

16 JULY 2020

Sunstone Metals Ltd. presenting at Noosa Mining Virtual conference today at 3.20pm

Updated Investor presentation below

Sunstone Metals Ltd (ASX: STM) is pleased to be a participant in the Noosa Mining Virtual conference being held July 15-17. Sunstone's Managing Director, Malcolm Norris, will be presenting today at 3.20pm.

Registration for the conference can be made at <https://www.noosaminingvirtual.com.au/>.

ASX ANNOUNCEMENT

About Sunstone Metals

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

1. **The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest with TSXV listed Cornerstone Capital Resources 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 considered to be highly prospective for the discovery of large porphyry gold-copper systems, and high-grade epithermal gold systems. Historical exploration results from drilling at Bramaderos together with recent exploration by Sunstone and joint venture partner Cornerstone Capital Resources (TSXV:CGP) indicate multiple fertile mineralised systems with significant discovery potential.
2. **Sunstone has a significant equity interest** of ~25% in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019. Sunstone has further exposure to success at Viscaria, with Copperstone to make a Stage 2 payment to Sunstone of 20 MSEK (~A\$3.1 million) and issue Sunstone an additional 46 million COPP B shares (valued at ~A\$6 million) upon issuance of an Environmental Permit for the development of Viscaria.
3. **The Southern Finland Gold Project** includes the Satulinmäki gold prospect. Shallow diamond drilling was completed by the Geological Survey of Finland (GTK) during the period 2000-2005 and this was followed by a 7-hole diamond drilling program by Sunstone Metals in 2016. Intersections from GTK include 18m @ 4.1g/t Au from 50m downhole, including 3m @ 9.3g/t Au, and 4m @ 10.3g/t Au in drill hole R391. Intersections by Sunstone include 23.5m at 3.3g/t in SMDD007 and 2m at 10.5g/t in SMDD005. The Satulinmäki gold prospect is part of an earn-in JV with Canadian company Nortec Minerals, where Sunstone holds an ~82% interest, is funding on-going work, and has also acquired a significant land position, in its own right, in the district.
4. **The Scandinavian Lithium Project** includes the Kietyönmäki lithium prospect. Drilling by Sunstone has delivered 24.2m at 1.4% Li₂O in a spodumene-bearing pegmatite. Kietyönmäki is also part of the JV with Nortec Minerals.

Competent Persons Statement

The information in this presentation 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.

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

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Sunstone Metals Ltd
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SUNSTONE
METALS

INVESTOR PRESENTATION
NOOSA MINING VIRTUAL

ON THE PATH TO DISCOVERY IN ECUADOR

ASX
STM

July 2020

Disclaimer

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This Presentation contains general information about Sunstone Metals Limited (Sunstone) which is in the business of exploring for minerals which is a speculative and risky venture. It does not purport to contain all the information that a prospective investor may require. The Presentation should not be considered as an offer or invitation to subscribe for or purchase of any securities in Sunstone and no agreement to subscribe for securities will be entered into on the basis of this Presentation. Potential investors should conduct their own investigation and analysis and should check the accuracy, reliability, and completeness of the information provided and obtain independent and specific advice from appropriate professional advisors.

FORWARD-LOOKING STATEMENTS

This Presentation includes certain statements that may be deemed “forward-looking statements”. All statements in this Presentation, other than statements of historical facts, that address future activities and events or developments that Sunstone expects, are forward looking statements.

Although Sunstone believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions.

Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

Investment Highlights

- **Sunstone owns 87.5% of the Bramaderos Gold-Copper-Silver Project in Ecuador**
 - The Bramaderos Project has delivered ore grade intercepts of gold and copper and has multiple targets still to be fully tested
 - Epithermal targets are delivering very promising polymetallic silver-gold results
 - This position was earned through a low entry cost earn-in JV with respected TSX:V listed company Cornerstone Capital Resources
- **Sunstone owns ~25% NASDAQ First North Stockholm listed Copperstone Resources AB.**
 - Sunstone's interest is valued at ~A\$21 million (at 0.83 SEK per Copperstone share)
 - Sunstone converted its previously 100% owned Viscaria asset into the equity position in Copperstone for A\$6.2 mill cash and retaining upside through 160 million Copperstone shares and a Tranche 2 milestone linked payment to Sunstone of 20 MSEK (~A\$3.1 million) and issue Sunstone an additional 46 million COPP B shares (valued at ~A\$6.0 million) upon issuance of an Environmental Permit for the development of Viscaria
- **Sunstone has a vision to build a gold-copper discovery business in Ecuador and is monitoring other opportunities. The leverage from Sunstone's equity investment in Copperstone can help deliver the vision**
- **Opportunity for investors to participate in the discovery of multiple gold-copper and gold-silver deposits within the Bramaderos Project. Discovery adds significant value**

We are optimistic because ...

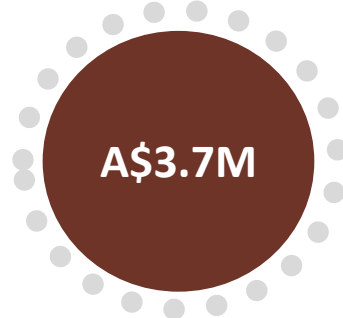
- Bramaderos Project is in a regionally extensive well mineralised porphyry - epithermal district
- Exploration results to date have delivered a much improved understanding of the mineralisation. **We are entering Phase 2 of the exploration process.** Phase 1 has delivered extremely encouraging results and solved some technical questions
- Bramaderos Project comprises **6 highly ranked porphyry gold-copper systems** – all of which are mineralised and only partially tested
- Bramaderos Project also includes **a belt of epithermal gold-silver opportunities** – and the initial work is demonstrating high grades
- The Sunstone team has a **track record of discovery**
- **Ecuador is building a significant mining sector**; Lundin Gold commissioned Fruta del Norte; Mirador exporting copper-gold concentrate; BHP-Newcrest-Anglo American-Fortescue-Hancock-Codelco all in country with long term commitment

Corporate

Negative Enterprise Value Trading at below Net Tangible Asset value



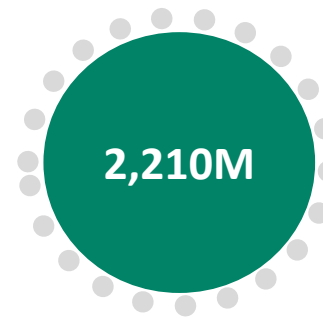
MARKET CAPITALISATION
Tightly held
At share price of A\$0.01
(30-day VWAP)



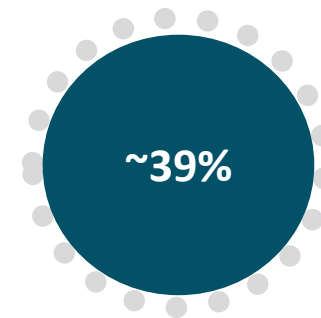
CASH
As at June 2020 - unaudited



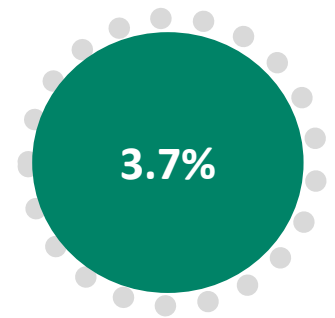
EQUITY INVESTMENTS
In Nasdaq listed Copperstone Resources AB escrowed to Sept 2020 (plus Tranche 2: A\$3.1 mill + 46 mill shares valued at A\$6.0 mill; upon issuance of Environmental Permit)



SHARES ON ISSUE
As at Jun 2020



TOP 20 SHAREHOLDERS
Hold almost half of all shares on issue



BOARD & MANAGEMENT
Have participated in most placements in last 4 years

Substantial Shareholders	
Valbonne II	5.8%

Ecuador

Exploration and development is active

Ecuadorian government is strongly supporting the exploration and mining sector

“Ecuador 10-year plan for investment stability. Ecuador is developing a 10-year mining plan to provide investors with stability and certainty about the future development of the sector, deputy mining minister Enrique Gallegos-Anda has told Mining Journal at PDAC 2020 in Toronto, Canada.”

