

Two substantial Resources with large Exploration Targets and partnership discussions underway

Initial El Palmar Resource of 1.2Moz AuEq¹ plus large Exploration Target highlights scope for Tier-1 scale opportunity

Highlights

Inaugural Mineral Resource at El Palmar¹

- Maiden Mineral Resource estimate (MRE) of 1.2Moz AuEq² establishes strong platform on which to build a world-scale resource inventory at El Palmar
- The MRE is based solely on the outcropping T1 gold-copper porphyry target at El Palmar. T1 is one of several gold-copper porphyry deposits at El Palmar
- T1 has potential to be a large open pit opportunity before undertaking exploration and development of the deeper porphyry opportunities

El Palmar Gold and Copper Exploration Target of 15M - 45Moz AuEq¹

- A high conviction Exploration Target of between 1.0Bt to 1.2Bt at a grade between 0.3g/t to 0.7g/t gold and 0.1% to 0.3% copper for contained metal of between 10Moz and 27Moz gold and 1.0 to 3.7Mt copper has been identified at El Palmar
- The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Resource for the exploration target area reported. It is uncertain if further exploration will result in the estimation of a Resource
- The Exploration Target has been estimated from only three deposits, meaning there is still immense potential to grow at El Palmar.

High-grade Limon drilling results extend known mineralisation into new areas

- Drilling program completed during the period continues to grow the Central Shoot at Limon with strong results, including:
 - 50.85m at 1.43g/t AuEq* (1.01g/t gold and 34.0g/t silver) from 135.15m in LMDD051, including
 - 5.00m at 5.81g/t AuEq* (3.38g/t gold and 199.4g/t silver) from 145m
 - Very high silver grades in hole LMDD051 of up to 1,610g/t over 0.45m from 145m
 - 16.35m at 1.06g/t AuEq* (1.05g/t gold and 1.0g/t silver) from 45m in LMDD048; within 60m at 0.5g/t AuEq (0.49g/t gold and 0.8g/t silver) from 12m
 - 21.5m at 1.51g/t gold and 6.9g/t silver (1.59g/t AuEq) from 238.5m in LMDD047
 - High-grade zones include 4.6g/t gold and 800g/t silver over 0.8m from 27m in LMDD047
- These results demonstrate potential to establish a near surface resource at Limon to support open pit mining that will complement the Bramaderos porphyry discoveries

¹ Refer ASX announcement on 22 October 2024

Corporate highlights

- \$6.5M raised (before fees) via a \$2.5M institutional share placement and a \$4.0M Share Purchase Plan (SPP) at 0.5 cents per share. Proceeds of the SPP were received subsequent to 30 September 2024.
- Malcolm Norris was elected as Chair of the Board following the retirement of Graham Ascough on 11 September 2024.
- Cash at 30 September 2024 was \$0.9 million (unaudited), prior to receipt of \$4.0m from the SPP in October 2024.

Sunstone Managing Director Patrick Duffy said: “Following the strong shareholder support for the \$6.5M Placement and SPP in September/October, Sunstone is now in an excellent position to continue to advance its two projects in Ecuador in parallel with its discussions with potential partners.

“The El Palmar maiden Mineral Resource estimate of 1.2Moz AuEq (gold and copper) and complementary Exploration Target of 15 – 45 Moz AuEq reflects the exceptional work undertaken by our exploration team.

“The results confirm that El Palmar is a major discovery with clear potential to host a Tier-1-scale inventory. The deposit is in the same belt as Solgold’s 2.7Bt Cascabel Alpala copper-gold deposit and Codelco’s 1Bt Llurimagua copper-molybdenum deposit.

“We also generated impressive results from the Limon drilling earlier in the quarter, which has further increased our confidence in the epithermal gold-silver system at the Bramaderos Project. Additionally, the Melonal trenching results released late in the quarter were some of the best porphyry gold-copper mineralisation the team has seen at surface”.

Exploration and Development Activities

1. El Palmar Copper-Gold Project (Sunstone 74.5%, to acquire 100%)

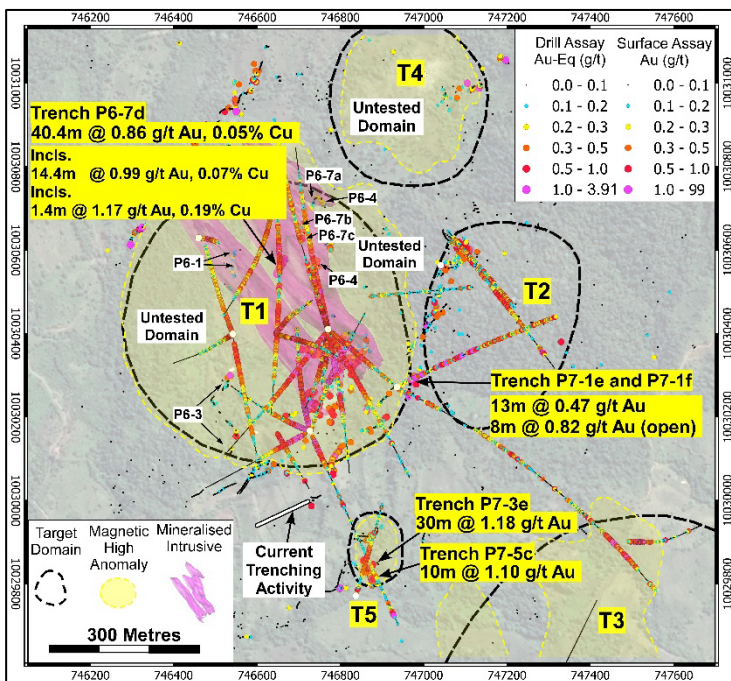


Figure 1: Plan map of El Palmar with recent drilling and trench results.

El Palmar is located in northern Ecuador, 60km north-west of Ecuador’s capital, Quito (see Figure 10). Sunstone is acquiring 100% of the El Palmar project, and following a payment of US\$300k in July 2024 holds 74.5% at the date of this report. Under amendments to the Staged Acquisition Agreement, Sunstone may acquire the outstanding percentage for US\$1.7M by 30 June 2026.

El Palmar is made up of five gold-copper porphyry targets which sit on and around the Toachi fault zone which also hosts the nearby 2.7Bt Cascabel deposit and the 1Bt Llurimagua deposit.

Subsequent to the quarter end, Sunstone announced the inaugural Mineral Resource estimate and initial Exploration Target at El Palmar.

Inaugural El Palmar Mineral Resource estimate

Based on drilling to date at the T1 target at El Palmar, the Company released the inaugural Mineral Resource estimate (MRE) for the T1 target at El Palmar on 22 October 2024 of 64Mt at 0.60g/t AuEq² (0.41g/t gold, 0.13% copper and 0.7g/t silver) for 1.2Mozs AuEq².

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 MRE is based on 21 drill holes for 17,699m of drilling (18 drilled by Sunstone in the period August 2021 to July 2022 and 3 drilled by Codelco in 2012) and 1,498 linear metres of trenching in 5 trenches.

Preliminary pit optimisation was applied to the deposit to constrain the MRE and demonstrate the potential to be mined economically by open pit methods (Figures 2 and 3). A very low strip ratio is implied by the block model geometry within the pit.

