

08 September 2025

Bramaderos keeps delivering

NEED TO KNOW

- More attractive surface sampling results highlight potential for Resource growth at Bramaderos
- Option exercise boosting cash, \$1.3m received since 30 June
- Strategic process remains the key near-term catalyst

Bramaderos surface sampling extends Resource potential: Recent surface sampling over two areas outside the existing Resource at Bramaderos offer strong prospects for Resource growth. Channel sampling has identified surface porphyry mineralisation at Copete. This is analogous to the surface mineralisation at the existing Brama-Alba Resource within Bramaderos, and thus strongly supports the prospects for additional porphyry mineralisation below surface at Copete. Additionally, surface sampling North-East of Brama has identified extensive gold mineralisation also beyond the existing Resource, but within the open pit modelled as part of the 2022 studies. These Brama NE results suggest an expansion of the existing Brama-Alba Resource is likely once drilling recommences.

Options boosting cash balance: Since 30 June, STM has received A\$1.27m in cash through the exercise of 169.3m options, lifting pro-forma cash to A\$3.9m. This continues to support cash balances while STM works through its strategic process. There are a further 340.8m of in-the-money options outstanding which could deliver a further A\$2.56m if exercised.

Strategic process remains the key: Sunstone continues to advance its strategic process to bring on a partner for its El Palmar and Bramaderos projects in Ecuador. With an existing 4Moz Au equiv. total Resource and well supported JORC Exploration Targets of 3.3-8.6Moz at Bramaderos and 15-45Moz at El Palmar plus the near surface higher grade opportunity at Limon, the scale of the opportunity at the STM projects is clearly attractive. With an uplift in global M&A activity in the mining sector, strong gold prices, and the April re-election of the pro-mining President Noboa in Ecuador, the backdrop for STM continues to be supportive. We look for a positive resolution on this strategic partnership process as a key catalyst for STM in the coming months.

Investment Thesis

Building a Resource base that cannot be ignored: Sunstone has a proven management team that is developing a resource base of significant scale that we expect to be of interest to major miners. The current 4Moz Resource is all pit-constrained, so is literally just scratching the surface of the potential scale at Bramaderos and El Palmer. Limon adds material value as either a stand-alone operation or as potential higher-grade feed to a larger Bramaderos porphyry development. The 2025 strategic partnership process will be a key valuation marker in our view, with STM turning to accelerating its resource development once this is concluded.

Valuation & Risks: \$0.032 (was \$0.030)

We update our valuation to an EV/oz multiple of 65x (was 60x) reflecting the increased peer group multiple of our group of +1Moz explorers who are yet to conclude studies. We also include recent option exercise cash and shares. Risks for STM include exploration success, commodity prices, funding, currencies, environmental factors, and jurisdiction.

Report prepared by MST Access, a registered business name of MST Financial Services Limited ABN 54 617 475 180 AFSL 500 557. This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: Sunstone Metals Ltd (STM.AX)

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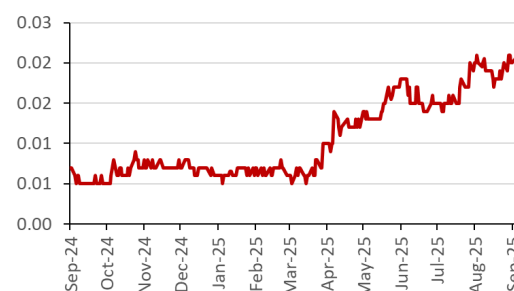
Sunstone Metals is advancing two major gold-copper projects in Ecuador - Bramaderos and El Palmar. It has already established a 4Moz Au-equivalent resource base, with clear potential to continue to grow well beyond that as reflected in the significant JORC compliant Exploration Targets Sunstone has established across the projects. It has a proven management team, responsible for major porphyry discoveries in Indonesia and Ecuador, as well as bringing mines in Australia and New Caledonia into production. The company has established a portfolio that is on track to deliver a large-scale gold-copper resource base that will be of interest to major miners globally.

