



# SUNSTONE METALS

El Palmar  
A Major Tier 1  
Au-Cu Discovery

Investor Presentation  
Patrick Duffy, MD & CEO  
3-5 December 2024

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# A compelling major Gold & Copper opportunity

## El Palmar Scope for Tier-1 scale global opportunity

- Maiden MRE<sup>1</sup> of 1.2Moz AuEq<sup>2</sup>
- Maiden Exploration Target of 15M – 45M oz's AuEq<sup>3</sup>
- Potential to start as a large open pit mine, sitting above and adjacent to other large porphyry systems

## Bramaderos Targeting 10+Moz Au-Cu-Ag camp

- Brama-Alba porphyry MRE of 2.7Moz AuEq<sup>4</sup>
- Strategy to develop higher-grade at-surface Limon mine, unlocking multi-decade gold-copper porphyry systems at Bramaderos
- Establish Limon maiden MRE in CY25

## Well funded Major catalysts to deliver value re-rate

- Maiden El Palmar Mineral Resource Estimate & Exploration Target
- Ongoing exploration activities at Ecuador porphyry projects
- Advancing partnership opportunities at both El Palmar and Bramaderos



<sup>1</sup> See ASX announcement 22 Oct 2024

<sup>2</sup> 64Mt at 0.60g/t AuEq for 1.2Moz AuEq

<sup>3</sup> 1.0-1.2Bt at grade between 0.3-0.7 g/t Au and 0.1-0.3% copper <sup>4</sup> 156Mt at 0.53g/t AuEq for 2.7Moz AuEq

Refer slides 24 to 26 for full JORC details

# Board/Mgmt Team with exceptional track record

**Patrick Duffy**  
Managing Director  
& CEO (Apr-24)



Ex-Red 5, Glencore and Xstrata, Mr Duffy brings international leadership and capital markets experience with a successful mine development track record

**Malcolm Norris**  
Non-Executive  
Chair (Sept-24)



Ex-WMC, Intrepid and SolGold, Mr Norris has been part of several major global porphyry discoveries and brings mineral exploration and management expertise

**Neal O'Connor**  
Non-Executive  
Director (Apr-24)



Former Xstrata Copper Chief Legal Counsel, Mr O'Connor has extensive experience developing South American mining operations and infrastructure

**Stephen Stroud**  
Non-Executive  
Director



Mr Stroud is Director – Corporate Finance at Morgans and brings extensive capital markets knowledge and investor relationships

**Bruce Rohrlach**  
GM - Exploration



Ex-WMC, Intrepid and SolGold, Dr Rohrlach has been part of several major porphyry discoveries and oversees all exploration programs at Sunstone

**Lucas Welsh**  
CFO & Company  
Secretary (Jul-24)



Former CFO of St Barbara, Mr Welsh is a specialist resources financial executive with international mining, capital markets and governance expertise

**Ray Robinson**  
GM – Studies &  
Tech Services



Ex-PanAust, Placer Dome and Intrepid, Mr Robinson has extensive mining studies and operations experience, and oversees all study programs at Sunstone

**Rodrigo Izurieta**  
Country Manager



Based in Quito, Ecuador, and US-educated, Mr Izurieta is highly respected with deep relationships in the local mining industry and government

# Global capability to execute STM growth strategy

Proven team of exploration experts, with unrivalled porphyry discovery success



Tujuh Bukit (2008)

36.4Moz Gold    8.5Mt Copper    13.8Mt Nickel



Alpala, Cascabel (2013)

9.4Moz Gold    3.2Mt Copper    28.0Mt Nickel



Success in transforming small-cap companies to mid-cap producers



4.7Moz Gold    >200kozpa Production

Market cap: \$2.5bn (~\$60m in 2019)



Extensive experience with large development projects

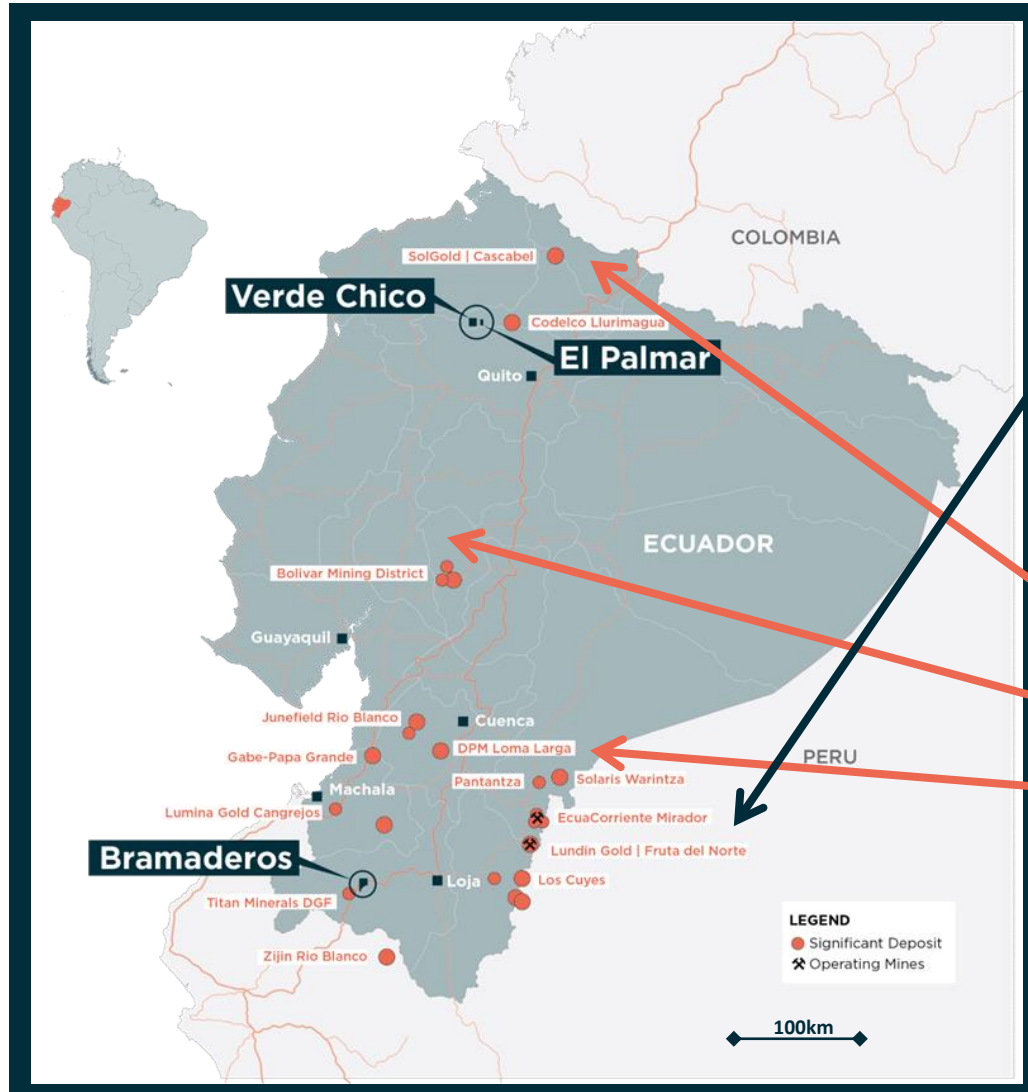
- ✓ Development of US\$6bn Tampakan Cu-Au Project, Philippines
- ✓ Construction of US\$7bn Koniambo Ni Project, New Caledonia
- ✓ Development/construction of US\$6bn Las Bambas Cu Project, Peru
- ✓ Development/construction of US\$200m KOTH Au Project, Australia
- ✓ Development/construction of US\$200m Gwalia UG mine, Australia
- ✓ Development of US\$200m Tujuh Bukit Cu-Au Project, Indonesia
- ✓ Development of US\$400m Phonsavan Cu-Au Project, Laos



GLENCORE



# Ecuador – rapidly emerging mining jurisdiction...



## Pro-responsible mining government

- President actively encouraging responsible mining
- Single national mining department

## Forms part of the worlds most endowed copper gold belt

- 2 world-class operating mines – Fruta del Norte, Mirador
- All majors present (BHP, Anglo, Barrick, Codelco)

## Significant corporate activity

- Investment agreements signed for the most advanced projects including
  - SolGold – Cascabel Copper/Gold Project
  - Adventus – El Domo Curipamba Copper/Gold Project
  - Dundee – Loma Larga Gold Project
- FY24 transaction highlights include:
  - ✓ Solgold US\$750m financing for Cascabel Project
  - ✓ Hancock US\$120m 49% JV earn-in with ENAMI
  - ✓ Silvercorp US\$200m merger with Adventus

# Ecuador – ...with a low-cost strategic advantage

## Ecuador has two world-class, lowest cost-quartile operating mines

- Fruta del Norte Gold Mine (Lundin Gold)
- Mirador Copper Mine (Chinese-owned)