Legal challenges to the industry through Constitutional Court process resoundingly dismissed

Major resource companies have committed for the long term

Alignment of Ministers and senior bureaucrats to support permitting and to get the industry moving

There will be several very significant gold and copper discoveries and developments in Ecuador over the next few years. Sunstone will be part of that industry growth

Ecuador

Exploration and development is active and strongly supported by Government



Fruta del Norte

Lundin Gold (TSX:LUG)

High grade underground gold mine; 25.4Mt at 8.21g/t gold

In production; building to 325,000 ounces gold per year; AISC US\$621/ounce

Ecuador's first modern underground gold mine

Mirador

Ecuacorriente

Open Pit producing and exporting concentrate; 62,000t copper and 34,000 ounces gold annual production

673Mt at 0.58% copper and 0.19g/t gold

Cascabel

Solgold 85%/ Cornerstone 15%

Alpala resource

2,050 Mt @ 0.41% copper and 0.29g/t gold in the Indicated category, and 900 Mt @ 0.27% copper and 0.13g/t gold in the Inferred category.

Top of main orebody ~500m below surface

Cangrejos

Lumina Gold (TSX.V:LUM) 100%

568Mt at 0.55g/t gold and 0.11% copper in the Indicated category, and 476 Mt @ 0.41g/t gold and 0.08% copper in the Inferred category.

Llorimagua

Codelco/Enami (Ecuador) JV; 982Mt at 0.89% copper and 0.04% molybdenum

Previously referred to as Junin

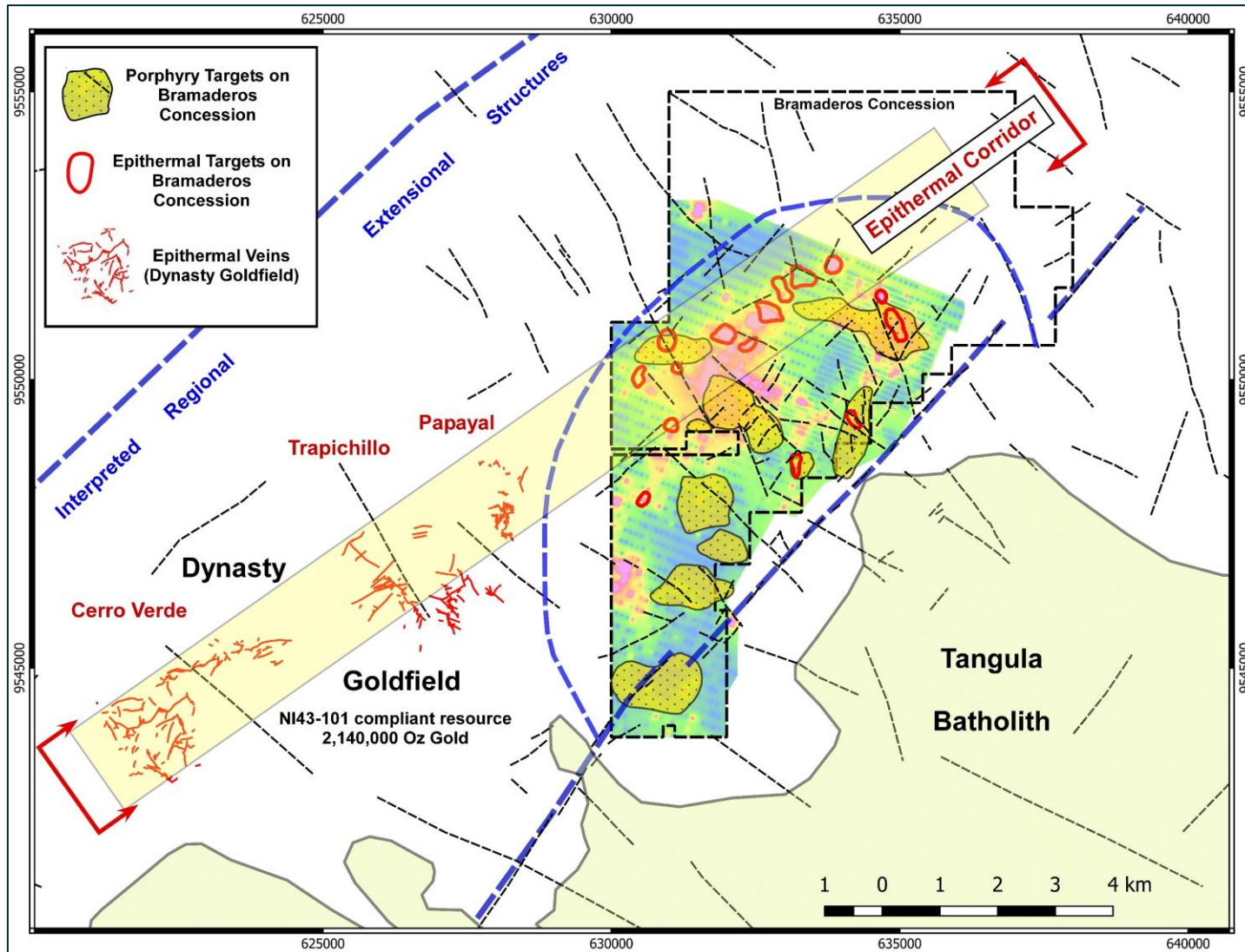
Loma Larga

INV Metals (TSX.V:INV)

Previously referred to as Quimsacocha;
32.6Mt at 3.2g/t gold and 22g/t silver

Bramaderos Project

Within regional mineralised belt



Bramaderos Project – 4,948ha exploration concession in the ‘Advanced Stage’ category

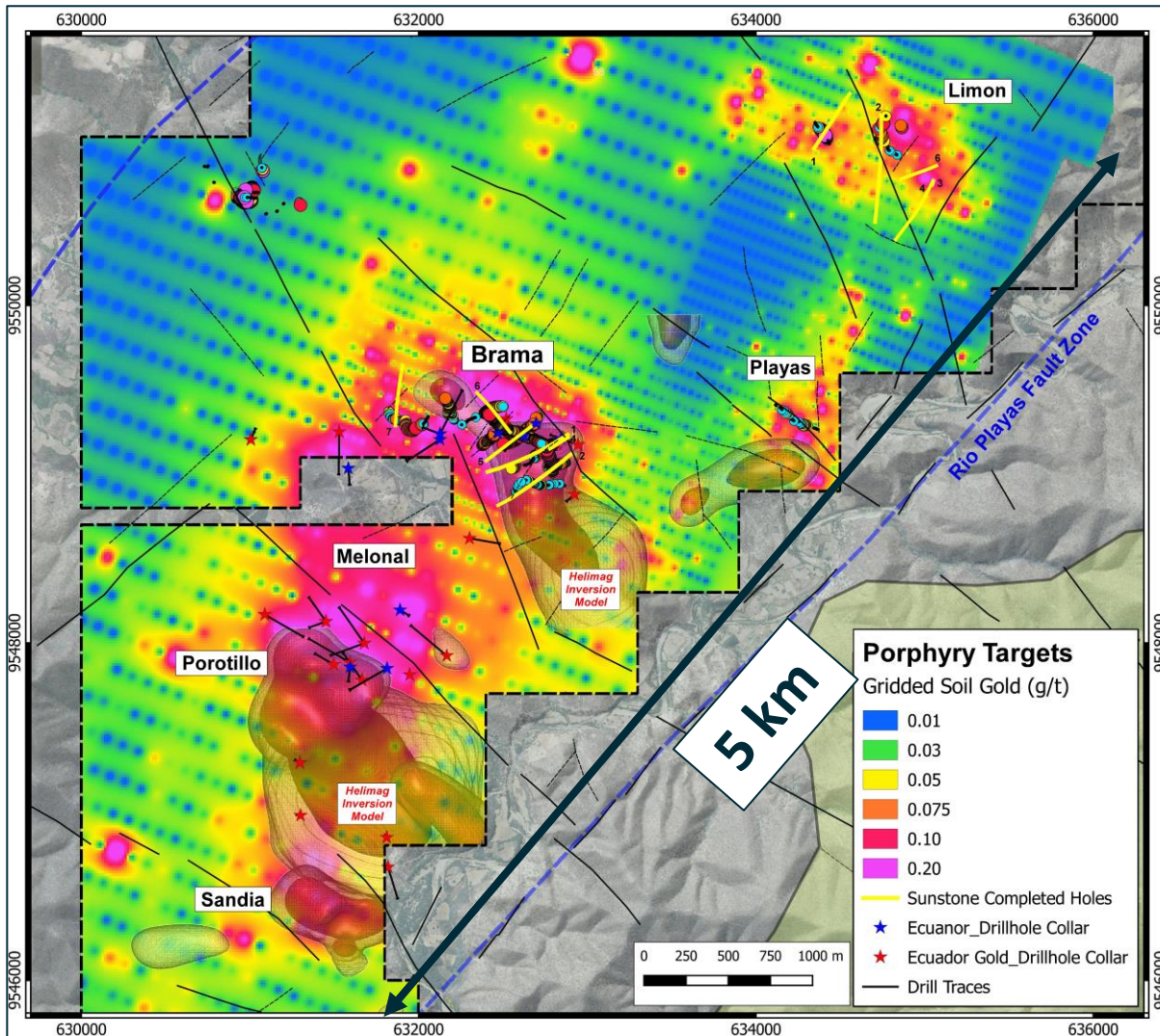
Strategically located along strike from the 2-million-ounce Dynasty Goldfield (epithermal gold) owned by ASX listed Titan Minerals (TTM), and within a region of other significant porphyry gold-copper opportunities

