individuals is testament to the quality of Sunstone's projects in Ecuador as well as the work that has been done to identify and advance those projects to date.

I would like to thank Graham Ascough for his Chairmanship and support during his tenure on the Sunstone Board, and following his retirement from the Board in September, his guidance and experience will be missed. Graham joined Sunstone (formerly called Avalon Minerals) in late 2013 and helped guide the company through advancement of copper assets in Sweden, and then entry into Ecuador with the defined purpose of making significant discoveries of copper and gold. That has been achieved but we now have to see appropriate realisation of value in those discoveries.

Despite the challenging investment market for most junior resource companies, Sunstone has been able to progress the projects in Ecuador during the year with further drilling at Limon delivering very good results, and the delivery of the inaugural Mineral Resource estimate and Exploration Target at El Palmar. This forms a very strong foundation for ongoing success, whether that be through partnership opportunities with other mining companies or on our own. To that end, I would like to thank our shareholders for their support over the journey,

and the response to the recent SPP is no exception. The Board is committed to returning that faith, and ensuring the true value of our projects in Ecuador is unlocked.

Finally, 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; your efforts are truly appreciated.

Yours sincerely

Malcolm Norris - Chair, Sunstone Metals Limited

¹ Refer ASX announcement on 30 September 2024

² 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 information in this report that relates to exploration targets 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.

³ The Bramaderos porphyry Exploration Target is between 255 to 360Mt at a grade of 0.40 to 0.74g/t AuEq⁴ for 3.3 to 8.6Moz AuEq⁴.

⁴ The gold equivalent calculation formula for porphyry gold-copper-silver mineralisation at Bramaderos is $AuEq(g/t) = (Au\ grade \times Au\ price \times Au\ recov / 31.1035) + (Ag\ grade \times Ag\ price \times Ag\ recov / 31.1035) + (Cu\ grade \times Cu\ price \times Cu\ recov / 100) / (Au\ price \times Au\ recov / 31.1035)$. 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.

⁵ Refer ASX announcement on 22 October 2024. El Palmar Mineral Resource estimate:

Category	Tonnage Mt	Average Grade					Material Content			
		AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (ppm)	Cu (%)	AuEq (Koz)	Au (Koz)	Ag (Koz)	Cu (Kt)
Indicated	5	0.63	0.42	0.81	1,456	0.15	100	100	100	7
Inferred	59	0.59	0.40	0.65	1,290	0.13	1,100	700	1,200	70
TOTAL	64	0.60	0.41	0.66	1,301	0.13	1,200	800	1,300	80

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 and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement 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.

⁶ The El Palmar gold equivalent calculation formula is $AuEq(g/t) = ((Au\ grade \times Au\ price \times Au\ recov / 31.1035) + (Ag\ grade \times Ag\ price \times Ag\ recov / 31.1035) + (Cu\ grade \times Cu\ price \times Cu\ recov / 100)) / (Au\ price \times Au\ recov / 31.1035)$. The prices applied were US\$1,800/oz gold, US\$4.50/lb copper and US\$22/oz silver. Recoveries are estimated at 90% for gold, 78% for copper (excluded for oxide material), and 60% for silver based on metallurgical studies.

⁷ Refer ASX announcement on 22 October 2024. The El Palmar Exploraiton Target is between 1.0 to 1.2Bt at a grade between 0.3 to 0.7g/t gold and 0.1 to 0.3% copper for contained metal of between 10 and 27Moz gold and 1.0 to 3.7Mt copper (combined contained gold equivalent of 15 to 45Moz).