## Low mining input costs are a competitive advantage

- Energy and Labour both significantly lower than Australia and Canada
- Potential for Sunstone's projects to be in the lowest cost quartile
  - Complimented by very low stripping ratios

## Hydro provides base energy load for the country (>90%)

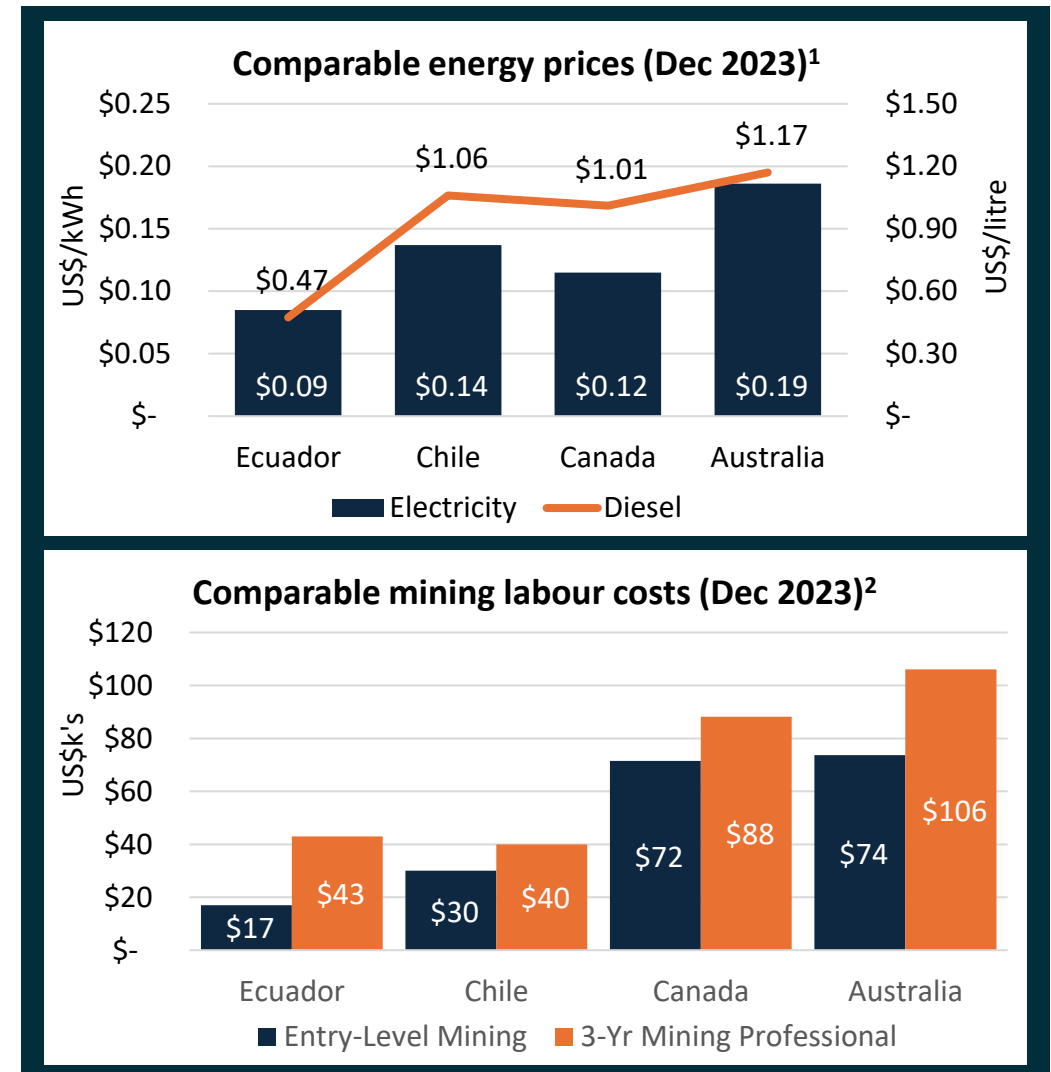
- Potential for low-cost, low-carbon emission mining

## Ecuador's currency is USD

- Provides protection against inflation

Source:

1. <https://www.globalpetrolprices.com/>
2. <https://www.erieri.com/salary/job/mining-engineer>,  
<https://ca.talent.com/salary?job=Mining>



# 1.El Palmar & Verde Chico, northern Ecuador

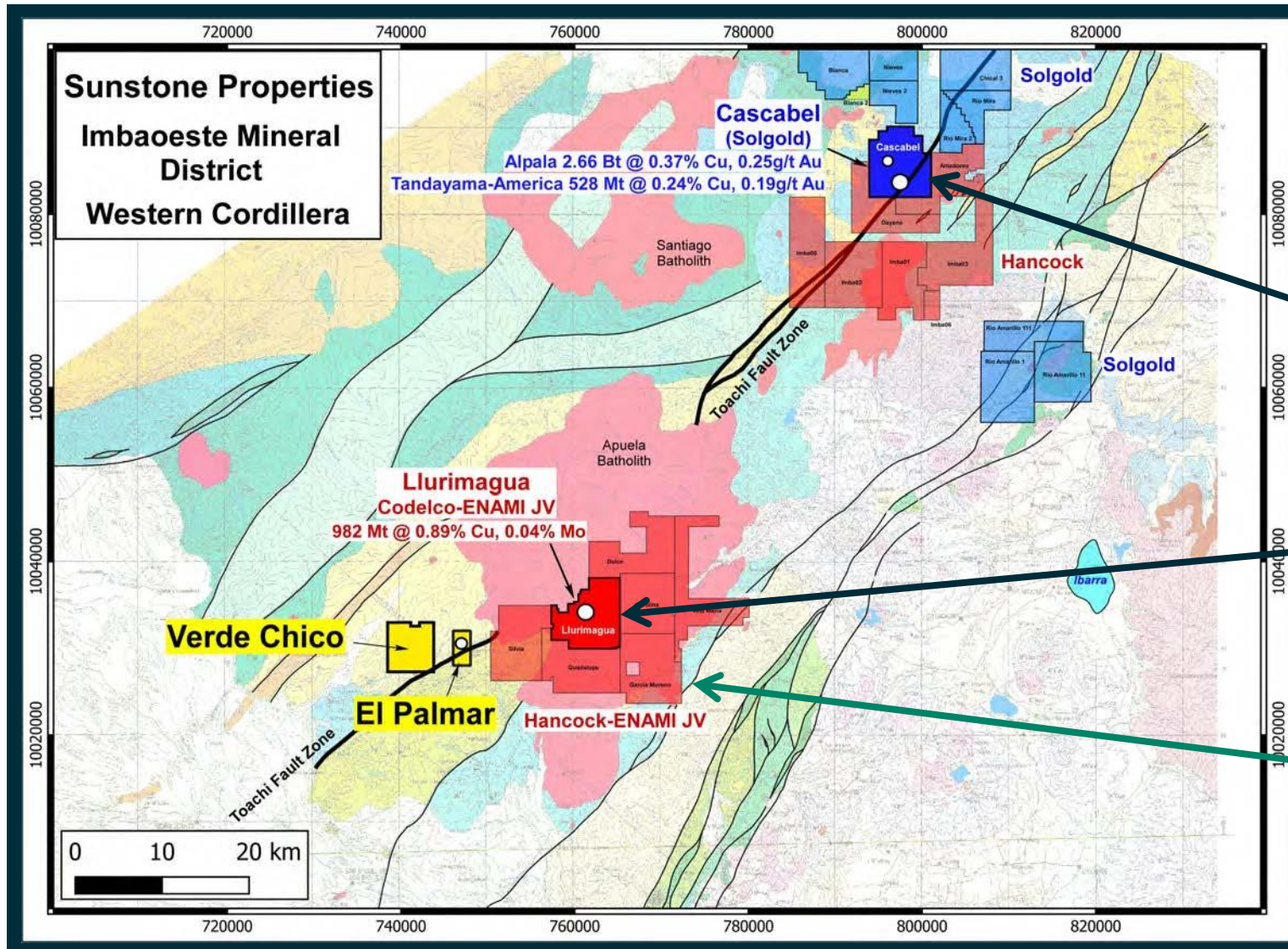


3,671 Ha under two concessions

- 3-hour drive from Quito
- Fully permitted for drilling
- Access to water and power
- Remote agricultural communities are supportive of the project