6 porphyry gold-copper systems, all mineralised

At least 2 known mineralised epithermal gold-silver systems; plus 10 additional targets

Bramaderos Project

Cluster of 6 mineralised porphyry gold-copper systems



Still early days

Only 2 gold-copper porphyry systems partially tested with drilling by Sunstone; Brama and Limon – both mineralised

Some historical drilling undertaken at Porotillo and Melonal which intersected significant gold-copper

Sunstone has a significantly better understanding of mineralisation from drilling at Brama and from 3-D modelling of detailed ground magnetics

This is a major porphyry gold-copper district that has very significant upside

Bramaderos Project

What are we looking for – What is the prize

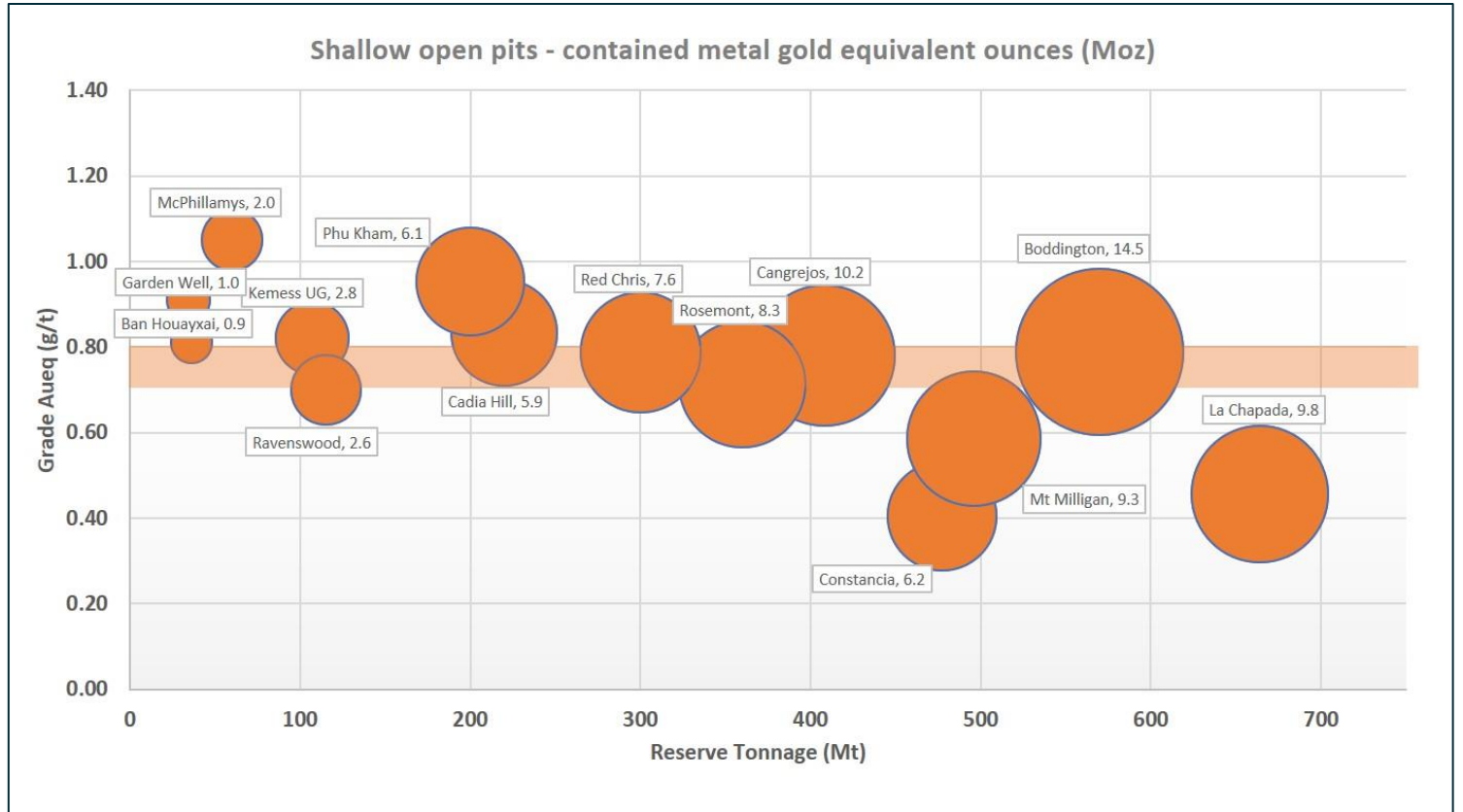
At Bramaderos

- Multiple gold-copper porphyry deposits within a 5km long belt
- Complemented by higher grade epithermal gold-silver deposits
- From surface (e.g. Brama) to deeper (e.g. Limon)
- Large vertical extent to mineralised systems; >1,000m
- Target grades of >0.7 – 0.8g/t gold equivalent (gold + copper*) in open pitable positions,
- Higher grade at depth in underground positions

Compares with Mt Milligan, Cangrejos, Red Chris, Cadia district, Boda, Northparkes and others

Cluster of deposits exists within the Bramaderos Project so able to 'accumulate' tonnes across multiple targets

Low cost power and good infrastructure enhances value – both exist at Bramaderos



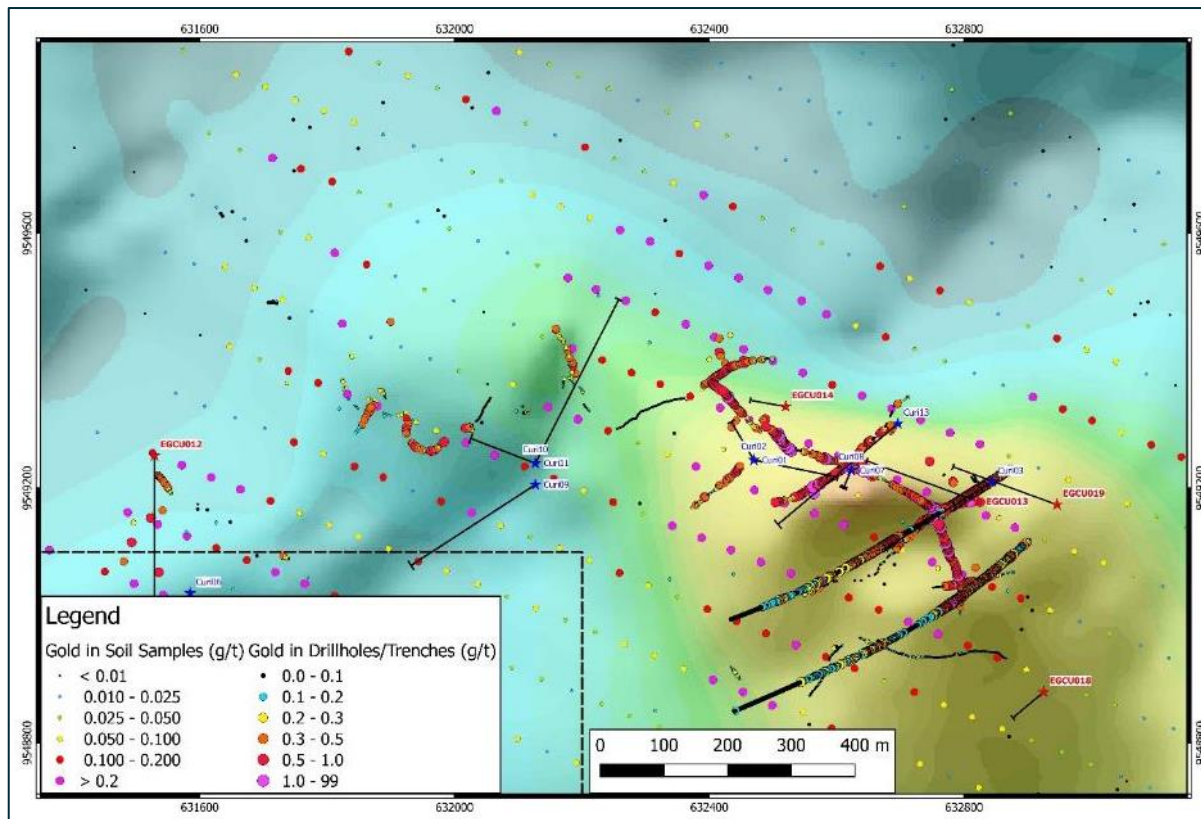
**Sunstone does not release gold equivalent grades at this stage. Metallurgical test work for Bramaderos is underway to determine gold and copper recoveries which will allow for quoting of gold equivalents. The gold equivalent, Reserve and grade numbers presented in the graph are based on individual company reports for comparative purposes. See slide 25 for sources of information*