Valuation	A\$0.032 (from A\$0.030)
Current price	A\$0.021
Market cap	A\$125m
Cash on hand	A\$3.9m

Upcoming Catalysts / Next News

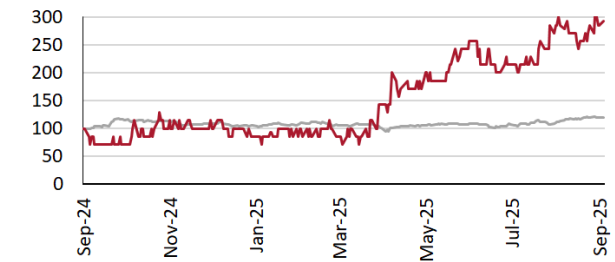
Period	
H2 2025	Strategic partnership process
H2 2025	Establish maiden resource at Limon
H2 2025	Grow El Palmar resource
H2 2025	Grow Bramaderos porphyry resource

Share Price (A\$)



Source: FactSet, MST Access

Figure 1: Sunstone Metals - Financial Summary

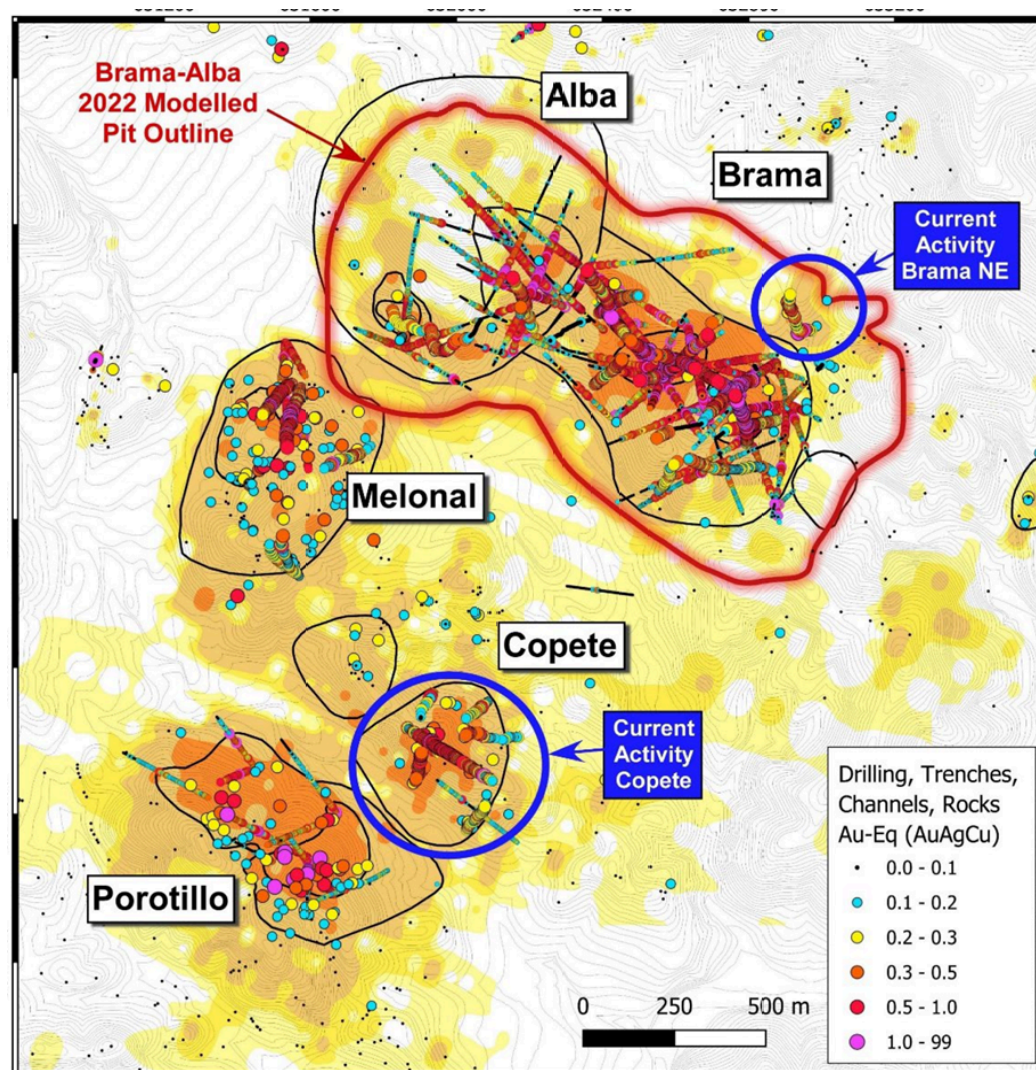
Sunstone Metals Ltd							STM.ASX
Year end 30 June							
MARKET DATA							
Share Price	A\$/sh					0.021	
52 week high/low	A\$/sh					0.004 - 0.022	
Valuation	A\$/sh					0.032	
Market Cap (A\$m)	A\$m					125	
Current Net Cash / (Debt) (A\$m)	A\$m					3.9	
Enterprise Value (A\$m)	A\$m					121	
Shares on Issue	m					6,254	
Options/Performance shares	m					532	
Other Equity	m					0	
Fully Diluted Shares on Issue	m					6,786	
INVESTMENT FUNDAMENTALS (June Y/E)							
EPS Reported (undiluted)	Cps	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	
EPS Underlying (undiluted)	Cps	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	
DPS	Cps	0.0	0.0	0.0	0.0	0.0	
FCF/Share	A\$	(0.00)	(0.00)	(0.00)	0.00	(0.00)	
Book Value / Share	A\$	0.01	0.01	0.01	0.02	0.02	
Price / Book	x	1.68	1.56	1.43	1.24	1.28	
Year End Shares	m	3,082	3,838	6,084	6,254	6,254	