# 1. El Palmar & Verde Chico, northern Ecuador



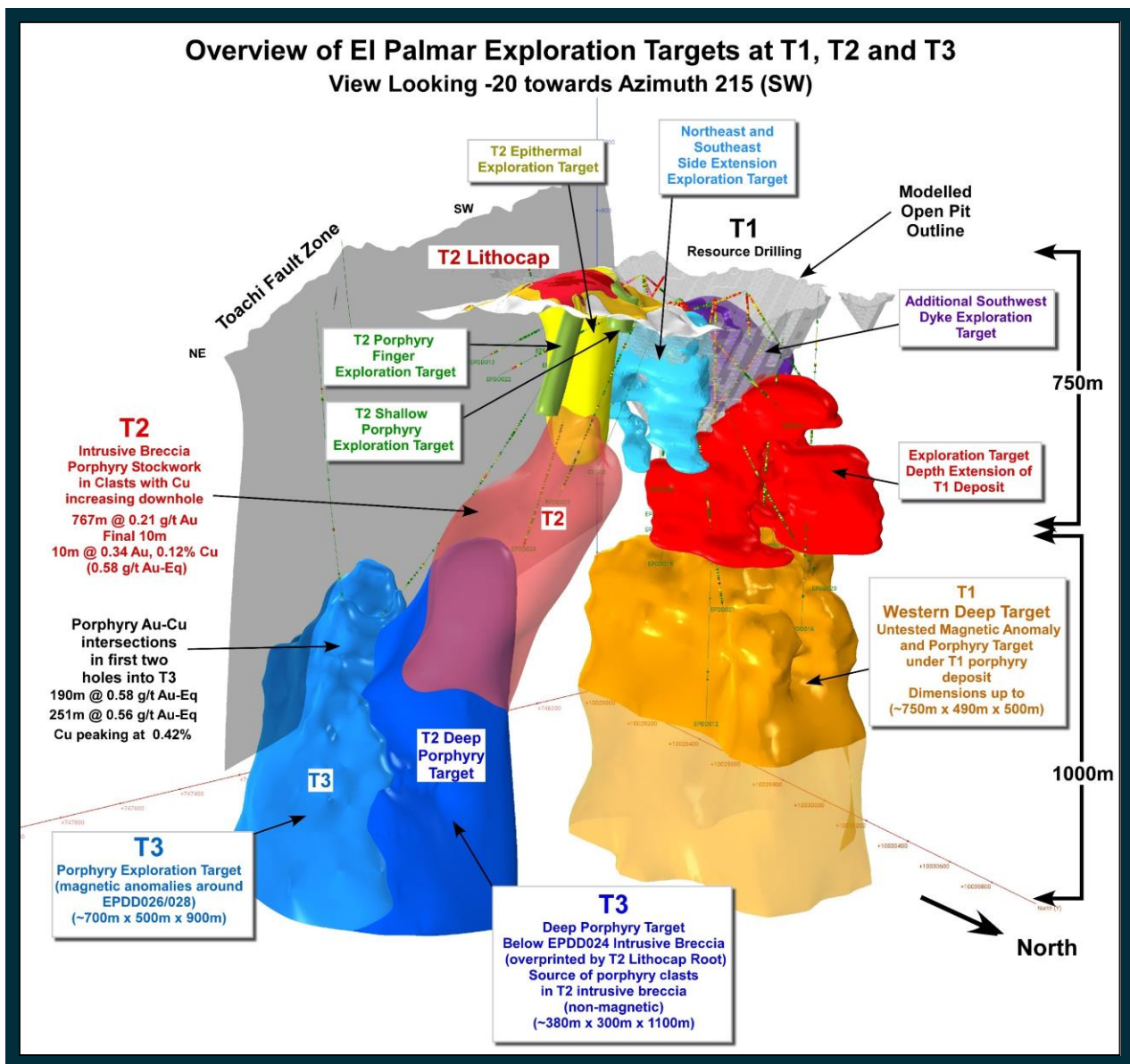
Highly prospective mineralised district related to the Toachi Fault Zone

### Tier 1 regional deposits

- 2.7Bt Alpa copper-gold porphyry deposit (0.53% CuEq) at Cascabel
- 0.53Bt Tandayama-America copper-gold porphyry deposit (0.36% CuEq) at Cascabel
- 1Bt Llurimagua copper-moly porphyry deposit (1.0% CuEq)

Hancock investing US\$120m to earn 49% into JV with state-owned ENAMI in northern Ecuador (adjacent to El Palmar)

# 1. El Palmar: clear potential to be a Tier 1 deposit



**Maiden Mineral Resource estimate (MRE) of 1.2Moz AuEq<sup>1</sup> establishes a strong platform on which to build a world-scale resource inventory**

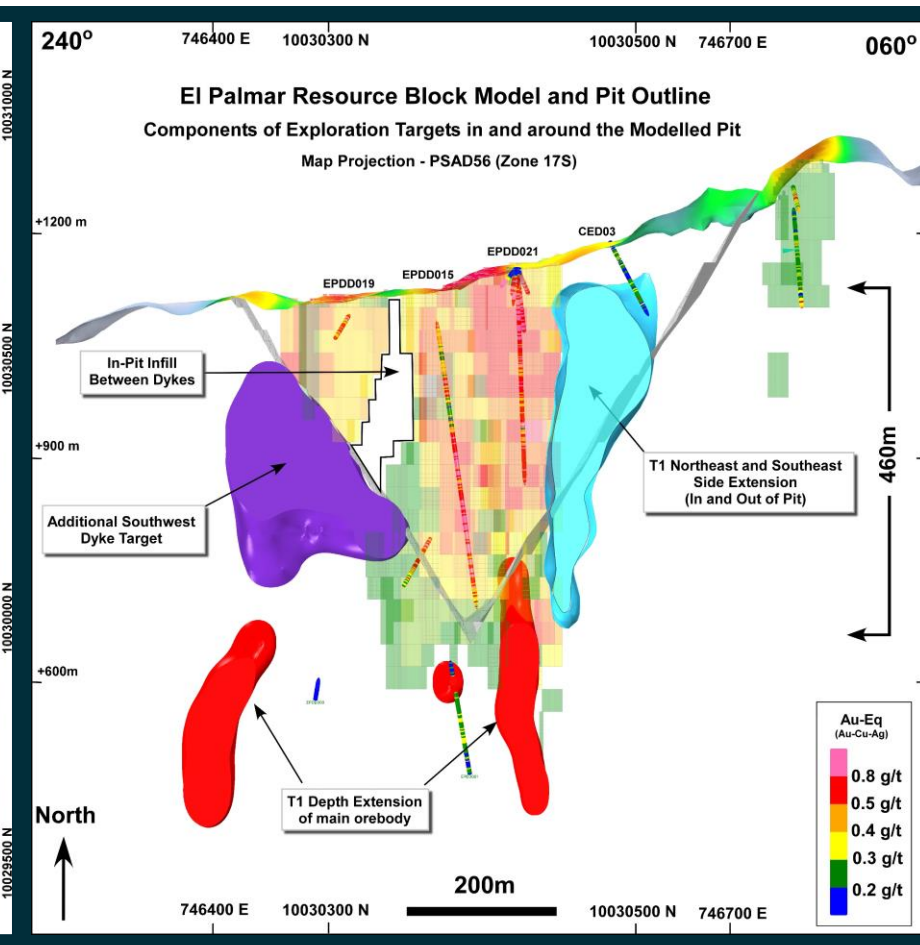
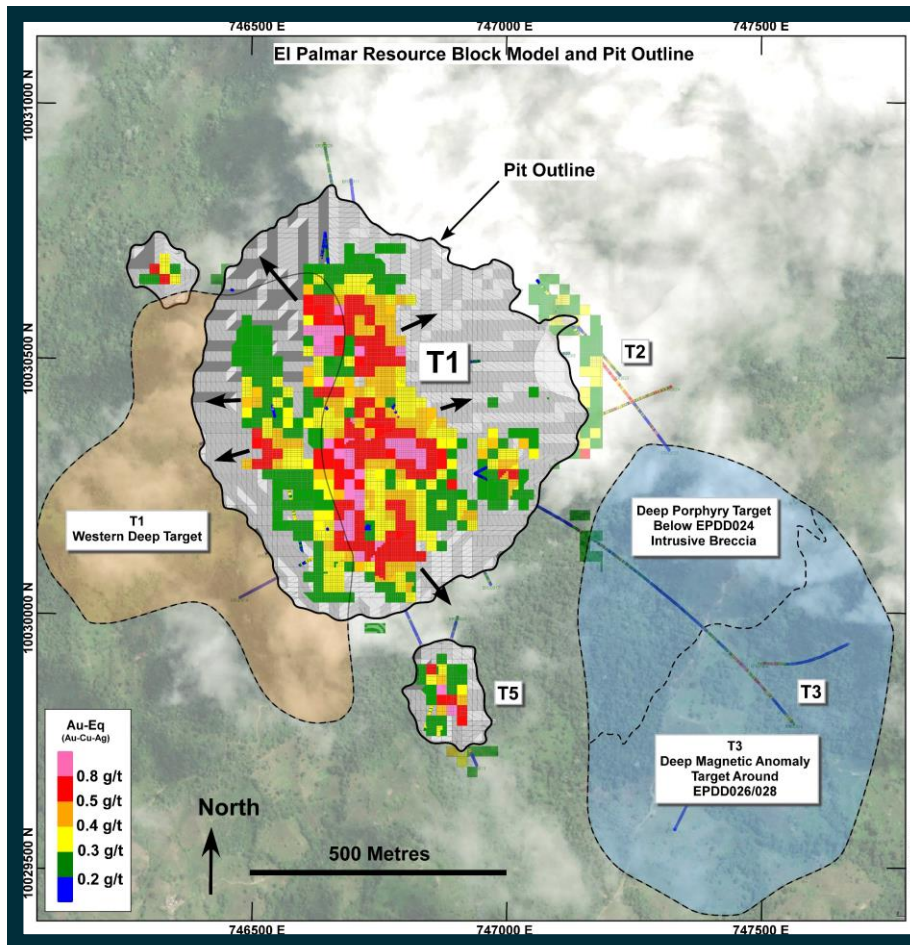
- Pit-constrained MRE is based solely on the outcropping T1 gold-copper porphyry deposit
  - ✓ 64Mt at 0.60g/t AuEq for 1.2Moz AuEq<sup>1</sup>
    - Cut-off grade of 0.4g/t AuEq
  - ✓ T1 is only one of several gold-copper porphyry deposits at El Palmar