Brama Porphyry

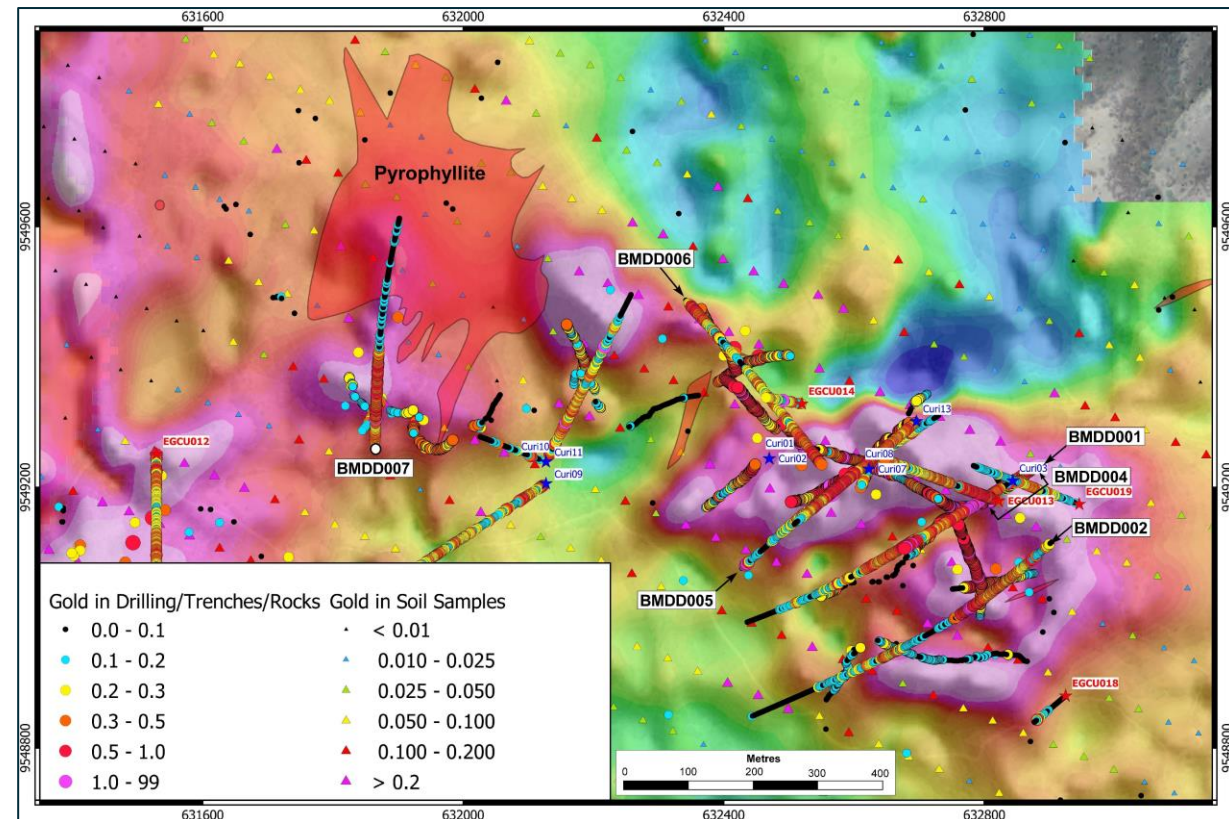
Detailed magnetics and 3-D modelling – a breakthrough

Original target was single large magnetic system – target now is cluster of smaller, magnetic, higher grade gold-copper systems

Side-by-side – original heli magnetics vs new ground magnetics



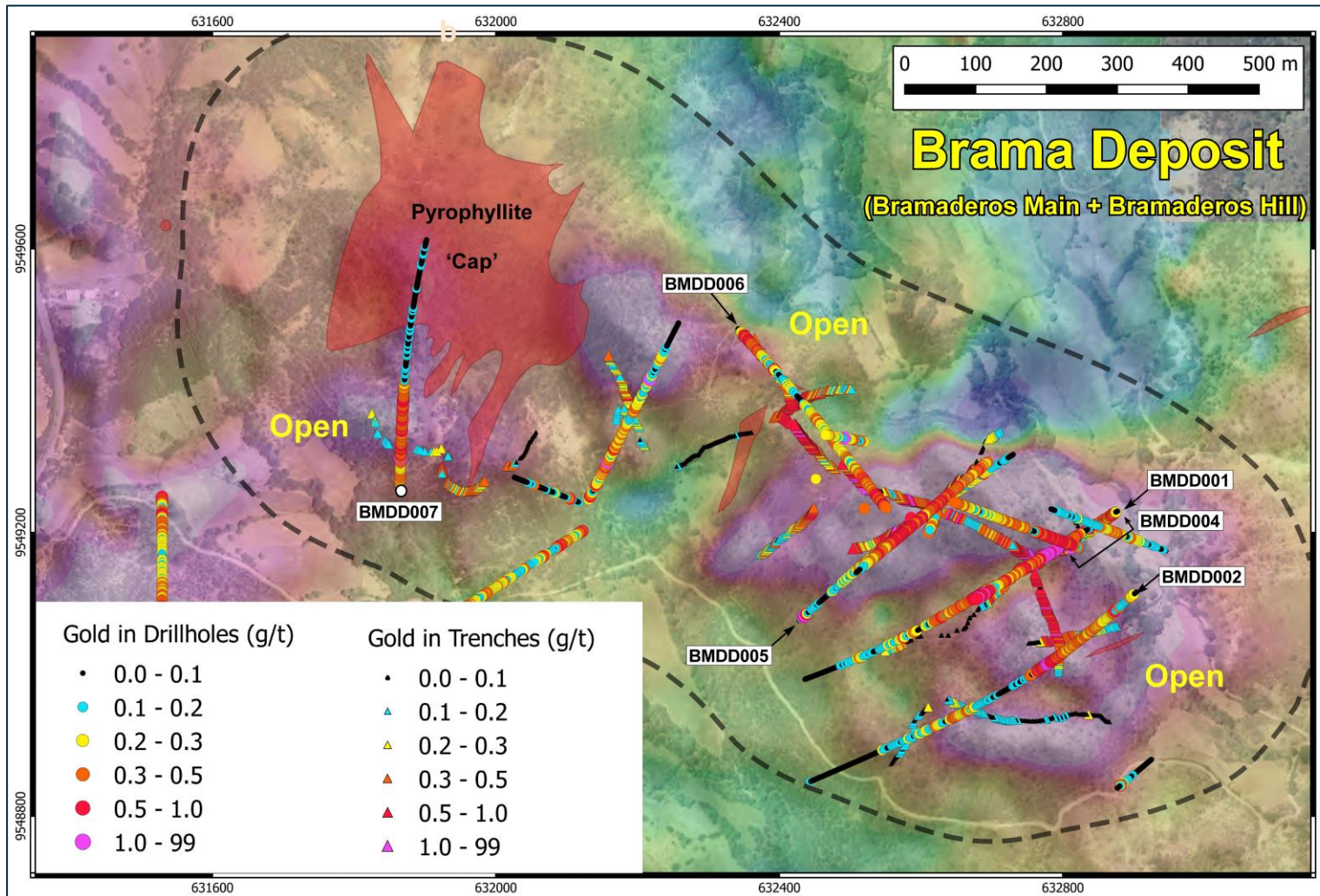
Brama; Heli-magnetics, 100m line spacing and 30m survey height