Market Capitalisation (current)	A\$m	125	125	125	125	125	
Net Cash / (Debt)	A\$m	10	3	3	11	3	
Enterprise Value	A\$m	115	122	122	114	122	
EV/EBITDA	x	nm	nm	nm	nm	nm	
Net Debt / Enterprise Value	x	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)	
Net Debt / Equity	%	-13%	-3%	-3%	-10%	-3%	
Resource							
	Tonnes	Au	Cu	Ag	Au-eq	Au-eq	
	Mt	g/t	%	g/t	g/t	Moz	
Bramaderos (STM 87.5%)							
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 (100% basis)	156	0.35	0.11%	1.3	0.53	2.7	
El Palmar (STM 75%)							
Indicated	5	0.42	0.15%	0.81	0.63	0.1	
Inferred	59	0.40	0.13%	0.65	0.59	1.2	
Total (100% basis)	64	0.41	0.13%	0.66	0.60	1.3	
Total Combined	220				0.55	4.0	
Exploration Target							
	Tonnes	Gold	Cu	Au-eq			
	Mt	g/t	%	Moz			
Bramaderos	255 - 360	0.25 - 0.38	0.10 - 0.12	3.3 - 8.6			
El Palmar	1035 - 1228	0.3 - 0.7	0.1 - 0.3	15 - 45			
Limon (Epithermal)	30 - 44	0.9 - 1.2		0.9 - 1.7			
Total Combined	1320 - 1632			19.2 - 55.3			
Management & Board ownership							
	Shares	Perf Rights	Options				
	m	m	m				
Malcolm Norris (Chair)	51.1	11.6	1.0				
Patrick Duffy (MD & CEO)	30.1	34.4	11.0				
Stephen Stroud (NED)	18.9		8.0				
Neal O'Conner (NED)	1.8						
Bruce Rohrlach (GM Geology)	23.7	9.9					
Ray Robinson (GM Studies)	24.7	9.9					
12-Month Relative Performance vs S&P/ASX Metals & Mining							
							