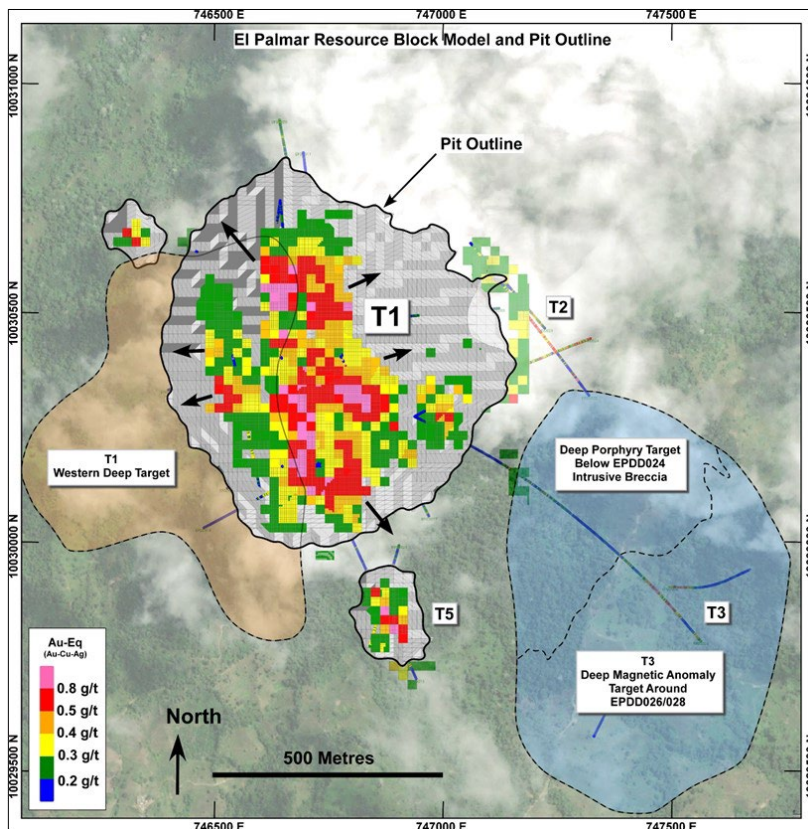


Figure 2: El Palmar T1 resource block model for grades >0.2 g/t Au-Eq1 and pit outline. Nearby Exploration Target areas (which are outside of the MRE) T1 Western Deep and T3 also shown.

² The gold equivalent calculation formula for the El Palmar gold-copper porphyry 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 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.

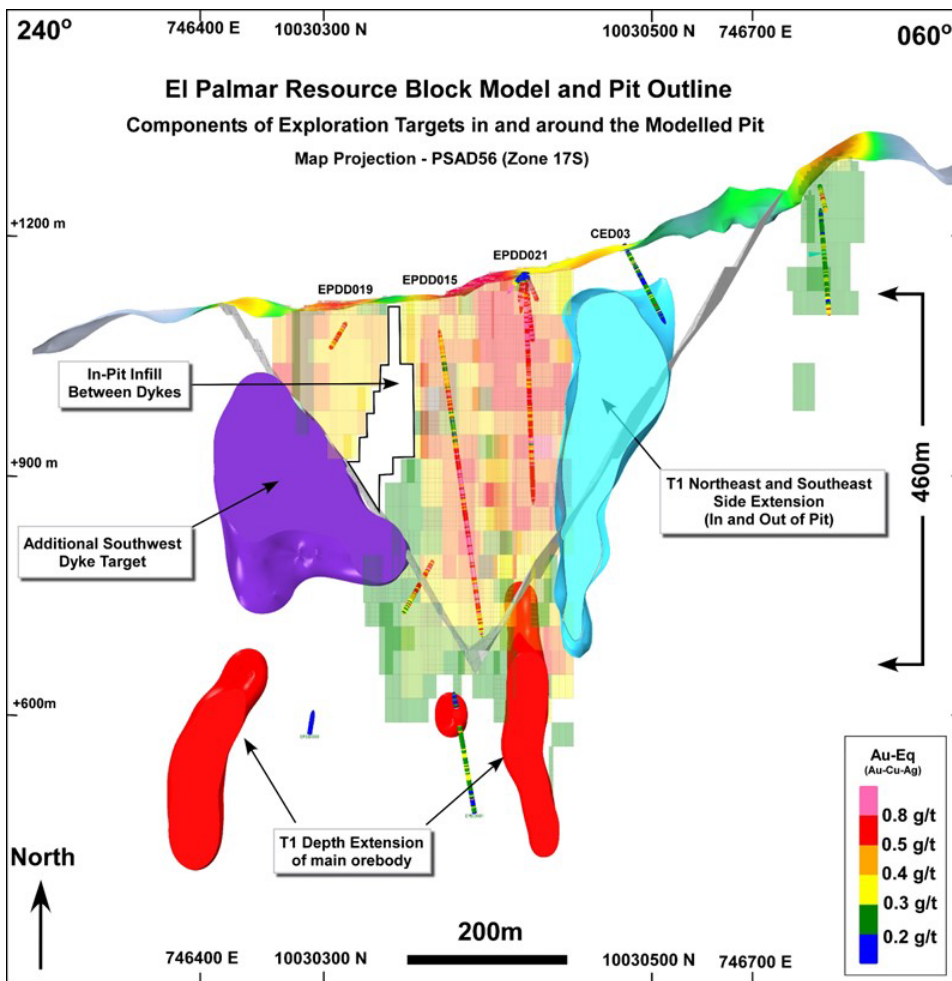


Figure 3: El Palmar T1 resource block model for grades >0.2 g/t Au-Eq1 and pit outline along a 240-060o cross-section and showing the exploration targets which are located within, on the sides, and immediately below the modelled T1 open pit.

T1, which is at surface, is one of five target gold-copper porphyry deposits at El Palmar, and has the potential to be advanced as a large open pit opportunity before undertaking exploration and development of the deeper porphyry opportunities. This MRE establishes a strong platform on which to build a world-scale gold and copper resource inventory at El Palmar.

Initial El Palmar Exploration Target

In addition to the inaugural MRE, the Company announced on 22 October 2024 the initial Exploration Target for El Palmar of 1.0Bt and 1.2Bt at a grade between approximately 0.3g/t to 0.7g/t gold and approximately 0.1% to 0.3% copper for contained metal of between 10Mozs to 27Mozs gold and 1.0Mt to 3.7Mt copper¹.

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 Exploration Target comprises material from the T1, T2 and T3 targets and extends across an area of 1.6km x 1.1km. It includes near-surface mineralisation and deeper mineralisation to depths of 1,500m below surface. 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.