Brama; Vastly improved resolution; Ground magnetics, 50m line spacing

Brama Porphyry

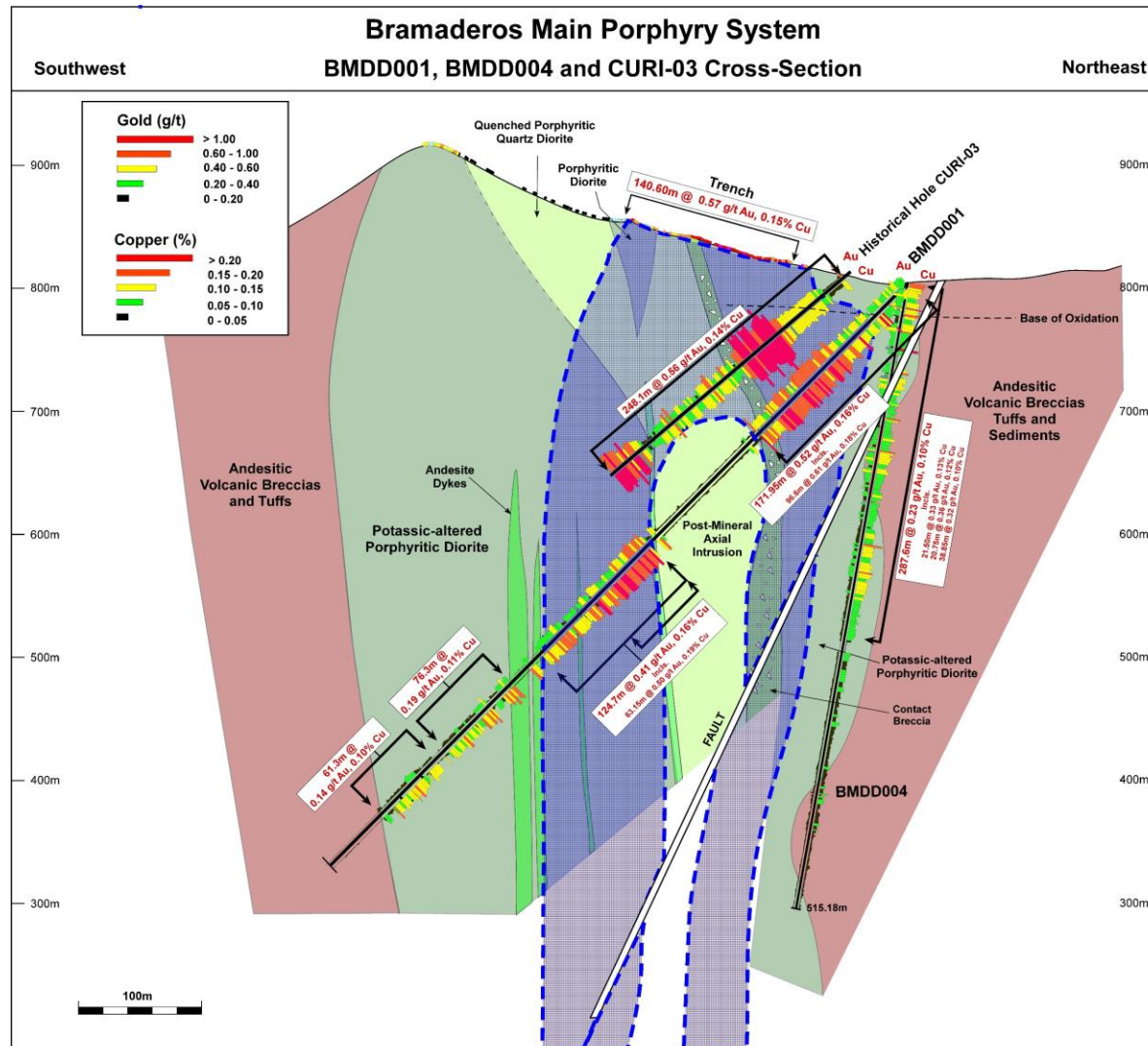
6 effective drill holes - all mineralised



- Longitudinal trench BM14 – 615.14m at 0.52g/t Au and 0.11% Cu, includes
 - 122.6m at 0.55g/t gold, 0.17% copper, and
 - 97m at 0.61g/t gold, 0.16% copper, and
 - 179.7m at 0.6g/t gold, 0.09% copper
- Cluster of higher grade porphyry systems within large lower grade system
- Original exploration focussed on large bulk tonnage lower grade system
- Results to date now allow us to focus on cluster of smaller, sub-vertical, higher grade systems
- Ground magnetics delivered a breakthrough
- **Integrated data – trenching, drilling, magnetics, geology telling us the same story = high confidence**

Brama Porphyry

Brama – Curi-03, BMDD001 and BMDD002 drilling



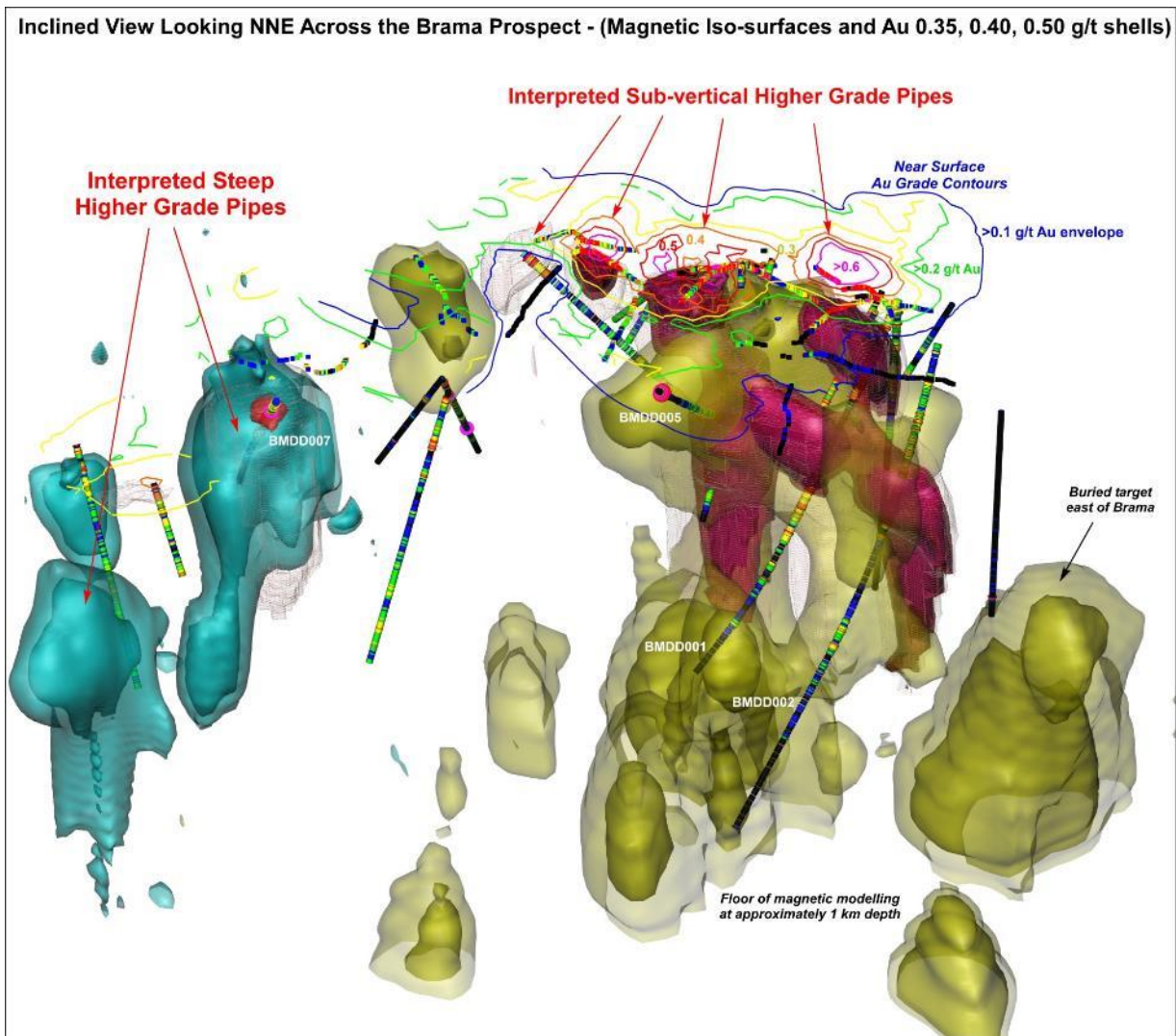
200m diameter outcropping 'pencil porphyry' system on this section