Profit & Loss (A\$m)							
Revenue		-	-	-	-	-	
Expenses		(2.0)	(2.3)	(2.9)	(2.7)	(2.7)	
EBITDA		(2.0)	(2.3)	(2.9)	(2.7)	(2.7)	
D&A		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
EBIT		(2.1)	(2.4)	(3.0)	(2.7)	(2.7)	
Interest		0.2	0.1	0.0	(0.1)	(0.1)	
Tax		-	-	-	-	-	
Underlying NPAT		(1.9)	(2.3)	(3.0)	(2.8)	(2.8)	
Exceptionals		-	-	-	-	-	
Reported Profit		(1.9)	(2.3)	(3.0)	(2.8)	(2.8)	
Profit before tax		(1.9)	(2.3)	(3.0)	(2.8)	(2.8)	
Balance Sheet (A\$m)							
Cash		10.3	2.7	2.7	10.9	2.8	
Receivables		0.1	0.3	0.3	0.3	0.3	
Inventory		-	-	-	-	-	
PP&E		1.1	1.6	1.7	2.1	2.6	
Exploration		68.3	81.2	89.2	94.2	99.2	
Other		0.3	0.1	0.1	0.1	0.1	
Assets		80.1	86.0	94.0	107.6	105.0	
Creditors		1.0	0.5	0.5	0.5	0.5	
Debt		-	-	-	-	-	
Leases		0.6	1.4	1.4	1.4	1.4	
Provisions		0.4	0.2	0.2	0.2	0.2	
Other		-	-	-	-	-	
Liabilities		1.9	2.1	2.1	2.1	2.1	
Net Assets		78.1	83.9	91.9	105.5	102.9	
Cashflow (A\$m)							
Net Cash From Operations		(2.0)	(1.5)	(3.0)	(2.5)	(2.5)	
Interest		0.2	0.1	0.1	(0.1)	(0.1)	
Tax		-	-	-	-	-	
Other		(0.0)	(0.0)	-	(0.0)	(0.0)	
Net Cash From Operations		(1.8)	(1.4)	(3.0)	(2.6)	(2.6)	
Capex		(0.0)	(0.7)	(0.1)	(0.5)	(0.5)	
Capitalised Exploration		(25.1)	(13.7)	(7.9)	(5.0)	(5.0)	
Other		1.9	-	-	15.0	-	
Free Cash Flow		(24.9)	(15.9)	(11.1)	6.9	(8.1)	
Equity		12.0	8.7	11.7	1.3	-	
Borrowings drawn/(repaid)		-	-	-	-	-	
Other		(0.7)	(0.5)	(0.6)	-	-	
Net Increase / (Decrease) in Cash		(13.6)	(7.6)	0.0	8.2	(8.1)	
Source: STM, MST							

Source: STM, MST

Bramaderos growth potential on show

Ongoing surface sampling at Bramaderos continues to deliver very encouraging signs for Resource growth across this project. Surface sampling across two separate areas, Copete and Brama, has delivered extensive mineralisation outside the existing Resource. Bramaderos already hosts a 2.7Moz Au-equivalent resource. With positive ongoing exploration results being delivered by Sunstone, it appears highly likely that this could grow materially once drilling recommences. The potential at Copete is particularly exciting as it may reflect a material extension of the existing Brama-Alba mineralisation, through the Melonal target and into the new Copete target.

Figure 2: New Mineralisation at Brama NE and Copete



Source: STM

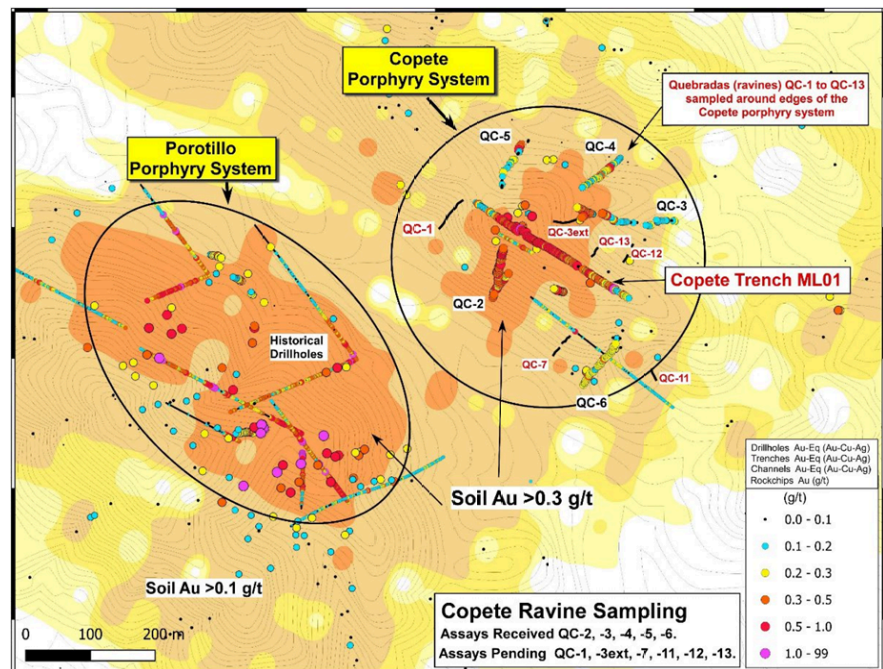
Copete - Extending the porphyry mineralisation