**Gold and copper Exploration Target of 15M - 45Moz AuEq<sup>1</sup>**

- 1.0Bt to 1.2Bt at a grade between 0.3g/t to 0.7g/t gold and 0.1% to 0.3% copper
- Contained metal of between 10Moz and 27Moz gold and 1.0Mt to 3.7Mt copper
- Estimated from only three deposits
  - ✓ immense potential to further grow El Palmar

<sup>1</sup> See slides 24-26 for full JORC details

# 1. El Palmar: Maiden MRE of 1.2Moz AuEq<sup>1</sup>



Based on only 17,699 meters of drilling

Significant potential to expand the T1 MRE and pit shell:

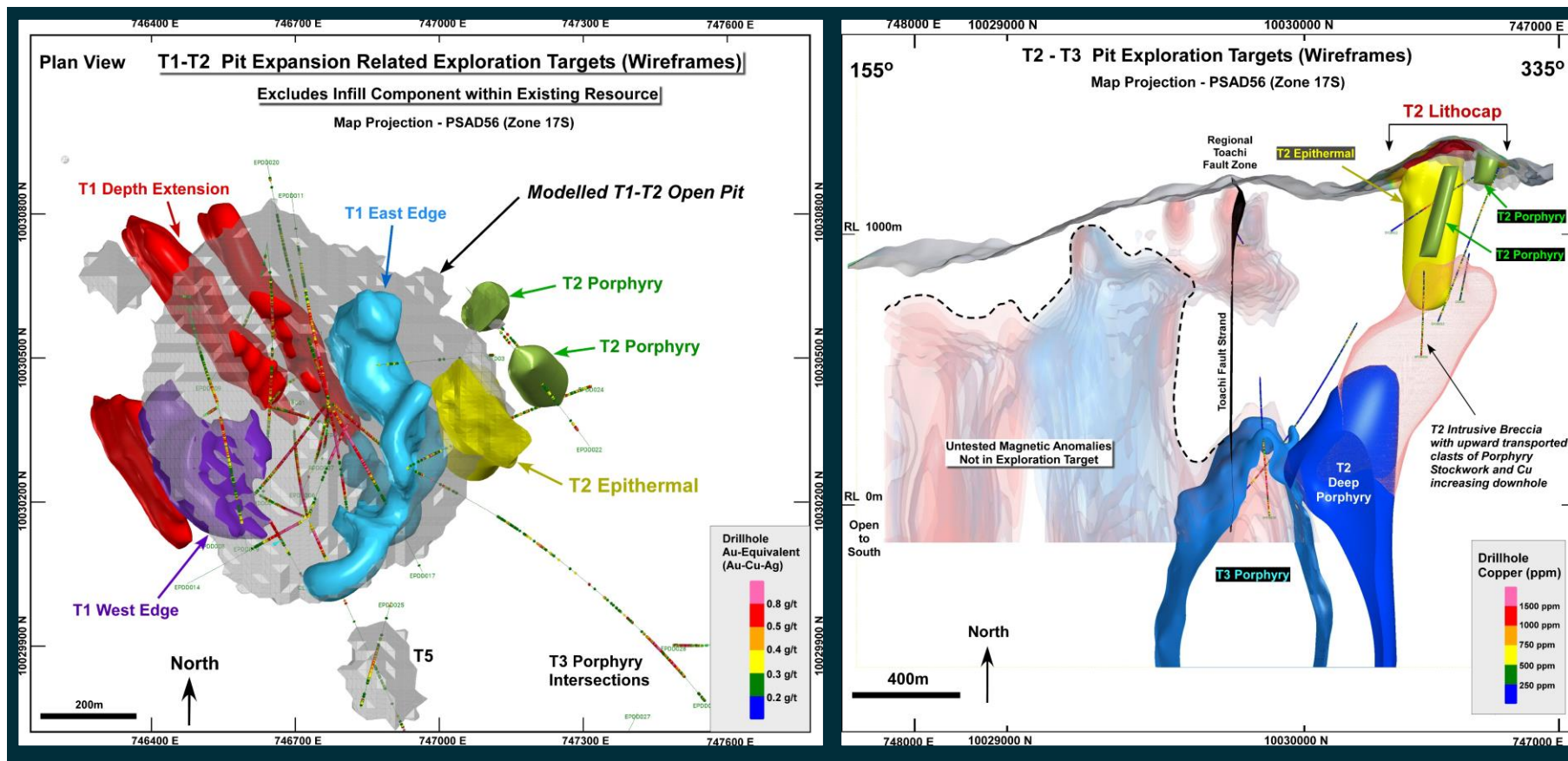
- Areas within the pit shell still to be drilled
- Targets adjacent to and directly below the pit shell will expand the pit size over time
- Expectation of a very low mine stripping ratio

Future mining will benefit from significant copper and silver by-product credits

T1 has the potential to be advanced as a large open pit opportunity before undertaking exploration and development of the deeper porphyry opportunities

<sup>1</sup> 64Mt at 0.60g/t AuEq for 1.2Moz AuEq. See slides 24-26 for full JORC details

# 1. El Palmar: Exploration Target 15-45 Moz AuEq<sup>1</sup>



Prepared in accordance with JORC code and is in addition to the maiden MRE of 1.2Moz AuEq<sup>2</sup>

The areas of mineralisation captured in the Exploration Target are of high conviction, geologically robust domains consistent with high aspect ratio, clustered porphyry gold-copper deposits.

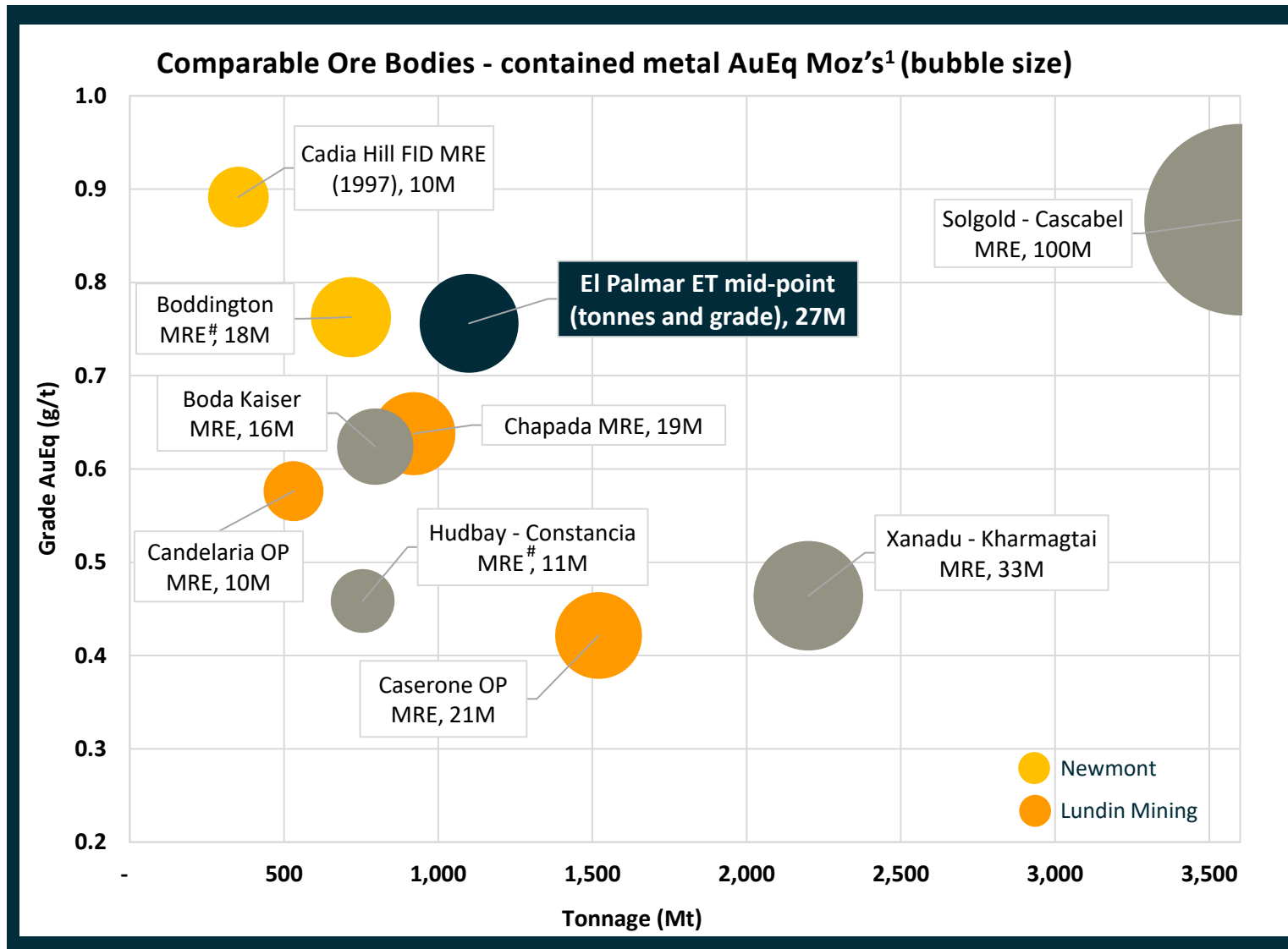
There is potential for the copper content to increase in areas interpreted to be central to the porphyry systems.