We have at least 4 of these within the Brama porphyry

- In BMDD001 –
 - ✓ 172m at 0.52g/t gold and 0.16% copper downhole, *including*
 - ✓ 96.6m at 0.61g/t gold and 0.18% copper, and
- In BMDD002 –
 - ✓ 55m at 0.74g/t gold and 0.15% copper, *including*
 - ✓ 18m at 1.0g/t gold and 0.19% copper
- Historical hole CURI-03:
 - ✓ 248.1m at 0.56g/t gold and 0.14% copper, *including*
 - ✓ 62m at 1.0g/t gold and 0.22% copper, and
 - ✓ 30.2m at 0.8g/t gold and 0.2% copper at EOH
- Trench above CURI-03 returned
 - 140.6m at 0.57g/t gold and 0.15% copper, *including*
 - ✓ 68.2m at 0.8g/t gold and 0.18% copper

Brama Porphyry

Brama – Cluster of porphyry systems



Compelling interpretation built from new detailed ground magnetic data, 3-D modelling, and new drilling results

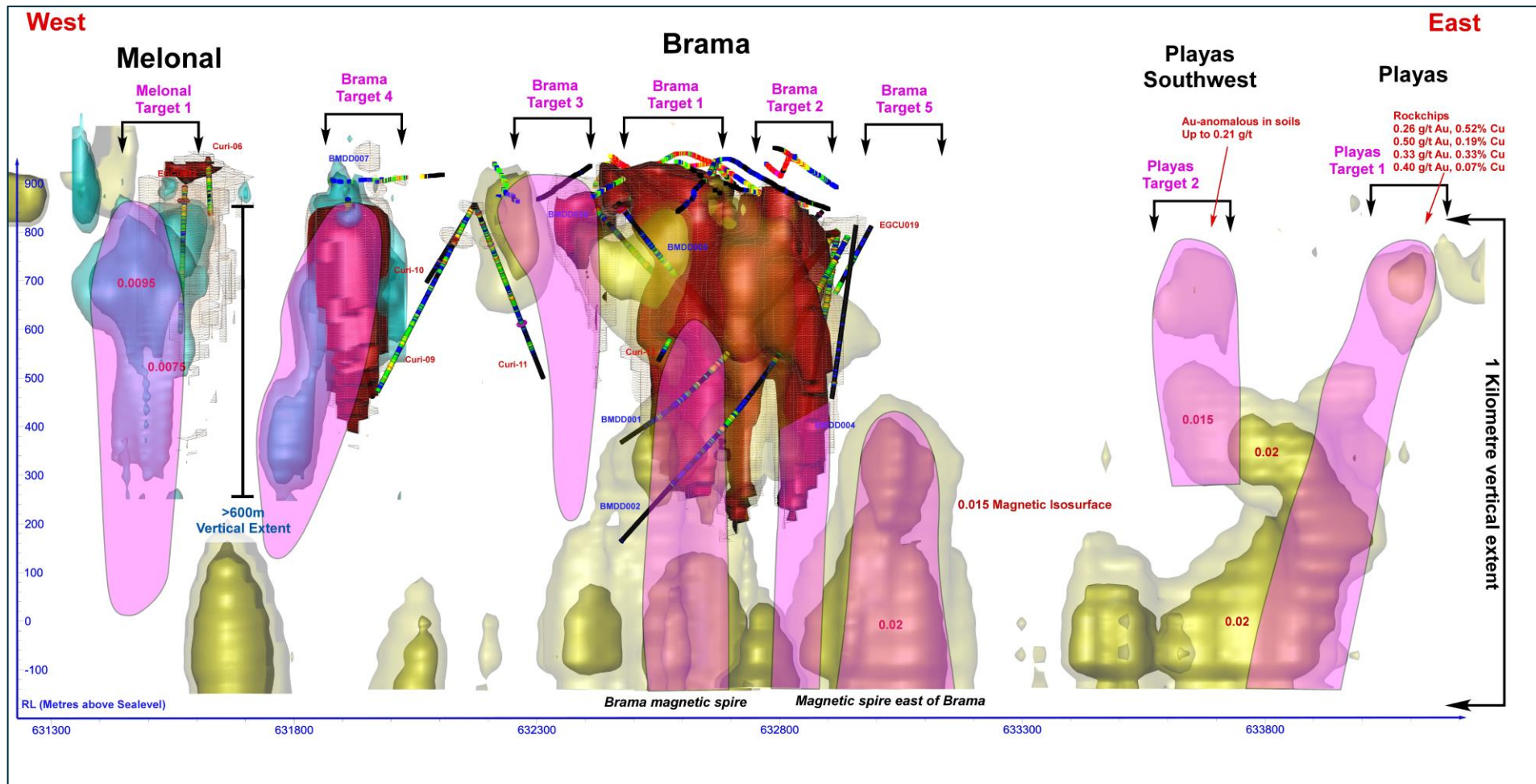
Exploration data is telling us we have a cluster of smaller higher grade gold-copper porphyry systems

Exploration strategy is to drill and define the higher grade gold-copper porphyry domains within the larger lower grade systems

The exploration model is transferable to all other porphyry systems at Bramaderos – i.e. Limon, Playas, Melonal, Porotillo, Sandia

Brama – Playas – Melonal Targets

Multiple clusters – compelling interpretation, all mineralised



Target 'pencil porphyries' shown in pink

Note at Playas, minor surface sampling undertaken, and highest values correspond to positions of pencil porphyries

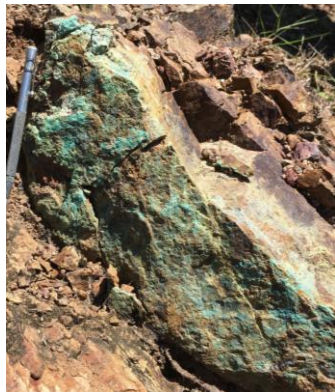
Multiple Mineralised Porphyries and Epithermals