Copete is a potential extension of the existing Brama-Alba porphyry. Brama Alba hosts the existing 2.7Moz Au-equivalent Bramaderos Resource. This Resource is constrained to the open-pittable component of Brama-Alba mineralisation. A significant 3.3-8.6Moz JORC Exploration Target captures the depth potential at Bramaderos as well as the porphyry at Melonal and surface epithermal at Limon. Copete lies outside both the Resource and the Exploration Target at Bramaderos, but appears to be a potential extension of the mineralisation from Brama Alba (see Figure 2).

A series of 13 ravines have now been channel sampled at Copete, with results from the initial six of these trenches all mineralised. Best results included 63.7m at 0.44g/t Au-equivalent, 48.3m at 0.35g/t Au-equivalent, 105.1m at 0.22g/t Au-equivalent, and 90.8m at 0.24g/t Au-equivalent. These results surround the initial trench at Copete which delivered 214m at 0.50g/t Au-equivalent. as previously reported by STM. Remaining assays are likely to be reported over the coming months. Following this, Sunstone will be able to plan initial holes into this new outcropping porphyry system.

The surface mineralisation now identified at Copete mirrors that at Brama Alba. This is a very encouraging sign that Copete may represent a potential extension of, or repeat of, the Brama Alba porphyry mineralisation. The pending drilling will be able to test this further.