The Exploration Target has been estimated from only three deposits, meaning there is still immense potential to grow El Palmar, including the untested magnetic anomalies not in the Exploration Target (see Figure on right)

<sup>1</sup> 1.0 -1.2Mt at grade between 0.3-0.7 g/t Au and 0.1-0.3% copper. See slides 24-26 for full JORC details

<sup>2</sup> 64Mt at 0.60g/t AuEq for 1.2Moz AuEq.

# 1. Tier 1 potential – what does this mean?



**15M – 45M oz AuEq El Palmar Exploration Target demonstrates potential to rank alongside Tier 1 global gold-copper mines**

**“Porphyry grades” of these mines are economically attractive because of:**

- 1. Bulk mining/processing at scale**
- 2. Low strip ratios**
- 3. Lower input costs in the host jurisdiction**

**Compares favourably with two of Australia’s premier mines (owned by Newmont) and Lundin Mining’s three South American flagship mines**

Source: Company Public MROR Statements and announcements - refer slide 28.

#: Inclusive of Ore Reserves (to be consistent with peer comparisons)

# 2. Bramaderos, Southern Ecuador



- 4,984 ha concessions at ~900m above sea level (asl)
- The project is supported by excellent infrastructure
  - ✓ Adjacent to the Pan American Highway
  - ✓ ~100km's from Loja Airport
- 93% of Ecuador's power is generated from renewables
  - ✓ Potential for low-carbon footprint mining