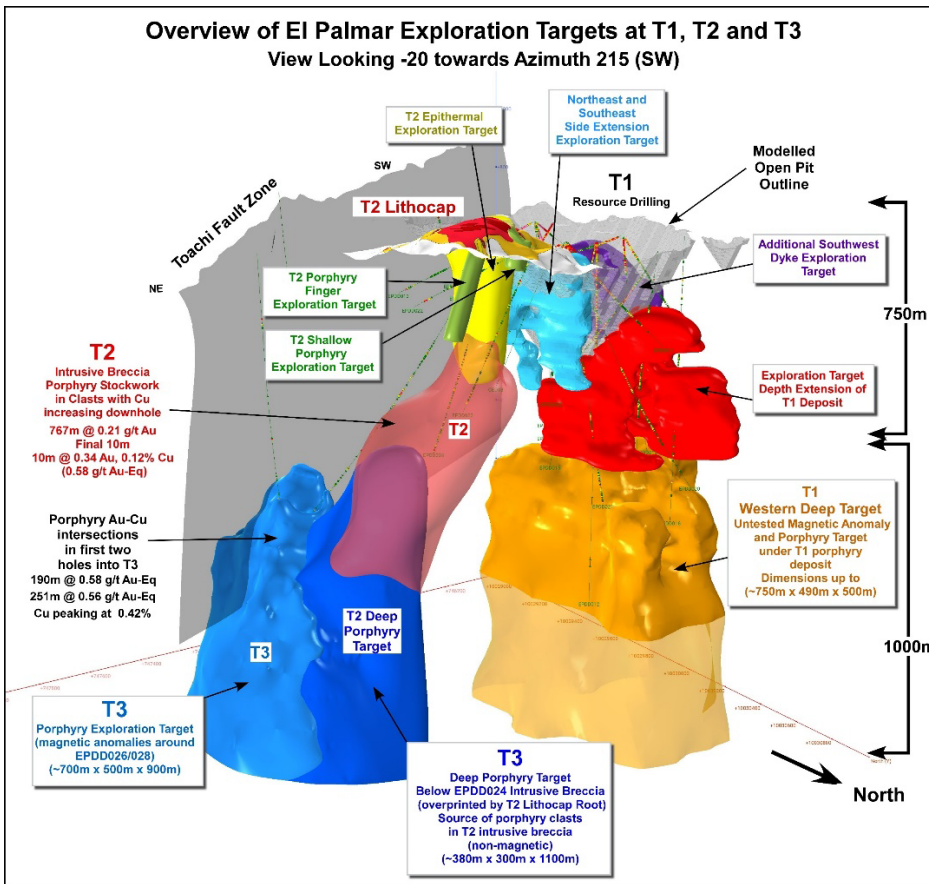
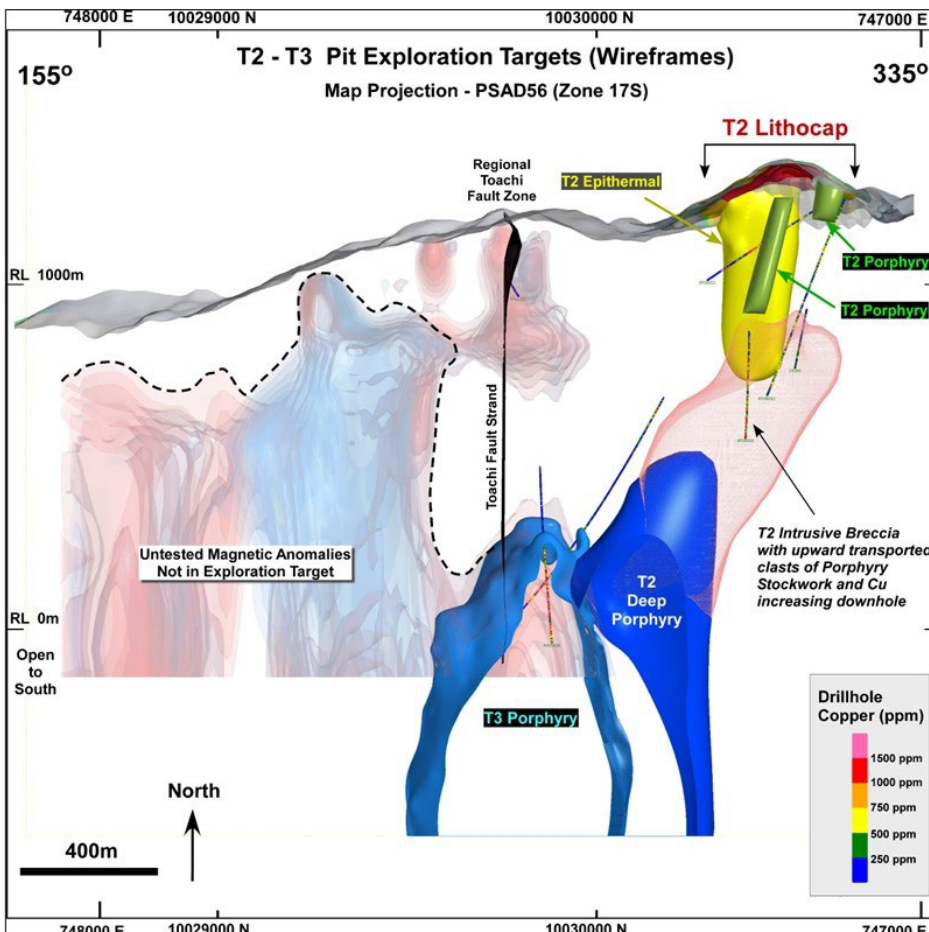


Figure 4: Overview of 9 of the 10 exploration targets defined on the El Palmar concession. View is looking at -20 degrees towards azimuth 215o.



As the Exploration Target has been estimated from only three of the five target deposits, there is still immense potential to grow at El Palmar, including in the larger untested magnetic anomalies as highlighted in Figure 5 opposite.

Figure 5: Cross section showing the T2-related Exploration Targets from surface extending to depth to the large T3 target. Note that the MRE and pit are located 'behind' this image to the west (refer to Figures 2 & 4).

Verde Chico Project

Sunstone is acquiring the Verde Chico Project through a Staged Acquisition Agreement (signed on 23 September 2022). Verde Chico is located to the west of Sunstone’s El Palmar gold-copper porphyry discovery in northern Ecuador and quadruples Sunstone’s land position to 3,672ha in this prospective belt in northern Ecuador (see Figure 6).

The initial exploration activities at Verde Chico have included rock chip sampling and stream sediment sampling programs, along with formal community agreements and environmental baseline surveys. Further soil sampling, geological mapping and rock chip sampling have commenced.