All mineralised – targeting higher grades

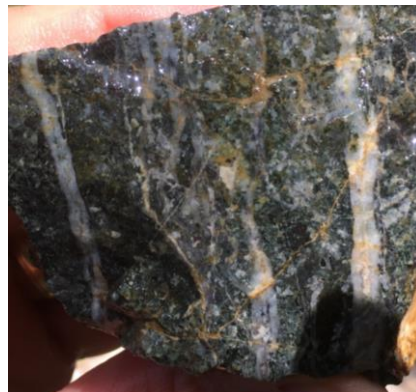
Brama



Limon



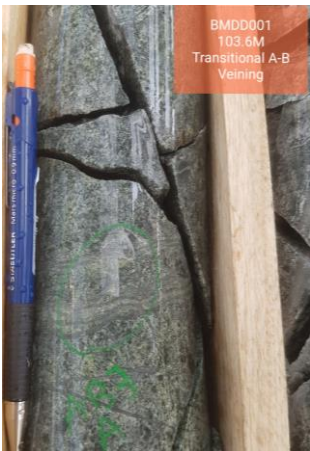
Playas



Melonal



Epithermals



BMDD001; 0.7g/t gold, 0.2% copper

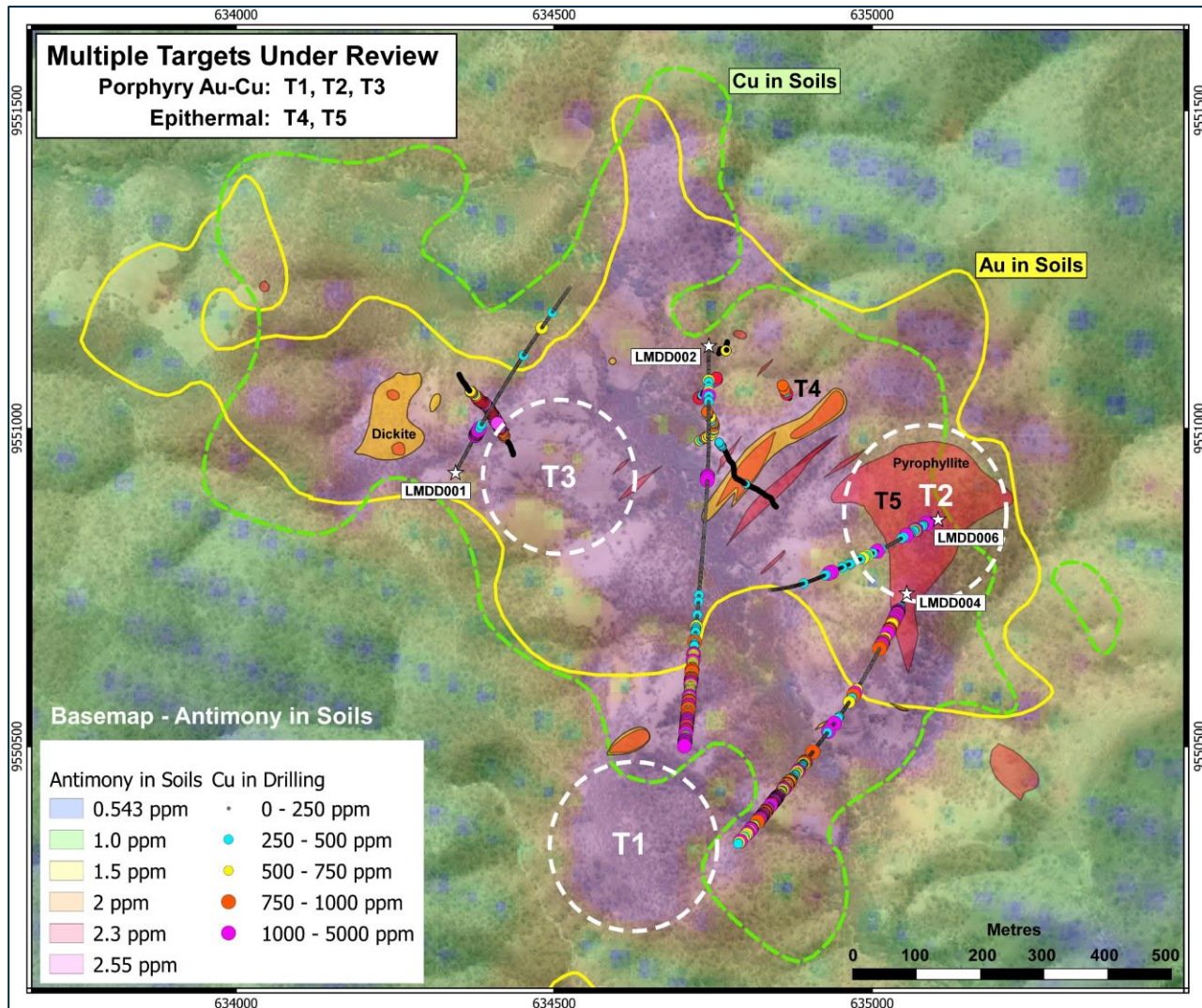


LMDD002; 2.1g/t gold, 1.9% copper; over 0.25m at 890.4m



Limon Target

Multiple drill targets now defined



Applying the Brama model, Limon contains at least 3 discrete porphyry targets T1, T2, & T3 – shallow, near trench LM01, to deep near drill holes LMDD002 and 004

Previous target was one large deep system – now multiple smaller targets

Surface trench in the western part of the target delivering **97.6m at 0.71g/t gold and 0.23% copper** in a stockwork veined potassic altered diorite

LMDD001:

Drilled off the side of a ‘pencil porphyry’

LMDD002:

267m (from 627m downhole) at 0.05g/t gold, 750ppm copper, 22ppm molybdenum

Bottom 14m (880-894m downhole) at 0.1g/t gold, 0.2% copper, 41 ppm molybdenum

LMDD004:

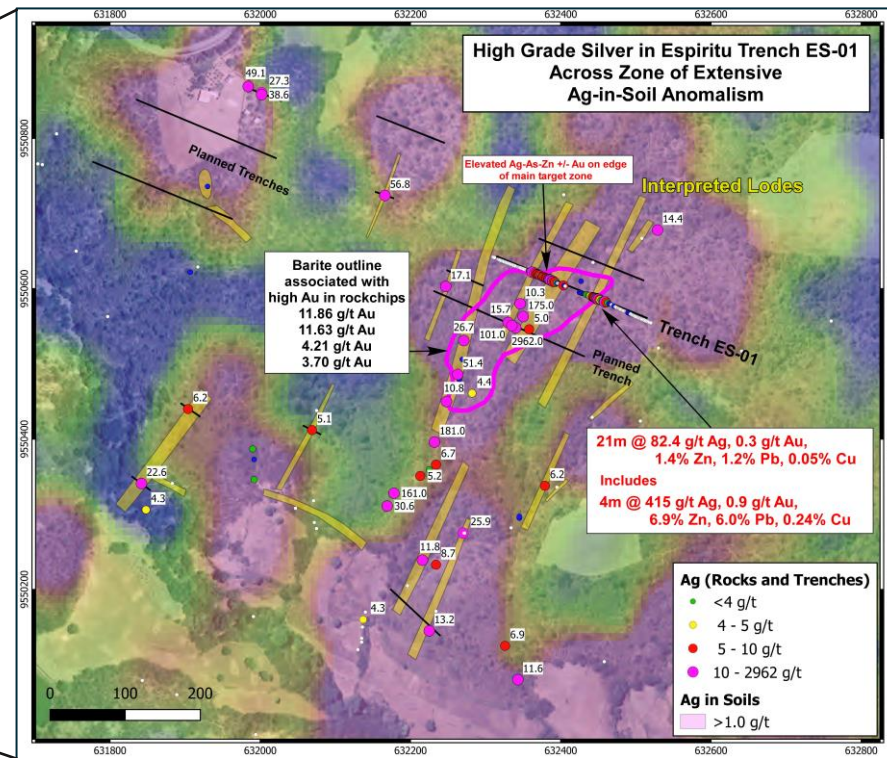
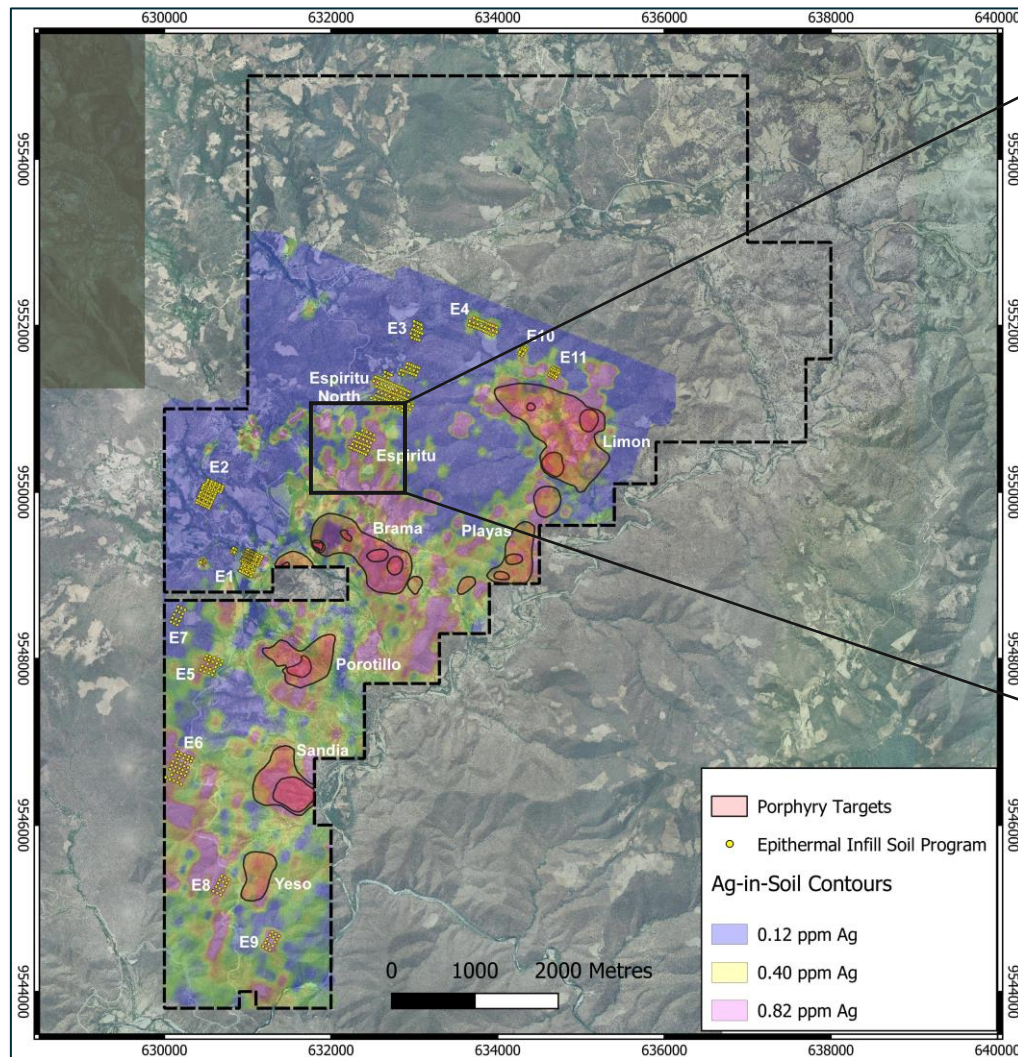
360m (from 703m downhole) at 0.06g/t gold, 595ppm copper, 17ppm molybdenum

