

21 MARCH 2024

Sunstone appoints experienced resources executive Patrick Duffy as MD

Leadership transition enables existing MD Malcolm Norris to focus on growing Sunstone's discoveries as Executive Director - Exploration

Sunstone Metals Limited (ASX:STM) is pleased to announce a key step in its strategy to unlock the full value of its discoveries, with the appointment of Patrick Duffy as Managing Director, effective 15 April 2024.

As part of this push to maximise shareholder value, existing Managing Director Malcolm Norris will move to the role of Executive Director – Exploration. The change will enable Mr Norris to be fully focussed on driving Sunstone's exploration strategy.

Mr Duffy, who is currently a Sunstone Non-Executive Director, brings extensive international leadership, mine development, financial and governance expertise to Sunstone.

He most recently held the roles of both Chief Corporate Development Officer and Chief Financial Officer for WA gold miner Red 5 Limited (ASX: RED). In these roles, Mr Duffy was a key member of the Company's leadership team that has established Red 5 as a successful mid-tier Australian gold producer through the development, construction and production ramp up of the new 5.5Mtpa King of the Hills (KOTH) Gold Mine in Western Australia. He has also held senior executive roles developing large-scale international projects with Xstrata and Glencore.

With these appointments, effective 15 April 2024, the Board of Directors will be as follows:

- Mr Graham Ascough – Non-Executive Chairman
- Mr Patrick Duffy – Chief Executive Officer and Managing Director
- Mr Malcolm Norris – Executive Director – Exploration
- Mr Stephen Stroud – Non-Executive Director

Sunstone Chairman Graham Ascough said: *"These changes are aimed at enabling Sunstone to maximise its exploration success, increase the value placed on its assets in the market and forge a strong growth strategy to unlock shareholder wealth."*

"The combination of Malcolm's and Patrick's respective skill sets and experience will allow Sunstone to drive growth through further discovery and development opportunities and have this value fully recognised in financial markets for the benefit of shareholders."

Mr Duffy said: *"Sunstone has established a portfolio of exceptional gold and copper assets in Ecuador. I look forward to working with Malcolm and the team to unlock its full value and evaluate further growth opportunities"*.

Mr Norris said: *"I have no doubt that this evolution of Sunstone will significantly increase our ability to drive shareholder value. We have a highly successful exploration track record over the past few years and these*

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changes will create the structure to deliver our long-term strategy to become a significant ASX-listed South American gold and copper company”.

Details of Mr Patrick Duffy’s remuneration are set out in Annexure A.

Mr Graham Ascough, Non-Executive Chairman 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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MR PATRICK DUFFY (B.COM, CA)

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (EFFECTIVE 15 APRIL 2024)

Mr Duffy is a Chartered Accountant with extensive international leadership, mine development, financial and governance expertise. Mr Duffy has most recently held the roles of both Chief Corporate Development Officer and Chief Financial Officer for Red 5 Limited (ASX: RED), and was a key member of the Company’s leadership team that has established Red 5 as a successful mid-tier Australian gold producer through the development, construction and production ramp up of the new 5.5Mtpa King of the Hills (KOTH) Gold Mine in Western Australia. Mr Duffy’s role had responsibility for all financial, investor relations, business development and strategic activities, securing the global equity and debt funding requirements for the development of the KOTH Project and also facilitating the sale of the Company’s Siana Gold Mine in the Philippines.

Mr Duffy began his career with Ernst & Young and has since had broad leadership and executive roles in the international resource sector. He was CFO for the development of Xstrata’s US\$6 billion Tampakan Copper and Gold Project in the Philippines and was Director – Strategy & Performance for the construction and production ramp up of Glencore Xstrata’s US\$7 billion Koniambo Nickel Project in New Caledonia. He has worked extensively across Asia and the Pacific with mining and steel companies, including establishing a successful Hong Kong-based management consulting company, and has also had executive roles within mining private equity and the agricultural technology sector.

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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, 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 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 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), and the Limon epithermal gold-silver exploration target of 0.9 – 1.7mill oz AuEq within 30 – 44mill tonnes at a grade of between 0.9 – 1.2g/t AuEq (see ASX release dated 5 February, 2024).

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 for porphyry gold-copper-silver mineralisation is $\text{AuEq(g/t)} = (\text{Au grade} \times \text{Au price} \times \text{Au recov} / 31.1035) + (\text{Ag grade} \times \text{Ag price} \times \text{Ag recov} / 31.1035) + (\text{Cu grade} \times \text{Cu price} \times \text{Cu recov} / 100) / (\text{Au price} \times \text{Au recov} / 31.1035)$. 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.

*The gold equivalent calculation formula for epithermal gold-silver mineralisation is $\text{AuEq(g/t)} = \text{Au(ppm)} + (\text{Ag(ppm)} / 82)$. 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.

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.

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Commencement Date	15 April 2024
Term	No fixed term. Employment will continue until terminated by either party, as summarised below.
Total Fixed Remuneration (TFR)	A\$368,298 reviewed annually, inclusive of superannuation
Short Term Incentive (STI)	<p>Mr Duffy will participate in the Company's STI plan, as may be varied, replaced or removed from time to time.</p> <p>For the financial year ending 30 June 2024, Mr Duffy's maximum opportunity (pro-rated) will be 100% of TFR, subject to meeting defined targets. A description of the STI Plan can be found in the Remuneration Report which forms part of the Company's Annual Report.</p>
Long Term Incentive (LTI)	<p>Mr Duffy will participate in the Company's LTI plan, as may be varied, replaced or removed from time to time.</p> <p>Subject to shareholder approval, anticipated to be sought at the 2024 Annual General Meeting, Mr Duffy will be issued performance rights in the LTI and his maximum LTI opportunity will comprise performance rights to the value of 100% of TFR. The terms and conditions of the LTI will be disclosed in the 2024 Notice of Annual General Meeting to be issued by the Company later in the year. A description of the LTI Plan can be found in the Remuneration Report which forms part of the Company's Annual Report.</p>
Termination	<p>Either party may terminate employment by providing six months' notice. The Company may elect to require Mr Duffy to serve out the whole or part of the notice period on an active or passive basis, or to pay Mr Duffy in lieu of notice at the Board's discretion.</p> <p>The Company may terminate Mr Duffy's employment without notice and payment in certain circumstances, including for wilful misconduct or non-rectified breach of the employment contract.</p> <p>The treatment of any STI or LTI opportunities on termination will be determined in accordance with the rules of the applicable plan.</p>