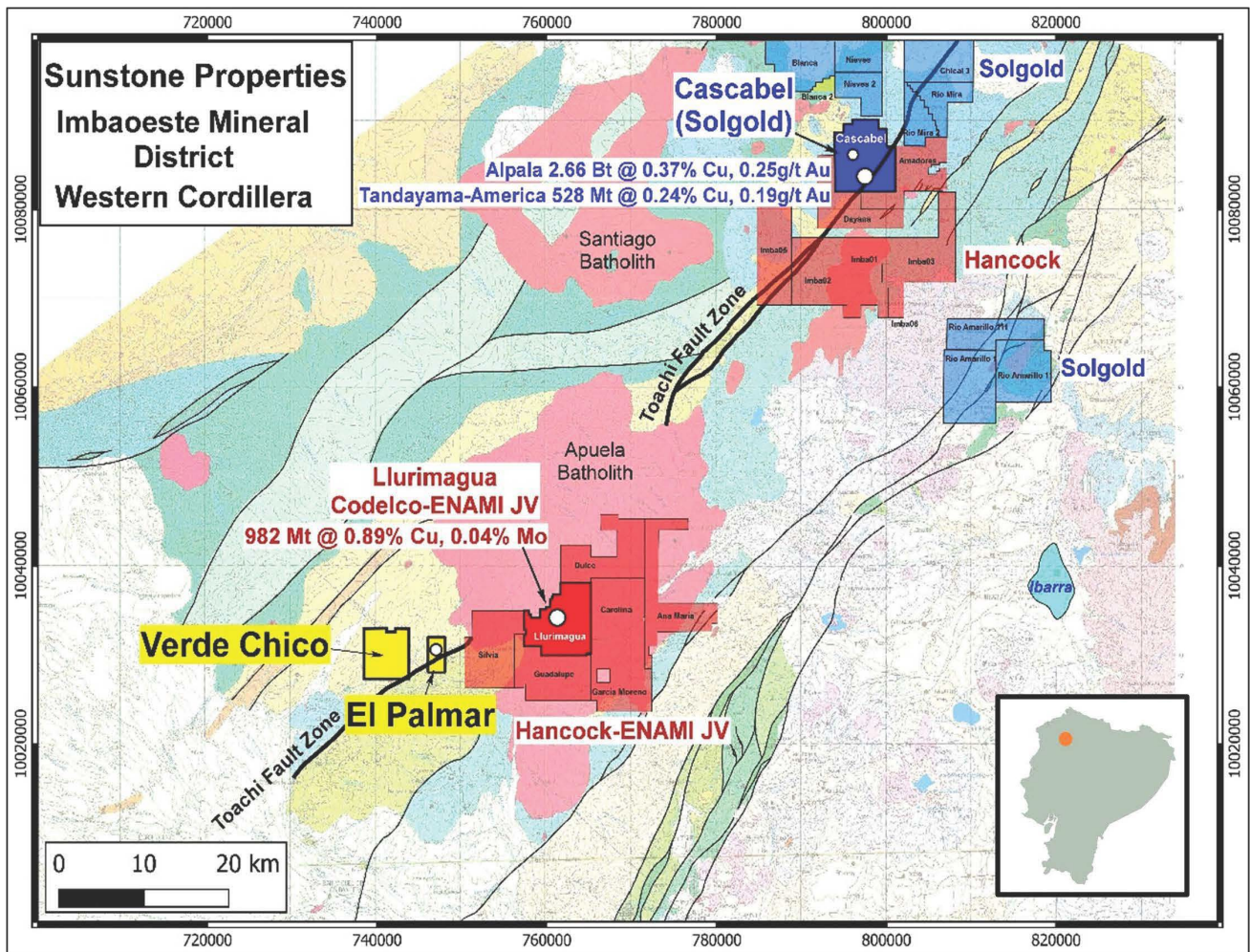


Figure 6: Location of the El Palmar and Verde Chico projects relative to the giant Llurimagua, Alpa and Tandayama- America (Cascabel project) porphyry deposits, and the Toachi fault system. Also shown are the concessions held by ENAMI that surround Llurimagua, and which Hanrine (subsidiary of Hancock Prospecting) have committed to spend US\$120 million to earn 49%.

2. Bramaderos Gold-Copper Project (Sunstone 87.5%)

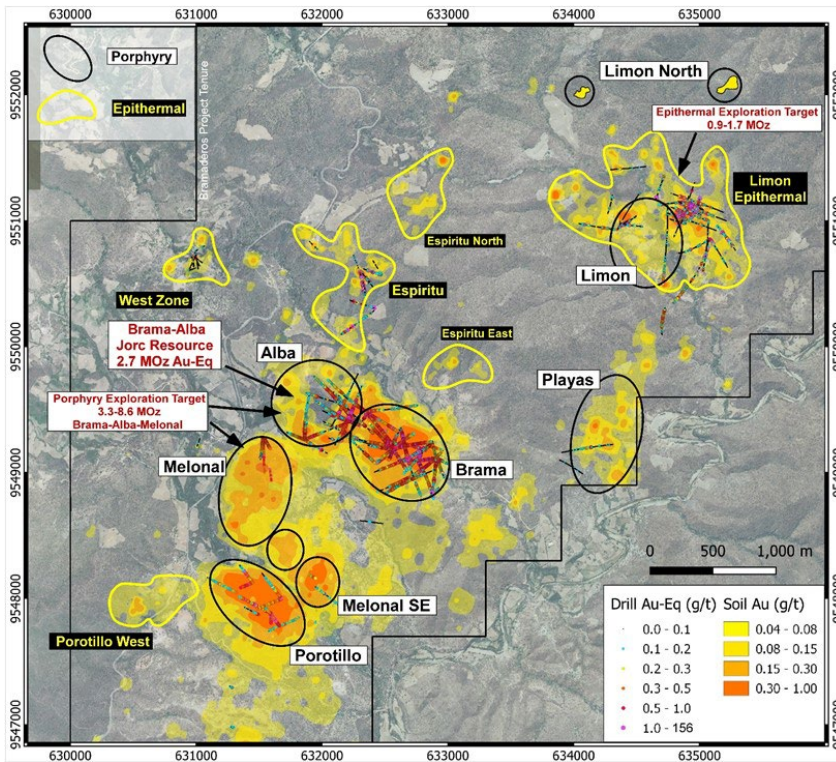


Figure 7: Bramaderos gold in soil contours showing the main porphyry and epithermal domains

The Bramaderos Project is ideally located immediately adjacent to the Pan American highway in southern Ecuador, and within a reasonable distance of available grid power, supporting the economics of potential future development opportunities. The project has gentle topography with an average elevation of around 1,100m above sea level. It is also supported by nearby commercial airports and significant population centres such as the city of Loja, and has strong community support.

Limon gold-silver epithermal deposit

Located 2.7km northeast of the Brama-Alba-Melonal gold-copper porphyry deposits, the Limon gold-silver epithermal discovery moved from discovery to Exploration Target in less than ten months and new high-grade results from recent drilling continue to expand the size of Limon.

Drilling completed during the September quarter highlights the potential for Limon to be established as an open-pit development to complement and unlock the broader Bramaderos porphyry gold-copper-silver discoveries. The strong results across the program included³:

- 50.85m at 1.43g/t AuEq⁴ (1.01g/t gold and 34.0g/t silver) from 135.15m in LMDD051, including
 - 5.00m at 5.81g/t AuEq⁴ (3.38g/t gold and 199.4g/t silver) from 145m
- Very high silver grades in hole LMDD051 of up to 1,610g/t over 0.45m from 145m
- 16.35m at 1.06g/t AuEq⁴ (1.05g/t gold and 1.0g/t silver) from 45m in LMDD048; within 60m at 0.5g/t AuEq (0.49g/t gold and 0.8g/t silver) from 12m
- 21.5m at 1.51g/t gold and 6.9g/t silver (1.59g/t AuEq⁴) from 238.5m in LMDD047
- High-grade zones include 4.6g/t gold and 800g/t silver over 0.8m from 27m in LMDD047

³ Refer ASX announcements on 6 August 2024 and 21 August 2024.

⁴ 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 over 90% for gold and 90% for silver from metallurgical studies.