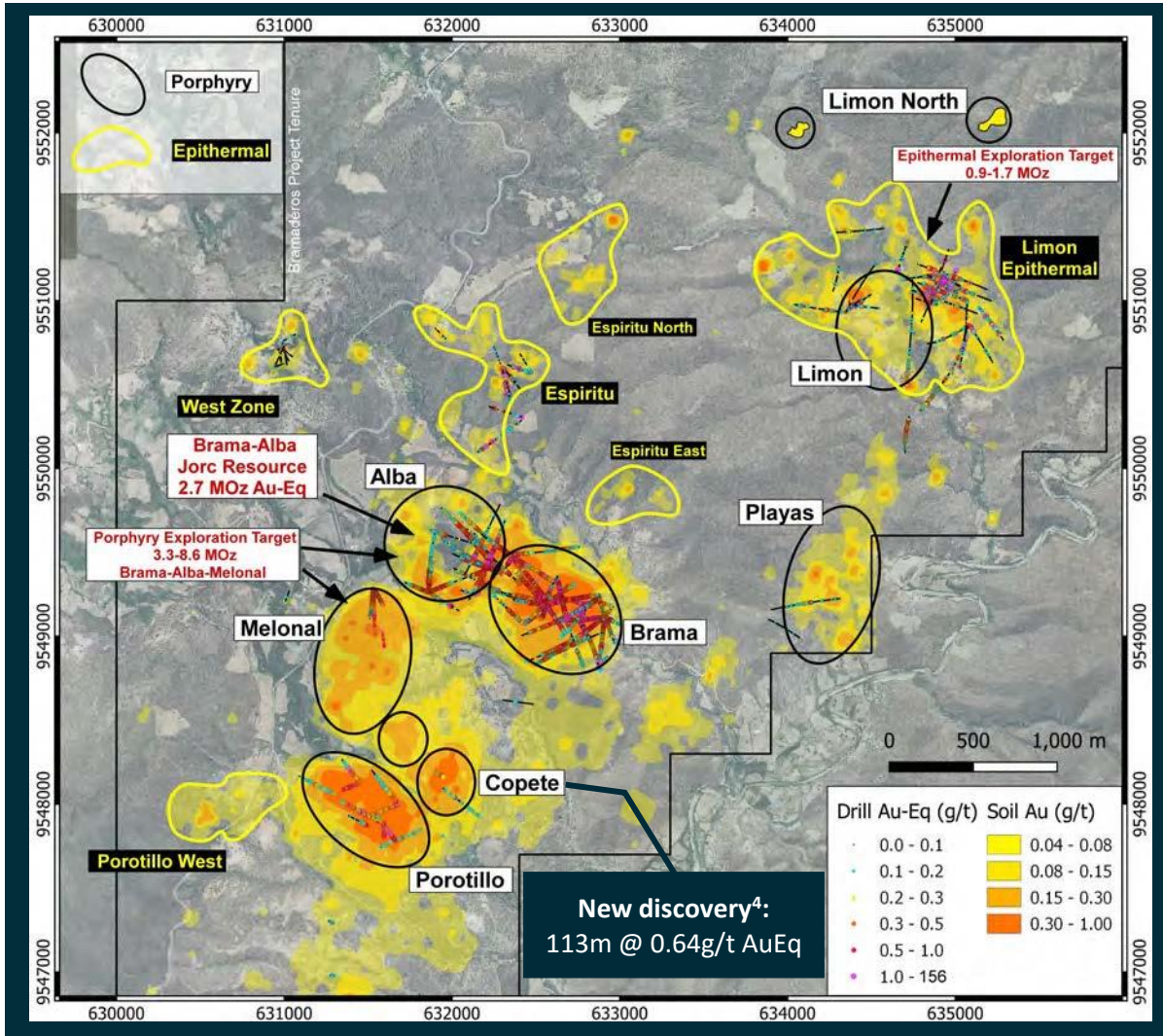
Limon epithermal & porphyry

Brama-Alba porphyry

Melonal porphyry

Pan American Hwy

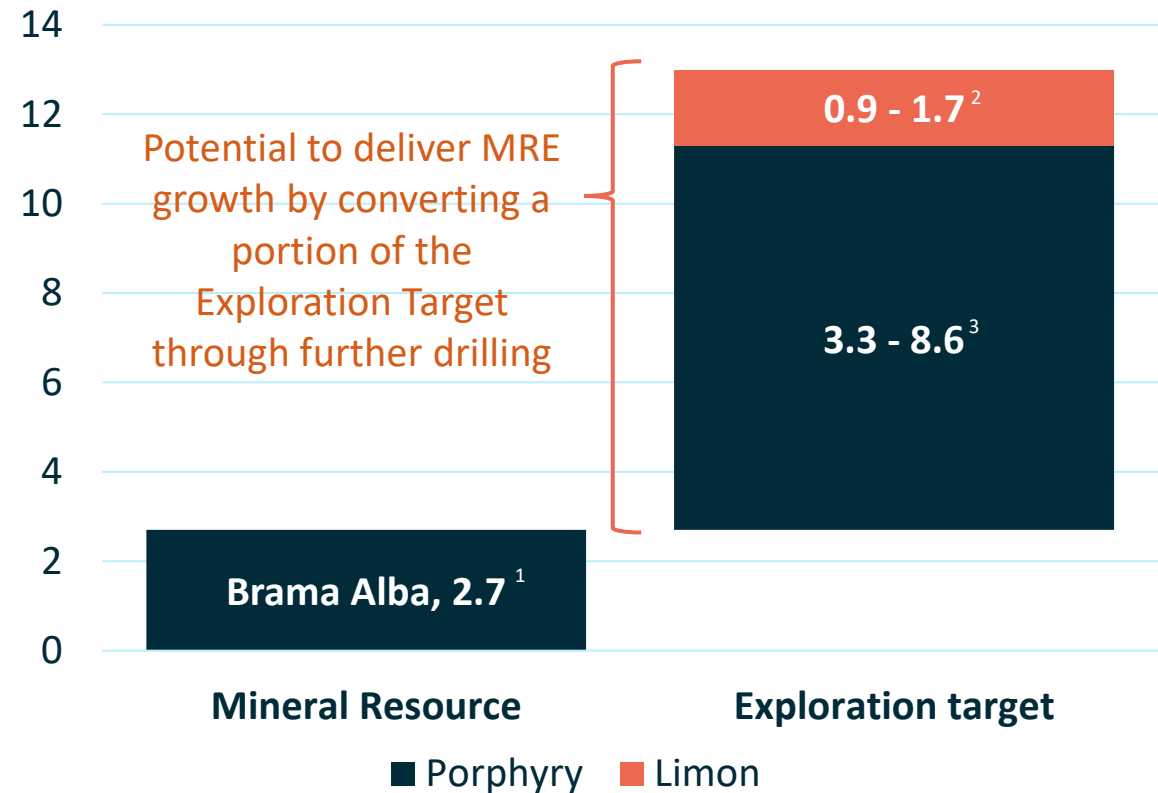
# 2. Bramaderos – targeting 10M+oz AuEq



Background image is gold-in-soils

Immediate priority is to establish a high-grade Mineral Resource Estimate for the Limon epithermal system

## Bramaderos Project, Au-Equivalents (Moz's)



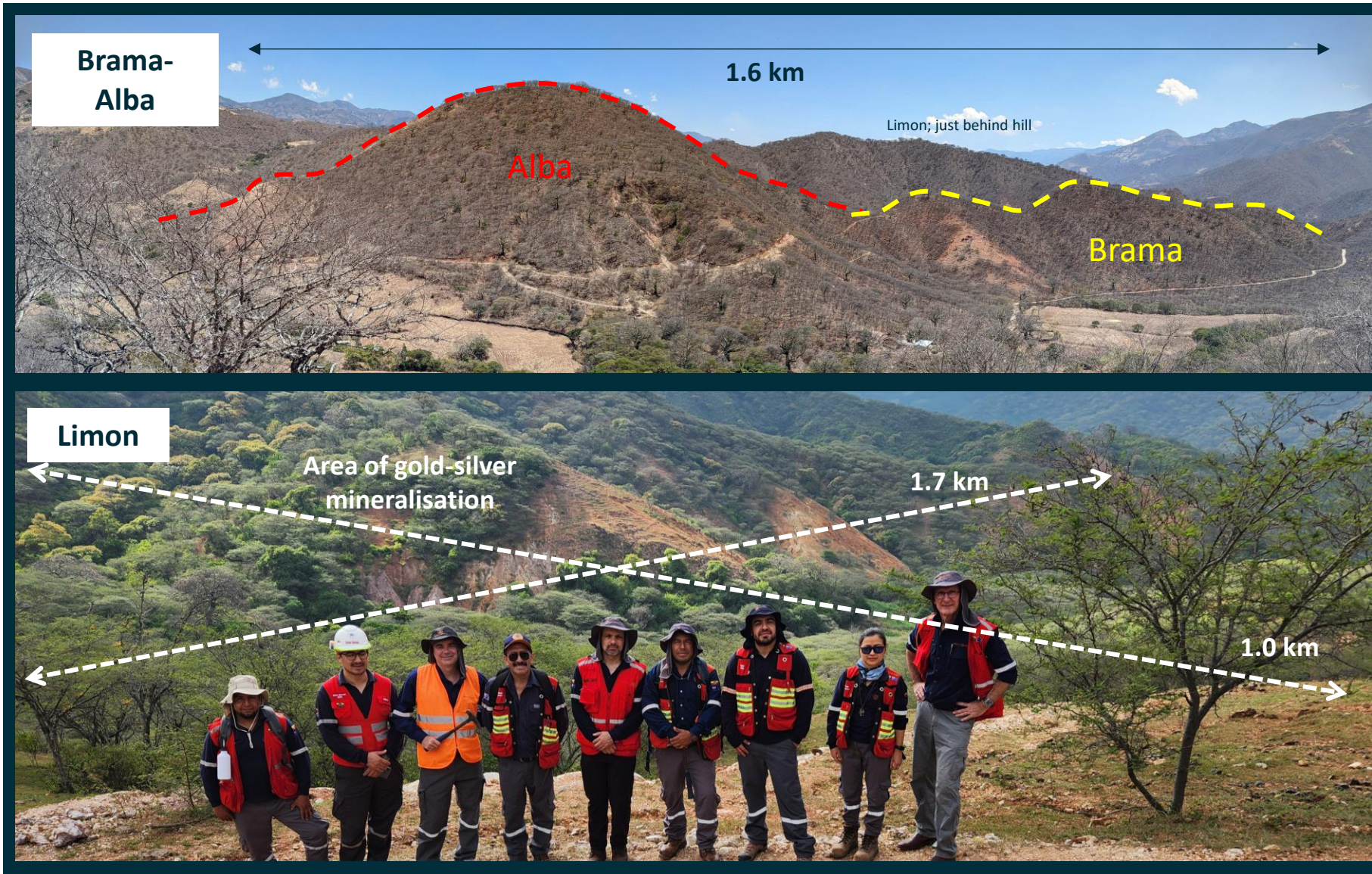
<sup>1</sup> 156Mt at 0.53g/t AuEq for 2.7Moz AuEq