including 40m (864 - 904m downhole) at 0.1g/t gold, 0.12% copper, 19 ppm molybdenum

Also drilled shallow High Sulphidation system with gold and copper mineralisation

Espiritu Target

Epithermal Gold Belt – significant opportunity for high grade gold-silver-lead-zinc



- Recent trenching and rock chip sampling has delivered highly promising results of up to 11.9g/t gold, 2962g/t silver, 7% zinc for individual samples and 4m at 415 g/t silver, 0.9g/t gold, 12.9% zinc+lead
- Quartz veins within argillic altered host rocks
- Along strike from the 2-million-ounce Dynasty Goldfield

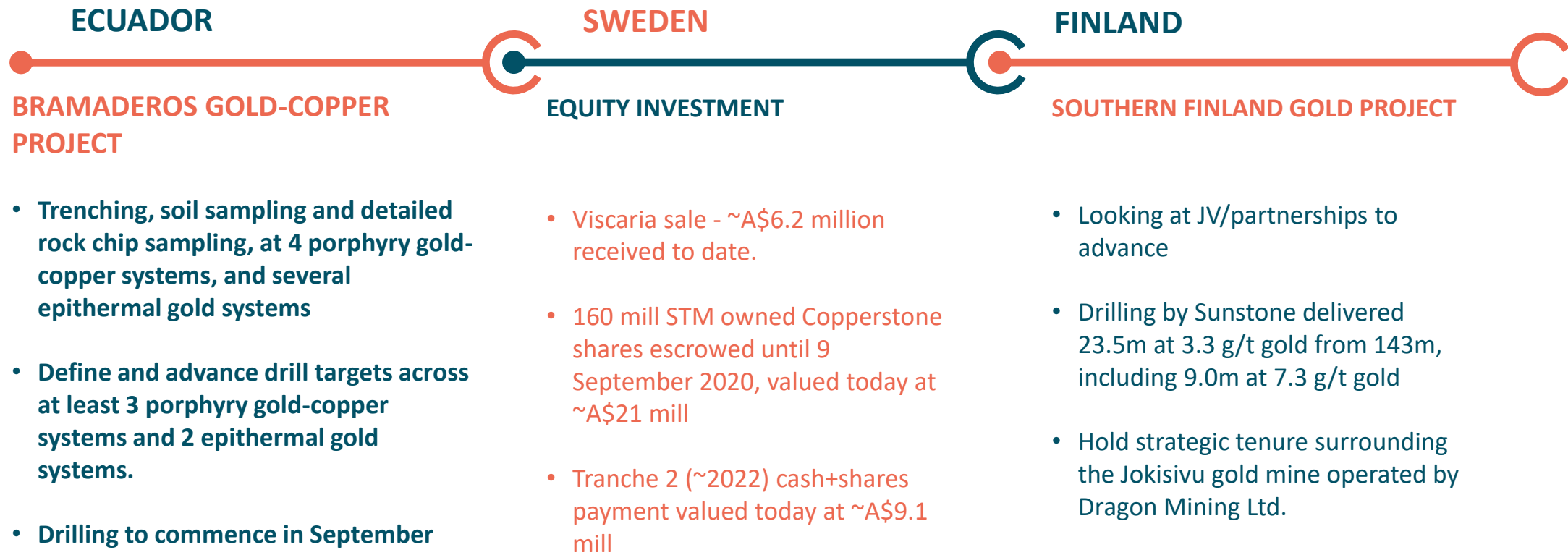
Copperstone Equity Investment

Viscaria Copper Project – northern Sweden

- Sunstone holds ~25% of NASDAQ Stockholm listed Copperstone Resources. **The holding is valued at ~A\$21 million**
- Recent drilling by Copperstone at the Viscaria Copper Project in northern Sweden has delivered some very exciting high grade copper intersections :
 - VDD 210 - 88.1m at 1.1% copper from 620m, including
 - ✓ 11.8m at 2.1% copper from 635m
 - ✓ 16.5m at 2.3% copper from 668.6m
 - ✓ 4.6m at 2.4% copper from 695.1m
 - ✓ 2.6m at 3.3% copper from 705.5m
 - VDD 213 - 7.1m at 3.8% copper from 615.2m, including
 - ✓ 0.6m at 20.1% copper from 617.6m
- Copperstone has a market capitalisation of ~A\$84 million (see <http://www.nasdaqomxnordic.com/aktier/microsite?Instrument=SSE38904>)

Planned Workflow and News Flow

Focus is on Bramaderos in Ecuador – Deliver a Discovery



Competent Persons Statement

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

MULTI DISCIPLINARY STRONG BOARD



GRAHAM ASCOUGH
CHAIRMAN

A senior resources executive with considerable experience evaluating mineral projects and resources in Australia and overseas. He is currently non-executive Chairman of ASX listed companies: PNX Metals Limited and Musgrave Minerals Limited. Mr Ascough was previously Falconbridge Limited.



MALCOLM NORRIS
CEO & MANAGING DIRECTOR

Mining industry executive with a track record of discovery and growth. Previously with WMC Resources. Led team that discovered Tujuh Bukit porphyry Cu-Au in Indonesia with Intrepid Mines. Former CEO of SolGold and secured Cascabel Cu-Au project in Ecuador.



STEPHEN STROUD
NON-EXECUTIVE DIRECTOR

Corporate finance executive with over 20 years experience across all aspects of corporate finance both as an advisor and client. He has advised boards and management teams across a broad range of transactions including public and private equity raisings, debt/hybrid debt, Initial Public Offerings, mergers & acquisitions, sell-downs and restructures both in Australia and overseas.

A VERY HIGH QUALITY TEAM



MALCOLM NORRIS
CEO & MANAGING DIRECTOR

Mining industry executive with a track record of discovery and growth. Previously with WMC Resources. Led team that discovered Tujuh Bukit porphyry Cu-Au in Indonesia with Intrepid Mines. Former CEO of SolGold and secured Cascabel Cu-Au project in Ecuador.



GAVIN LEICHT
CFO & COMPANY SECRETARY

Finance professional with significant experience in developing and financing copper and gold projects through to production including marketing of copper concentrates.



RAY ROBINSON
GENERAL MANAGER
STUDIES & TECHNICAL SERVICES

Mining engineer with over 20 years operational, studies and construction experience worldwide. Delivered PEA, PFS and DFS level studies from 0.5Mtpa underground epithermal gold developments, 10Mtpa gold oxide heap leach projects to 40Mtpa copper-gold concentrator plants.



DR. BRUCE ROHRLACH
GENERAL MANAGER GEOLOGY

Geologist who has played a key role in several significant discoveries and feasibility studies. Extensive international experience with both major and junior mining and exploration companies. Led the technical teams that discovered Tujuh Bukit and Cascabel porphyry copper-gold deposits.

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