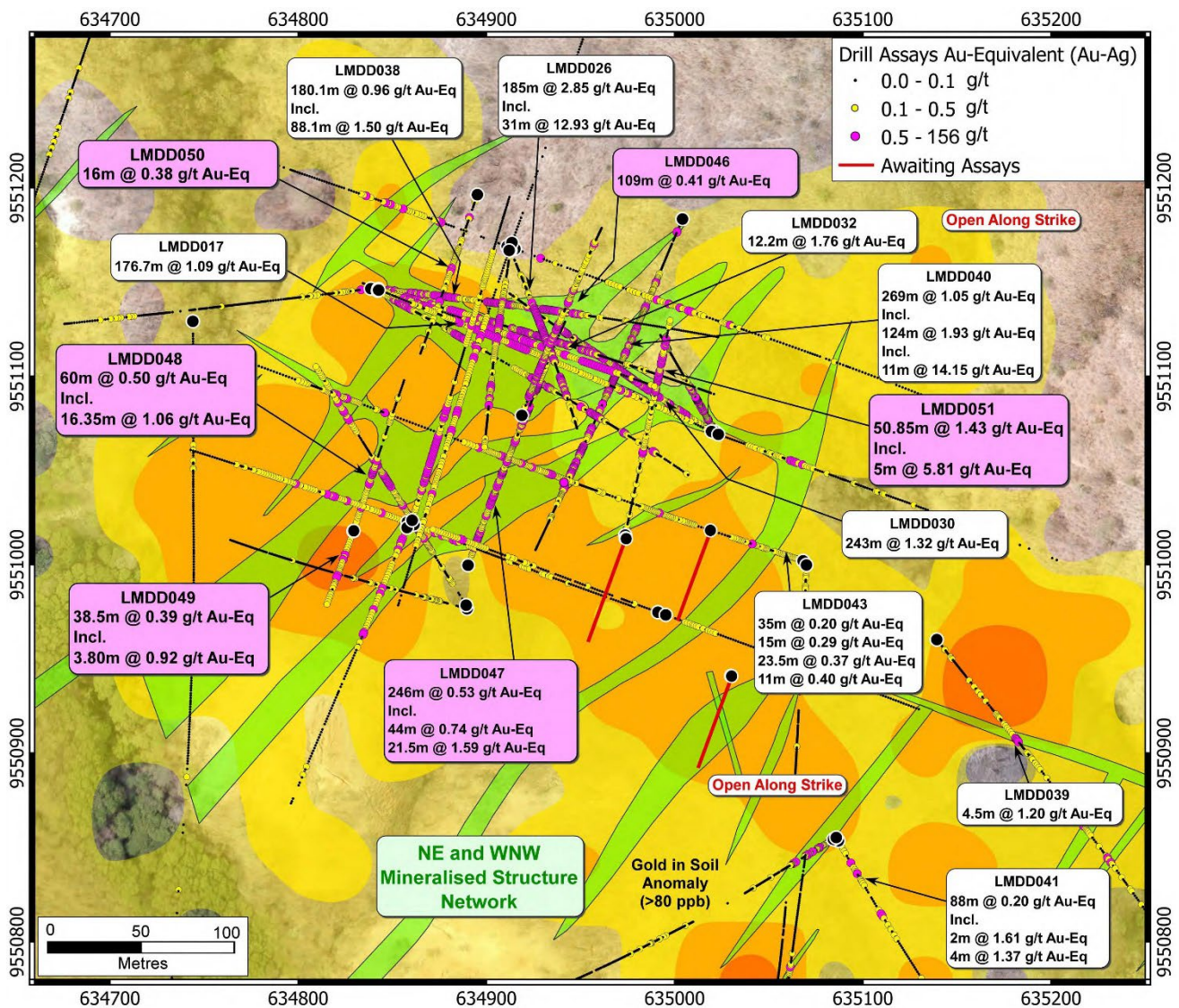


Figure 8: The Limon epithermal gold-silver system in plan view, showing multiple mineralised structures in green. High-grade domains are at intersections of NE and WNW trending structures. New intersections in holes LMDD048-051 extend mineralisation on the western and eastern sides of the Limon epithermal system. Several additional targets have been defined based on gold in soil and zinc-in-soil anomalies, and structural interpretation.

previous drilling, and define new shallow mineralised areas immediately south of Central Shoot (as shown in Figure 9 on the following page). The results from hole LMDD051 are particularly encouraging because they define an extension of mineralisation well into the diorite host.

These results help to underpin the Limon gold-silver epithermal exploration target of between 0.9 and 1.7Moz AuEq within 30 to 44Mt at a grade between 0.9 and 1.2g/t AuEq^{4, 5}.

⁵ Refer ASX announcement 5 February 2024. 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.

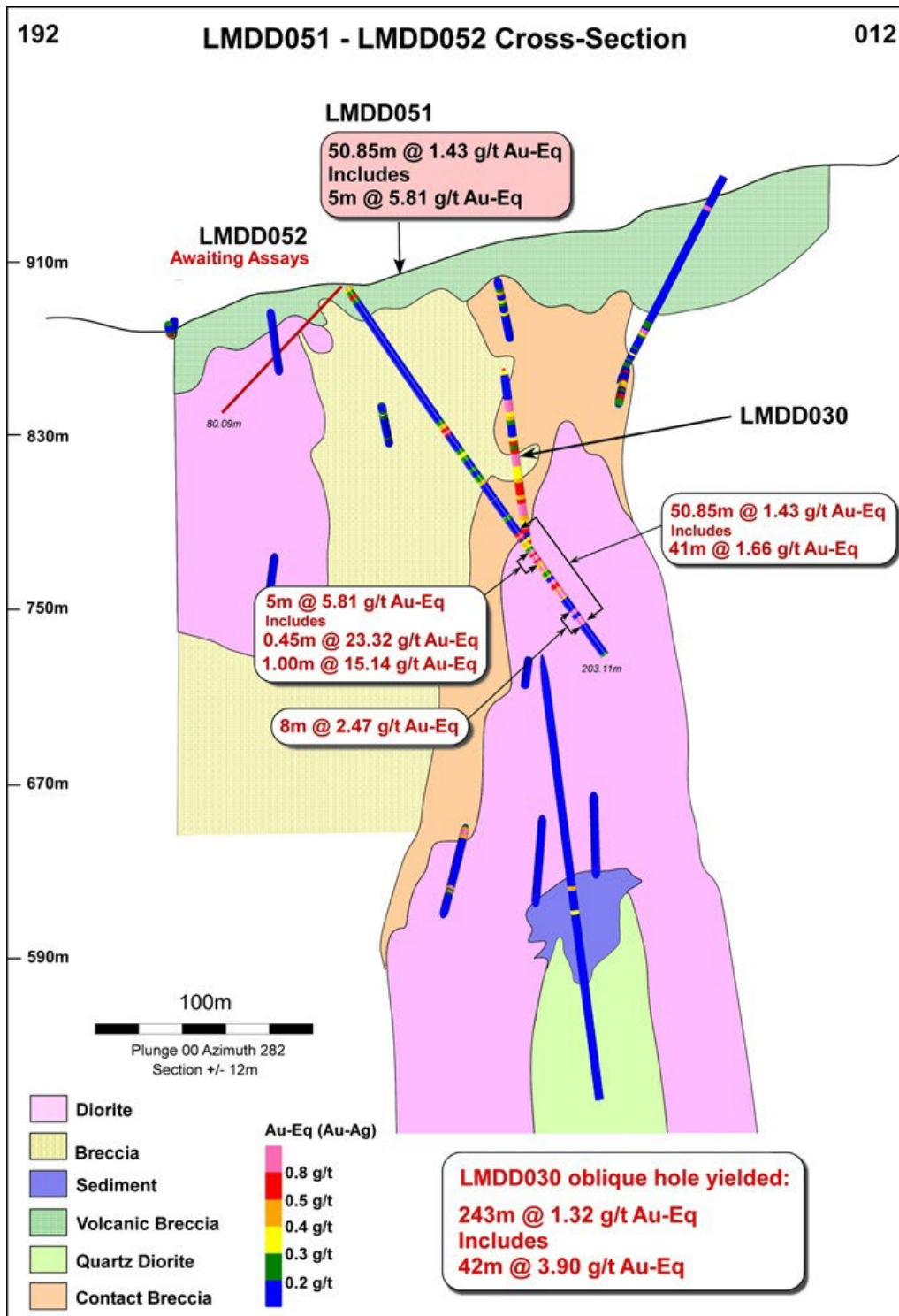


Figure 9: Cross section along drill holes LMDD051 and 052 showing mineralisation not only occurs in the surrounding breccias but also locally within a diorite body that is extensively developed at depth in the Central Shoot area. The Central shoot is plunging out of the page towards the viewer.