<sup>2</sup> 30-44Mt at grade between 0.9-1.2g/t Au Eq for 0.8-1.7oz AuEq

<sup>3</sup> 255-360Mt at grade between 0.40-0.74 g/t AuEq for 3.3-8.6Moz AuEq

<sup>4</sup> See ASX announcement 12 November 2024

# 2. Brama-Alba + Limon – mineralisation from surface



## **Brama-Alba: 1.6km long mineralised porphyry system**

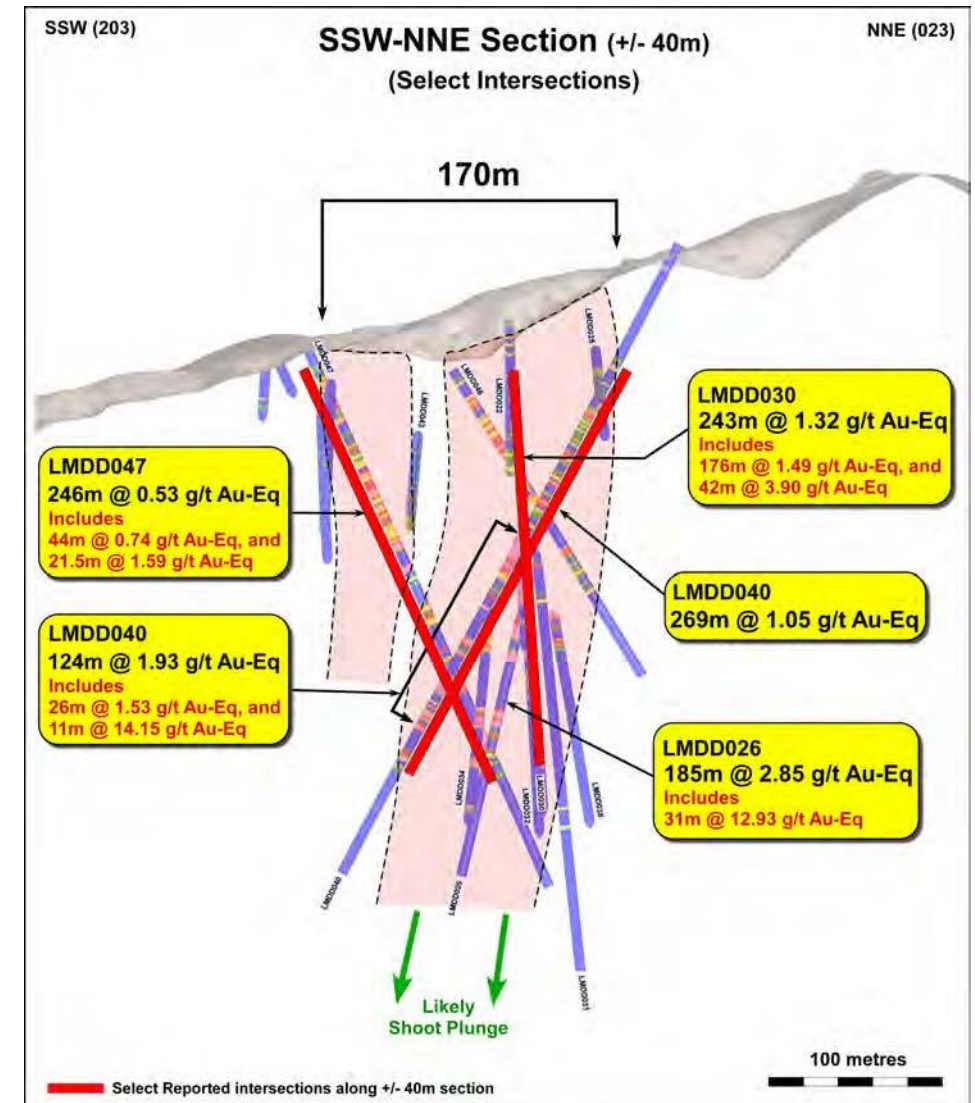
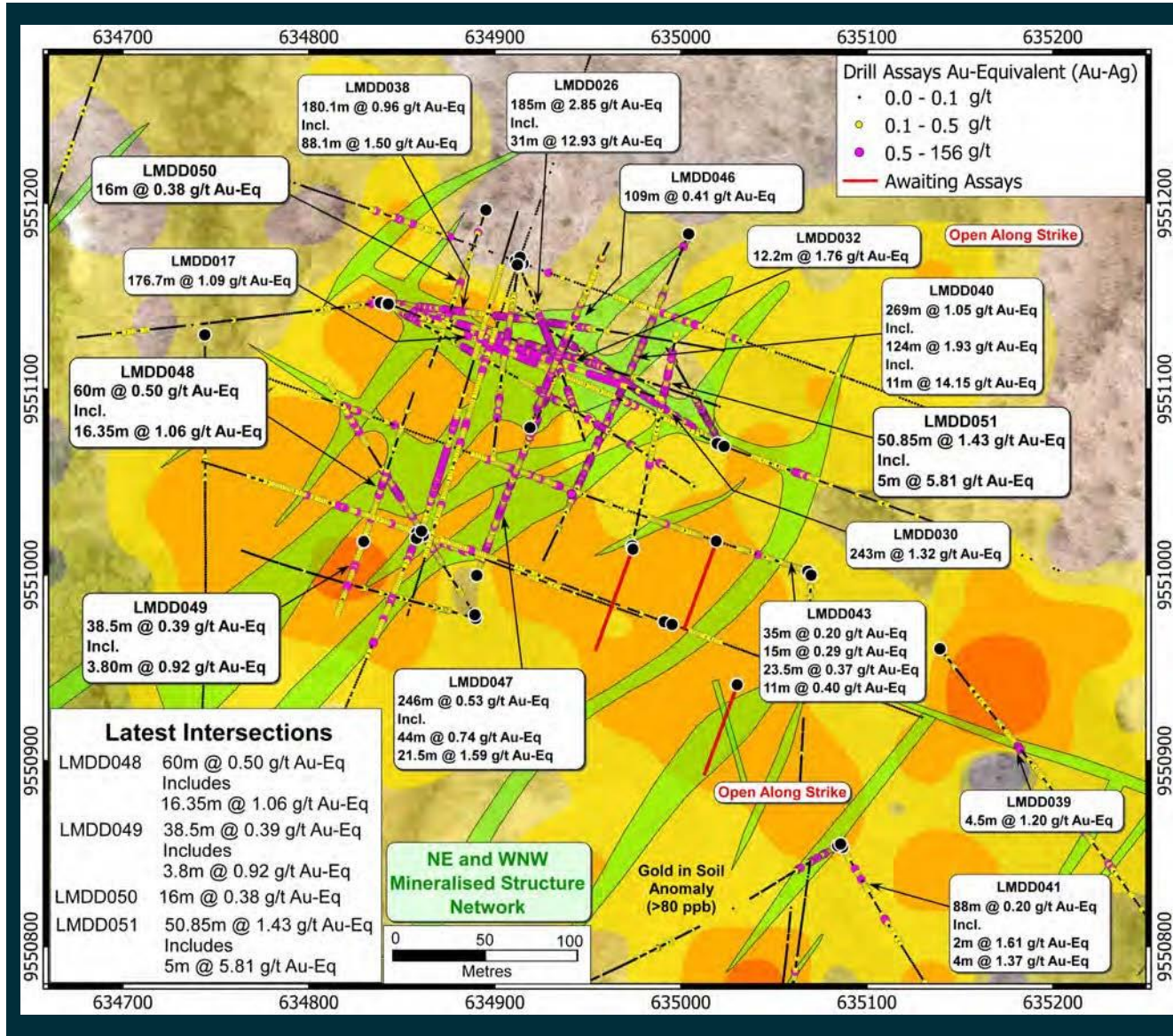
- Outcropping gold-copper-silver
- MRE undertaken by Tier 1 consultants CSA
- Attractive mining metrics
  - ✓ Very low strip ratio
  - ✓ Higher grade domains close to surface
- Significant upside to grow the porphyry resource and define higher grades

## **Limon: 1.7km x 1.0km epithermal gold-silver system**

- Outcropping gold-silver with high-grade domains
- Potential for a significant deeper gold-copper-silver porphyry



# 2. Limon drilling to establish maiden Resource<sup>1</sup>



1: ~17k m's of drilling to-date (12k m's in the Limon epithermal)

# 2. Pathway to a multi-decade mining centre



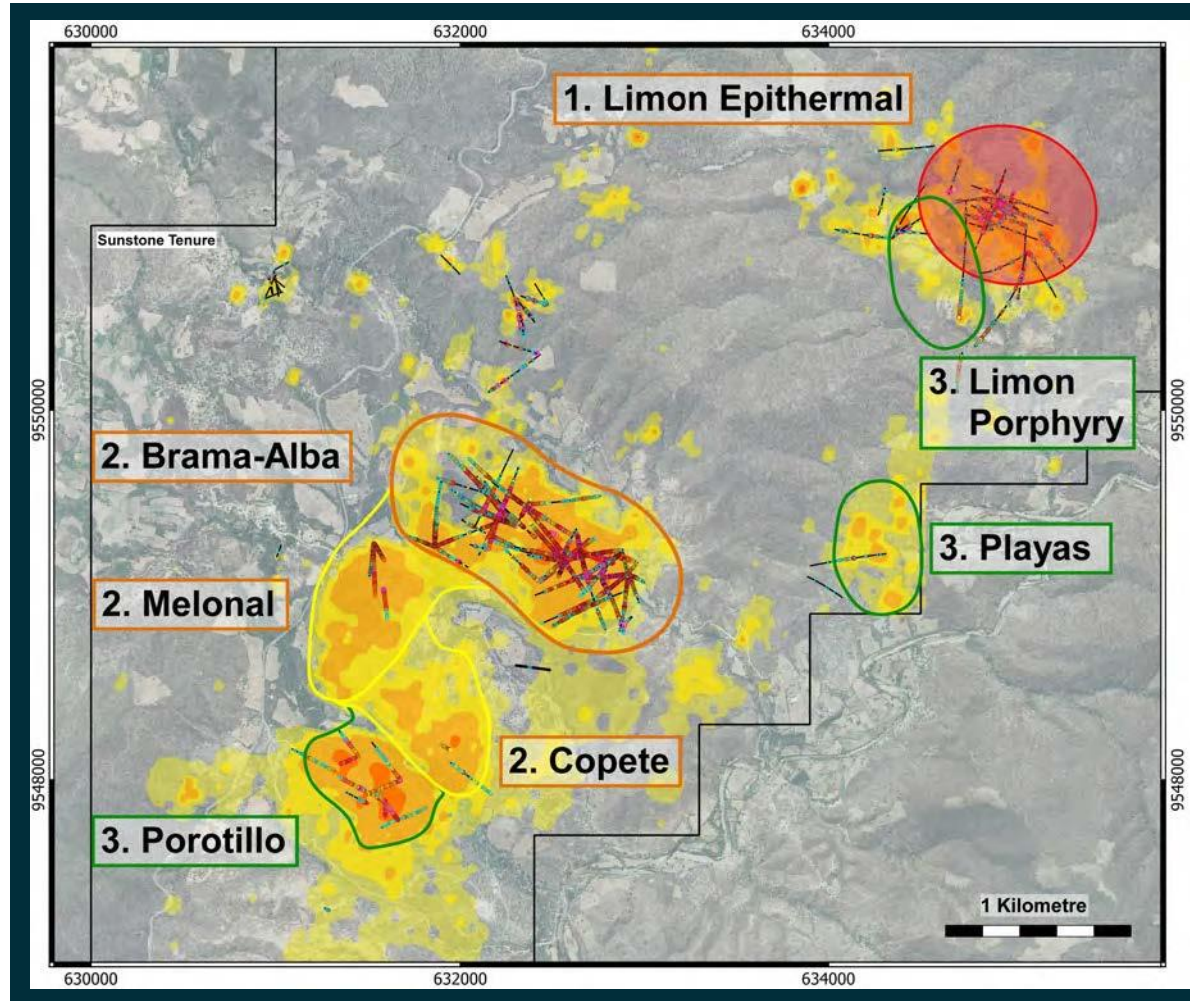
**Bramaderos is a world-class gold and copper discovery with multiple pathways to establishing a large 10M+oz AuEq mining centre in southern Ecuador**