Figure 3: Copete surface sampling within broader surface anomaly

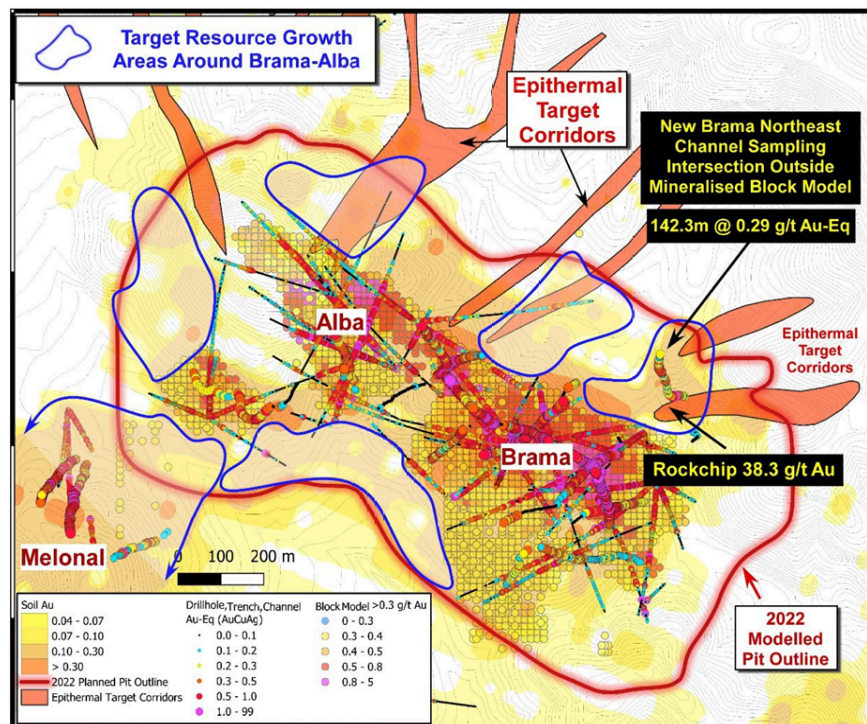


Source: STM

Brama-Alba Getting Bigger

At Brama-Alba a number of gold-in-soil anomalies have been identified peripheral to the existing Resource. The first of these, Brama North-East has now been successfully tested. A channel sample has returned 142m at 0.29g/t Au-equivalent (including a higher grade 15.8m at 0.68g/t Au-equivalent). Encouragingly, a rock chip collected outside the channel has also returned an impressive 38.3g/t Au.

Figure 4: New surface mineralisation at Brama NE



Source: STM

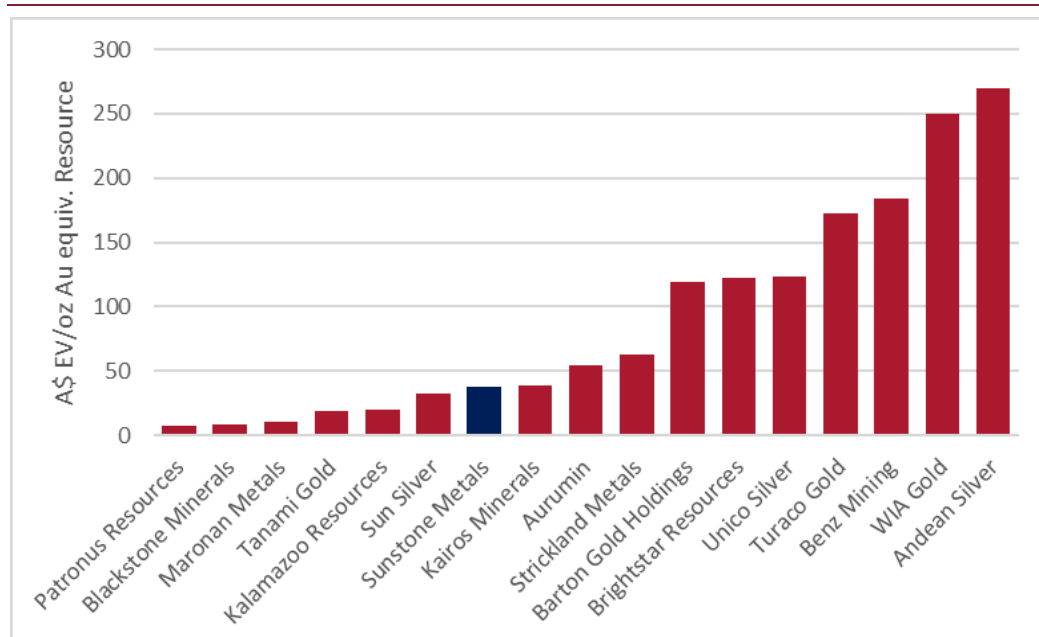
Brama NE lies outside the existing Brama-Alba resource, but within the pit modelled as part of the 2022 studies. This gives strong confidence that mineralisation in this area will be able to be incorporated into a Resource expansion once drilled.

Valuation Update: Increased to \$0.032

We update our valuation to reflect latest peer group multiples. While STM has performed strongly in recent months, it remains at a significant discount to our peer group of early stage gold and precious metals focused explorers and developers who have a resource base of at least 1Moz Au-equivalent but are yet to conclude studies. This aligns our peer group with STM's stage of development. With the strategic process ongoing, we expect this peer group multiple to represent a benchmark for valuation for those looking at the STM asset base.

With an increase in the median multiple of our peer group from 60x EV/oz to 65x EV/oz our STM value lifts modestly to 3.0c from 3.2c.

Figure 5: STM vs large-scale, early-stage gold/silver explorers and developers



Source: MST, Factset

Global majors have been active in Ecuador, with companies including Barrick, Newcrest, Codelco, Fortescue and Hancock Prospecting as well as major Chinese gold companies all acquiring exploration assets and tenements over the last two years in the areas that STM operates in. This gives us confidence that interest in the STM process will be material and a positive outcome can be expected with a conclusion to the process during 2025.