Table 1: Summary of mineralised epithermal intersections in Central zone at Limon from the September quarter drilling program. AuEq⁴ is calculated using gold and silver only; there is no contribution from base metals.

Drill Hole	Limon Target Area	EOH (m)	From (m)	To (m)	Interval (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	
LMDD046	Central	205.11	5.0	9.5	4.5	0.29	0.27	1.7	
			17.5	26.0	8.5	0.54	0.47	5.7	
			33.0	62.4	29.4	0.52	0.42	8.20	
			<i>incl.</i>	47.3	57.4	10.2	0.86	0.72	11.5
				76.0	78.0	2.0	1.10	1.03	5.3
				81.0	99.0	18.0	0.53	0.37	13.02
			<i>incl.</i>	96.0	98.0	2.0	1.02	0.81	17.5
				119.5	137.0	17.5	0.37	0.31	4.7
				119.5	124.5	5.0	0.55	0.52	2.7
				147.4	149.4	2.0	0.36	0.35	1.1
		186.9	187.5	0.5	0.75	0.65	7.9		
LMDD047	Central	340.18	14.0	260.0	246.0	0.53	0.39	11.6	
			14.0	58.0	44.0	0.74	0.32	34.1	
			<i>incl.</i>	20.0	29.0	9.0	1.77	0.67	90.2
			<i>incl.</i>	27.2	28.0	0.8	14.46	4.61	808.0
			<i>incl.</i>	34.0	50.0	16.0	0.79	0.34	36.7
				62.0	130.0	68.0	0.50	0.40	8.4
			<i>incl.</i>	126.0	129.0	3.0	1.38	0.81	46.5
				139.6	143.6	4.0	0.88	0.86	1.8
				164.6	176.5	12.0	0.43	0.37	4.6
			<i>incl.</i>	170.5	176.5	6.0	0.49	0.47	1.2
				191.2	192.3	1.2	0.66	0.45	17.6
				206.0	219.0	13.0	0.64	0.38	20.9
				238.5	260.0	21.5	1.59	1.51	6.9
			<i>incl.</i>	241.5	254.0	12.5	2.51	2.38	10.9
<i>incl.</i>	244.5	245.5	1.0	6.93	6.64	24.0			
LMDD048	Central	150	12	72	60	0.50	0.49	0.78	
			Includes	45	61.35	16.35	1.06	1.05	1.02
			Includes	45	49	4	3.67	3.66	0.76
LMDD049	Central	60	0	38.5	38.5	0.39	0.39	0.56	
			Includes	34.7	35.8	3.8	0.92	0.92	0.43
LMDD050	Central	181.73	25.5	28.5	3	0.33	0.32	0.78	
			Includes	50.5	123.1	72.6	0.23	0.20	2.12
			Includes and	83.1	99.1	16	0.38	0.36	1.52
		121.1	123.1	2	0.77	0.76	1.28		
LMDD051	Central	203.11	0	8	8	0.38	0.33	3.97	
			75.3	81	5.7	0.80	0.25	45.14	
			87	108.25	21.25	0.22	0.16	4.55	
			135.15	186	50.85	1.43	1.01	34.04	
			Includes	145	186	41	1.66	1.23	34.63
			Includes	145	150	5	5.81	3.38	199.36
			Includes	145	145.45	0.45	23.32	3.69	1,610.0
			Includes and	149	150	1	15.14	13.60	126.00
Includes	178	186	8	2.47	2.29	15.17			

Melonal gold-copper porphyry target

On 30 September 2024, the Company announced assay results from the Melonal porphyry target which significantly expands the Bramaderos gold-copper porphyry opportunity and increases confidence in the Bramaderos project's porphyry Exploration Target of between 3.3Moz and 8.6Moz AuEq⁶ within 255 to 360Mt at a grade between 0.40 and 0.74g/t AuEq^{5,7}.

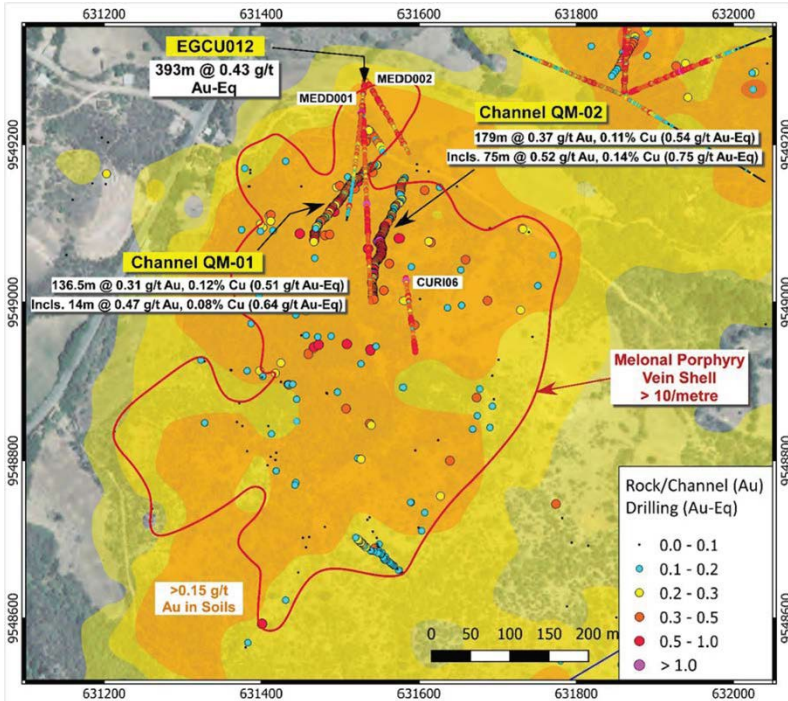


Figure 10: Detailed plan view of the Melonal target with the location of channel samples QM-01 and QM-02 across the northern margin of the Melonal porphyry target, and showing the location of the two historical drill holes (EGCU012 and CURI06) and two holes drilled by Sunstone in late 2022 (MEDD001 and MEDD002). Intense porphyry stockwork veining (at >10 veins/metre) covers a lateral area of up to 650m x 480m (red outline).

In parallel with the trenching program, extensive geological mapping has also been completed and has identified additional porphyry bodies to the south-east of Melonal, which are currently undergoing trenching and further exploration. The Bramaderos porphyry Exploration Target does not include these additional targets, offering significant upside potential.

The Melonal target remains largely underexplored, with only four holes drilled on the margins of the main target zone. Two of these holes were drilled approximately 20 years ago and two were drilled by Sunstone in late 2022.

Results from Sunstone's recent magnetic modelling and trench sampling have highlighted a very compelling primary target at Melonal. Initial assays indicate the potential to deliver higher grades than the current Brama-Alba Mineral Resource estimate.

⁶ The gold equivalent calculation formula for porphyry gold-copper-silver mineralisation at Bramaderos 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.

⁷ Refer ASX release 13 December 2022. 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.