**Stage 1:**  
**Establish Limon epithermal as a higher-grade gold-silver mine**

Lower capital cost development

**Stage 2:**  
**Grow Brama-Alba, Melonal and Copete porphyries from surface**

Open Pits to feed large-tonnage milling operation



Limon to provide the revenue and balance sheet to fund larger gold-copper porphyry development

**Stage 3:**  
**Convert porphyry targets at Playas, Porotillo, Limon**

Future exploration growth opportunity

# Momentum in Gold and Copper markets

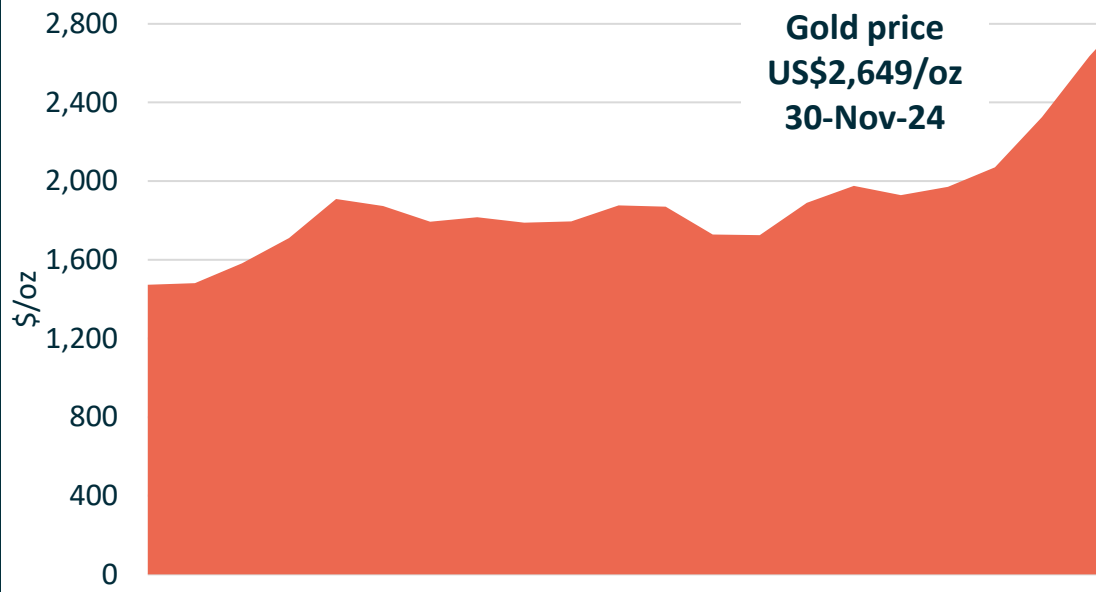
Geopolitical and macroeconomic factors will continue to drive up the price of gold

- ✓ Regional conflicts, trade restrictions, shift from USD
- ✓ Inflation subsiding, USD rate cuts are imminent

World is faced with enormous challenge to satisfy future global copper demand has been decades in the making

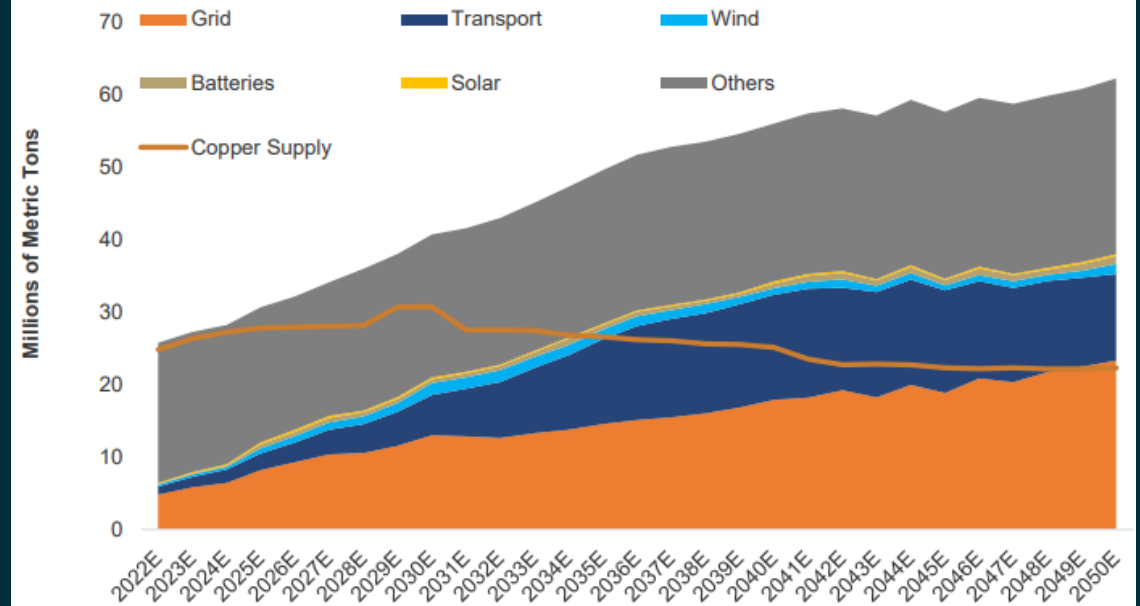
- ✓ New copper supply coming from difficult jurisdictions
- ✓ Net Zero Transition requires huge increase in copper

5-year USD Gold Price



Source: Bloomberg

Copper Demand and Supply imbalance likely to grow



Source: Sprott Webcast, March 23

# Significant room for value appreciation

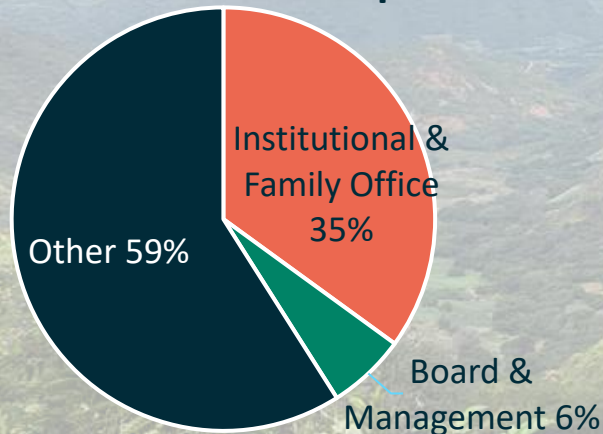
Sunstone is a gold and copper company in the world-class Ecuador Andean Copper Belt

ASX	STM
Shares on Issue	5,123M
Market Capitalisation <sup>1</sup>	A\$41.0M <sup>2</sup>
Cash and Equities <sup>2</sup>	A\$4.9M <sup>1,3</sup>
Enterprise value	A\$36.1M

## Three clear catalysts to drive share price:

1. Maiden El Palmar MRE and Exploration Target
2. Advance discussions with strategic partners for assets
3. Maiden MRE in 2025 at Limon

## Share ownership



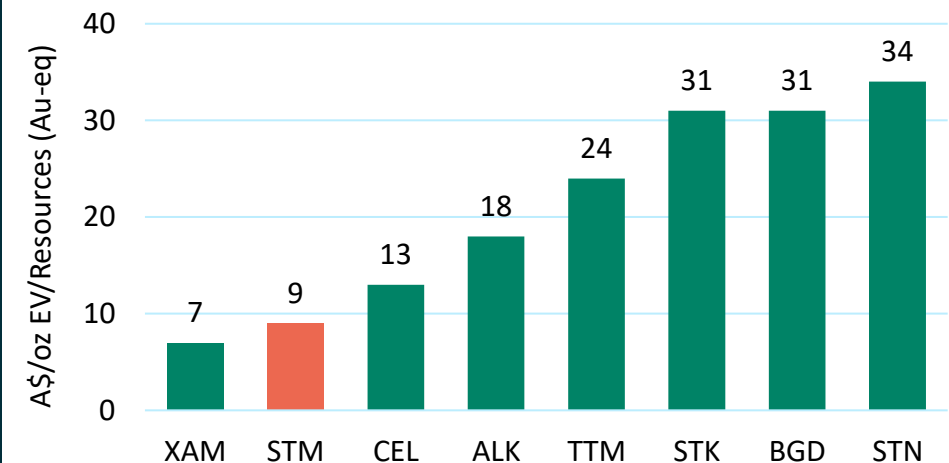
<sup>1</sup> STM raised \$6.5m via Placement and SPP in Sept / October 2024

<sup>2</sup> based on share price of A\$0.008

<sup>3</sup> At 30 September 2022, includes \$4.0m from SPP received in Oct-24

<sup>4</sup> Source: Gold Nerds, GBA capital

## EV/Resource values for ASX gold equities<sup>4</sup>



# SUNSTONE METALS



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