Option cash coming in

We have also updated our STM cash balance to include the A\$1.3m Sunstone has received since 1 July through exercise of 169.3m of the outstanding \$0.0075 options. With a further 340.8m of these options remaining, and the stock trading at around 2c, the options are deeply in-the-money. Exercise of the remaining options would deliver a further \$2.6m to STM.

Our valuation is summarised below.

Figure 6: STM Valuation

Attributable Resource	Moz	
Bramaderos	2.4	
El Palmar	0.9	
Total Attributable Resource (Moz Au-eq)	3.3	
Valuation Multiple (A\$ EV/oz)	65	
	A\$m	A\$ps
Project Value	212	\$0.031
Less: NPV Corporate Costs	-5.5	-\$0.001
Add: Cash from option exercise in FD shares	3.3	\$0.000
Add: Net Cash	3.9	\$0.001
Equity Valuation	213	\$0.032
Current shares outstanding (m)	6254	
Outstanding options/perf rights (m)	532	
Fully diluted shares on issue (m)	6786	

Source: MST

Catalysts

- **Strategic partnership:** The next key catalyst for Sunstone will be securing a partner for its projects. This will be an important validation step for the company and likely provide a valuation benchmark that we would expect to be well above its current market capitalisation. There has been an uplift in M&A in Ecuador over the last two years with a number of global majors active in the country, including Barrick, Newcrest, Codelco, Fortescue and Hancock Prospecting as well as major Chinese gold companies. This gives us confidence that interest in the STM assets will be material. We expect a conclusion to the process during 2025.
- **Limon maiden resource:** Once the strategic partnership process is concluded, we expect the focus to return to project development. The most immediate value accretive opportunity we see would be to establish a maiden resource at the Limon epithermal deposit. This will require additional drilling which we would expect to commence later in the year, likely enabling a resource to be in place early 2026.
- **Grow El Palmar resource:** Alongside Limon, we see growing the surface resource at El Palmar as an additional strongly value accretive opportunity for Sunstone. This is likely to be advanced later in the year once the strategic process has concluded.

Risks

- **Development risk:** All exploration and development companies face timing and cost risks as they advance projects and ultimately look to transition into production. While Sunstone's focus remains exploration, this still brings cost and timing risks, delays with project advancement will likely impact market sentiment towards the stock.
- **Environmental risks:** Ecuador is home to extensive rainforest and associated biodiversity which makes it a relatively environmentally sensitive jurisdiction. We would expect some degree of opposition to any mining project in Ecuador, however, mining companies are used to such opposition and are very capable of working in environmentally sensitive areas. Development of the projects to strict global standards such as the Equator Principles and the IFC Standards will ensure environmental management is given an elevated focus.
- **Exploration Success:** Sunstone is still at an early stage of its overall development pathway. Adding scale to the existing resource base will require ongoing success with drilling. While results to date have been very encouraging, and there is evidence of broader mineralisation and potential scale across the prospects, there is no guarantee ongoing exploration will be successful.
- **Commodity prices:** As a junior explorer, Sunstone is subject to commodity price driven volatility in its share price. Material weakness in the gold or copper price would likely have an impact on the stock.

- **Financing and strategic partnership:** In the near term, Sunstone remains reliant on equity market funding for its exploration activities. This is likely going to be addressed through the strategic partnership process, however, if there are delays or no agreeable outcome is reached, the ability to raise funds remains a risk for Sunstone as it is for all non-cash generating exploration companies.
- **Currency:** Currency movements can impact Sunstone in a number of ways. Ecuador operates with the US\$ as its national currency. Significant swings in the value of the US dollar, particularly vs Sunstone's funding currency, the A\$, will impact cash burn. However, weakness in the A\$, if US\$ commodity prices hold, would imply increased A\$ asset valuations.

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Chris Drew received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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Price and valuation as at 08 September 2025 (not covered)*

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