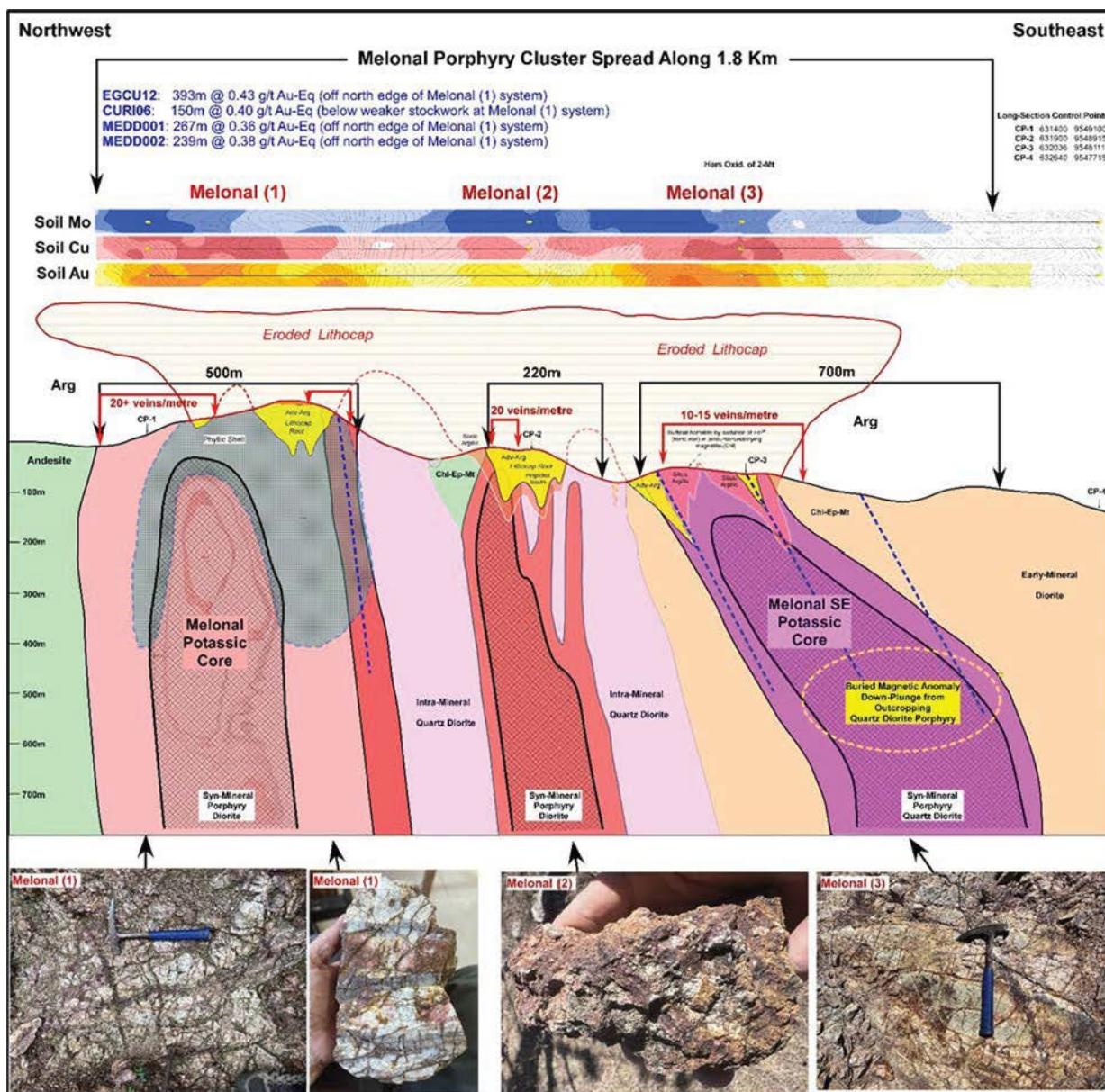


Figure 11: Long section through Melonal and Melonal SE target domains and showing significant upside potential to the current Exploration Target.

Table 2: Assay results from the recent channel sampling program at Melonal.

Creek Bank Channel	Length (m)	Au (g/t)	Cu (%)	Ag (g/t)	Au-Eq (Au-Ag-Cu) (g/t)	Comments
QM-01	136.5	0.31	0.12	0.31	0.51	Open to North, South and West
	Includes	87.5	0.33	0.33	0.54	Open to West
	and	14	0.47	0.47	0.64	Open to South and West
QM-02	179	0.37	0.11	1.02	0.54	Open to North, South and East
	Includes	75	0.52	1.15	0.75	Open to East

Brama-Alba deposit

The Brama-Alba deposit, within the Bramaderos concession, contains an initial Mineral Resource estimate of 156Mt at 0.53g/t AuEq for 2.7Moz AuEq^{6, 8}

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	AuEq ⁶ (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

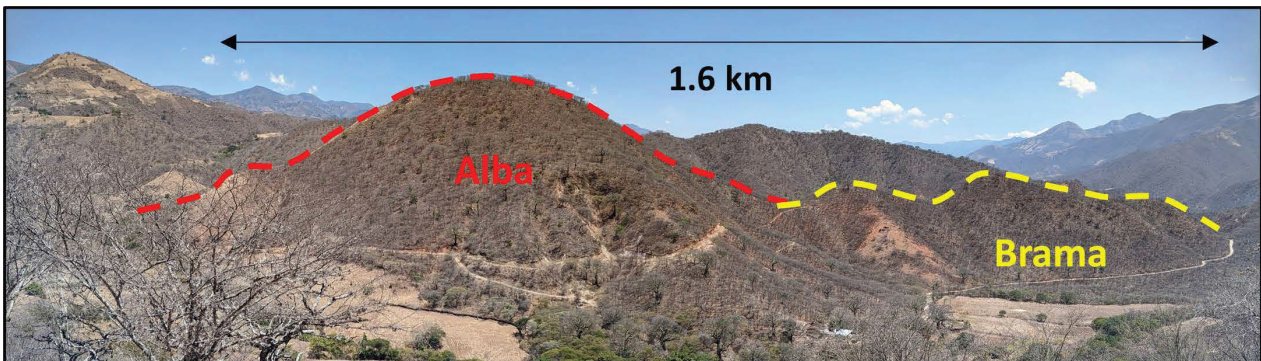


Figure 12: Panorama of the valley hosting the Brama and Alba deposits, showing the porphyry systems emerging at surface. The Limon area is behind these hills.



Figure 13: Location of Sunstone's Bramaderos, El Palmar and Verde Chico projects, Ecuador.

⁸ Refer ASX Announcement on 13 December 2023.

Corporate

The Company's unaudited cash position for 30 September 2024 was approximately A\$0.9 million (before the \$4.0M proceeds from the SPP), and the value of tradeable equity investments was approximately A\$0.1 million. The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 September 2024 provides an overview of the Company's financial activities.

During the quarter, the company raised A\$2.5 million (before costs) via a placement to institutional, professional and sophisticated investors. Subsequent to quarter end, the company raised an additional A\$4.0 million (before costs) through the Share Purchase Plan (refer ASX announcement on 14 October 2024).

Together, the \$6.5 million equity raising provides Sunstone with a strong platform to deliver on near term catalysts, including partnership opportunities at El Palmar and Bramaderos.

Exploration expenditure for the reporting period was A\$3.0 million (June quarter \$1.9 million) which included drilling and associated costs at Limon. The company undertook a cost reduction exercise during the quarter at the El Palmar and Bramaderos projects to reflect the expected reduction in activity. With no drilling activity currently planned for the coming quarters, expenditure will be significantly reduced.

The diamond drilling program at Limon was completed during the September quarter, and trenching activities at Melonal were also conducted. Work commenced during the quarter on the El Palmar resource, which was announced shortly after quarter end.

Corporate and other expenditure (including property, plant, and equipment) amounted to \$1.1 million, including redundancy costs in Australia and Ecuador to align the company's structure with anticipated activities going forward. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$0.3 million and includes salary, superannuation, and directors' fees.

As the Company is an exploration entity, no sales revenue has yet been generated from product sales. Sunstone has primarily funded its activities through the issuance of equity securities. It is expected that the Company will be able to fund its future activities through further issuances of equity securities and consideration of project-level strategic partnerships.

During the quarter, Mr Graham Ascough retired from the Board and Mr Malcolm Norris was appointed Chair.

Shareholder Information

During the September quarter a Placement to existing and new institutional and sophisticated shareholders was completed. 474,000,000 shares were issued at the Placement price of \$0.005 per share to raise \$2,370,000 (before costs). This Placement was ratified by shareholders at the Annual General Meeting held on 24 October 2024. Additionally, 13,636,364 shares were issued to Directors following a General Meeting on 2 July 2024 to approve their participation in the Placement announced on 3 May 2024. Subsequent to the quarter end, a further 797,000,000 shares were issued on 14 October 2024 under a share purchase plan at \$0.005 per share to raise \$3,985,000 (before costs).

Issued Shares	ASX: STM
Opening balance 30 June 2024	3,838,267,272
Placement – Directors	13,636,364
Issued under the entitlement offer	474,000,000
Closing balance at 30 September 2024	4,325,903,636

Notes Specific – September 2024 Quarter ASX Announcements

The following announcements, which relate to information in this Quarterly Report, were lodged with the ASX. Further details (including JORC 2012 Code Reporting Tables, where applicable) for the results summarised above can be found in the announcements:

High-grade results expand size of Limon	6 August 2024
More Limon high grade gold and silver in drilling	21 August 2024
STM raises \$2.5M to pursue resource growth and partnerships	9 September 2024
Chair appointment/resignation	11 September 2024
Annual report to shareholders	13 September 2024
Appendix 4G – Corporate governance	13 September 2024
S708A(5) cleansing notice	16 September 2024
Appendix 2A application for quotation of securities	16 September 2024
Launch of Share Purchase Plan & Option Offer	16 September 2024
Security Purchase Plan	16 September 2024
Option Offer Prospectus	16 September 2024
Target Market Determination	16 September 2024
Notice of Annual General Meeting	20 September 2024
2024 AGM Proxy Form	20 September 2024
SPP – Waiver, timetable & resolution withdrawn	20 September 2024
Strong surface gold-copper results at Melonal	30 September 2024
Sunstone SPP raises \$4 million	14 October 2024
Appendix 2A application for quotation of securities	14 October 2024
AGM amended notice & supplementary information	14 October 2024
El Palmar – Mineral Resource Estimate & Exploration Target	22 October 2024

Competent Persons Statement

The information in this report that relates to exploration targets and 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.

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 Targets 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.

Tenement Schedule

At the end of the quarter, the Company holds the following tenements:

Gold-copper tenements - Ecuador

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Bramaderos S.A.	Bramaderos ^A	Loja, Ecuador	Granted	87.5%
Bramaderos S.A.	Bramaderos 02	Loja, Ecuador	Granted	87.5%
Bramaderos S.A.	Cueva de Leon	Loja, Ecuador	Granted	87.5%
Golden Exploration Ecuador S.A.	Los Mandariyacus (El Palmar) ^B	Imbabura, Ecuador	Granted	74.5% ^B
Compania Minera Verde Chico CIA Ltda	Verde Chico ^C	Imbabura, Ecuador	Granted	0%

Notes

A: Sunstone announced on 7 January 2020 that the terms of the Earn-in Joint Venture with TSX-V listed Cornerstone Capital Resources (subsequently merged with SolGold PLC) had been amended to provide Sunstone with an immediate 87.5% interest and SolGold with a loan carried 12.5% interest in Bramaderos S.A. (formerly named La Plata Minerales S.A.) the holder of the Bramaderos concession.

B: Sunstone announcement 12 August 2020 regarding a Staged Acquisition Agreement for 100% of the El Palmar project. Sunstone acquired a further 4.5% of El Palmar following an instalment payment in July 2024. Sunstone can acquire the remaining 25.5% by 30 June 2026.

C: Sunstone announcement 21 June 2022 regarding a Letter of Intent to acquire 100% of the Verde Chico Project, located to the west of Sunstone's El Palmar gold-copper porphyry discovery in northern Ecuador, through a Staged Acquisition Agreement, signed 23 September 2022, from the Verde Chico Group.

Directory

Sunstone Metals Limited
ABN 68 123 184 412

Website www.sunstonemetals.com.au
Email info@sunstonemetals.com.au

Stock exchange listing
Australian Stock Exchange ASX Code: STM

Investor Information Contacts
Lucas Welsh – Company Secretary
Sunstone Metals Limited
Phone: 07 3368 9888
Email: info@sunstonemetals.com.au

Shareholder Enquiries
Share registry matters should be directed to:
Computershare Investor Services
Phone: 1300 850 505
Website: www.computershare.com.au

Registered office
9 Gardner Close
Milton Queensland 4064
Phone: 07 3368 9888

Issued capital
At 30 September 2024:
Ordinary shares: 4,325,903,636 (STM)
Unlisted Performance Rights: 73,100,000 (STMAS)
Unlisted Options: 30,000,000 (STMAL)

Directors (as at 30 September 2024)
Malcolm Norris – Non-Executive Chairman
Patrick Duffy – CEO & Managing Director
Neal O’Connor – Non-Executive Director
Stephen Stroud – Non-Executive Director

Company Secretary
Lucas Welsh

For further information please visit www.sunstonemetals.com.au or contact:

Sunstone Metals Limited
T: 07 3368 9888
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www.sunstonemetals.com.au

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SUNSTONE METALS LIMITED

ABN

68 123 184 412

Quarter ended ("current quarter")

30 SEPTEMBER 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(419)	(419)
(e) administration and corporate costs	(472)	(472)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(883)	(883)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(149)	(149)
(d) exploration & evaluation	(3,071)	(3,071)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(3,220)	(3,220)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,520	2,520
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(179)	(179)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,341	2,341
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,669	2,669
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(883)	(883)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,220)	(3,220)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,341	2,341

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(17)	(17)
4.6	Cash and cash equivalents at end of period	890	890

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	874	874
5.2	Call deposits	16	16
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	890	890

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	359
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(883)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,071)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,954)
8.4 Cash and cash equivalents at quarter end (item 4.6)	890
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	890
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No; the September quarter included the drilling program at Limon. No drilling is currently planned for the December quarter, and the Company has significantly reduced the operating costs at each project.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: \$4.0M was raised during October 2024 via a share purchase plan. It is noted that as a junior explorer the Company is at all times considering opportunities for funding its business.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes – it is expected that the Company will be able to continue to fund its operations via equity markets or pursuing partnership opportunities.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: Lucas Welsh – Company Secretary

(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.