

08 December 2025

## \$8m raised to advance Bramaderos

### NEED TO KNOW

- STM has raised A\$8m to advance drilling and scoping studies at its Bramaderos Project in Ecuador.
- Strategic partnership process continues to progress.

**A\$8m capital raise:** STM has secured A\$8m through a share placement to institutional and sophisticated shareholders at 1.9 cents per share. The placement comprises 421.1m new shares issued at a 13.6% discount to the last closing price and an 18.8% discount to the 5-day VWAP. Funding will be used to advance the Bramaderos Scoping Study, drilling, and general working capital. This enables STM to continue to enhance the valuation proposition of its projects in parallel with working to conclude its strategic process.

**Funds to enable Scoping Studies and Resource growth:** With funding now secured, STM is in a position to undertake key work programs at the Bramaderos Project. We see the Scoping Study as a key valuation marker set to demonstrate the large-scale opportunity at Bramaderos. Initial studies will focus on the porphyry Resource, while drilling will target the Bramaderos porphyrys including the new Copete target that was recently incorporated into the Bramaderos Exploration Target. Drilling will also likely target the higher-grade near-surface Limon epithermal deposit, with an aim to bring this into the Resource base for incorporation into future studies. This will further enhance project economics through increasing early years' cash flow at the compelling large-scale, long-life opportunity at Bramaderos.

**Strategic process advances:** STM has also provided an update on its strategic process. Comments indicate that transaction documents are now drafted, and key commercial terms are being negotiated. This is an encouraging update. With its existing 4.8Moz Au equiv. total Resource and well supported JORC Exploration Targets including the near surface higher grade opportunity at Limon, the scale of the opportunity at the STM projects is attractive. The uplift in global mining M&A activity and strong current gold and copper prices provides a favourable backdrop for STM as it seeks to conclude this process. We look for a positive resolution as a key near-term catalyst for STM.

### 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 4.8Moz 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 ongoing 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: \$0.064 (previously \$0.066)

We incorporate the raising into our valuation which results in modest dilution. We use a A\$75 EV/oz multiple on the Resource (based on a peer group of pre-study +1Moz Au companies) plus a A\$10/oz valuation on the Exploration Target. Risks for STM include exploration success, commodity prices, funding, currency, environmental factors, and jurisdiction.

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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### Equity Research Australia

#### Materials

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Sunstone Metals is advancing the Bramaderos and El Palmar gold-copper projects in Ecuador. It has already established a 4.8Moz 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	<b>A\$0.064</b> (from A\$0.066)
Current price	<b>A\$0.020</b>
Market cap	<b>A\$124m</b>
Cash on hand	<b>A\$10m</b> (post raise)

### Additional Resources

[Sunstone Metals - Management Presentation](#)

### Upcoming Catalysts / Next News

Period	
H1 2026	Bramaderos Scoping Study
H1 2026	Strategic Review
2026	Maiden Resource at Limon
2026	Update El Palmar, Bramaderos MRE

### Share Price (A\$)

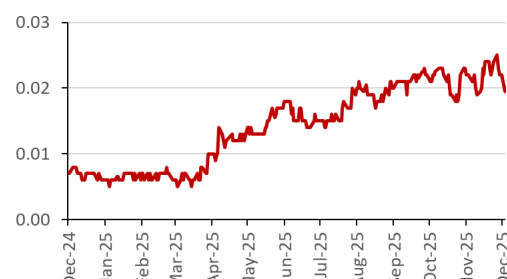


Figure 1: Sunstone Metals - Financial Summary

Sunstone Metals Ltd							STM.ASX
Year end 30 June							
MARKET DATA							
Share Price	A\$/sh	0.020					
52 week high/low	A\$/sh	0.005 - 0.026					
Valuation	A\$/sh	0.064					
Market Cap (A\$m)	A\$m	124					
Current Net Cash / (Debt) (A\$m)	A\$m	10					
Enterprise Value (A\$m)	A\$m	114					
Shares on Issue	m	6,790					
Options/Performance shares	m	540					
Other Equity	m	0					
Fully Diluted Shares on Issue	m	7,331					
12-Month Relative Performance vs S&P/ASX Metals & Mining							
INVESTMENT FUNDAMENTALS (June Y/E)							
		FY24A	FY25A	FY26E	FY27E	FY28E	
EPS Reported (undiluted)	Cps	(0.1)	0.0	(0.0)	(0.0)	(0.0)	
EPS Underlying (undiluted)	Cps	(0.1)	0.0	(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	0.02	0.02	0.02	
Price / Book	x	1.58	1.41	1.08	1.10	1.13	
Year End Shares	m	3,838	6,084	6,790	6,790	6,790	
Market Capitalisation (current)	A\$m	124	124	124	124	124	
Net Cash / (Debt)	A\$m	3	3	25	18	11	
Enterprise Value	A\$m	122	122	99	106	113	
EV/EBITDA	x	nm	nm	nm	nm	nm	
Net Debt / Enterprise Value	x	(0.0)	(0.0)	(0.3)	(0.2)	(0.1)	
Net Debt / Equity	%	-3%	-3%	-21%	-15%	-9%	
Resource	Tonnes	Au	Cu	Ag	Au-eq	Au-eq	
	Mt	g/t	%	g/t	g/t	Moz	
Bramaderos (STM 87.5%)							
Indicated	40	0.38	0.10%	1.3	0.56	0.6	
Inferred	190	0.32	0.10%	1.1	0.49	2.9	
Total (100% basis)	220	0.33	0.10%	1.2	0.50	3.6	
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	284				0.52	4.9	
Exploration Target	Tonnes	Gold	Cu	Au-eq			
	Mt	g/t	%	Moz			
Bramaderos Porphyry	315-505	0.26-0.48	0.10 - 0.12	4.1-11.2			
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			20.0 - 57.9			
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	19.4	11.0	
Stephen Stroud (NED)				14.3		8.0	
Neal O'Conner (NED)				11.4		2.5	
Lucas Welsh (CFO)				11.0	16.4	3.0	
Bruce Rohrlach (GM Geology)				23.7	25.7		
Ray Robinson (GM Studies)				24.7	26.2		
Source: STM, MST							
Profit & Loss (A\$m)							
Revenue		-	0.0	-	-	-	
Expenses		(2.3)	(2.5)	(2.4)	(2.7)	(2.7)	
EBITDA		(2.3)	(2.4)	(2.4)	(2.7)	(2.7)	
D&A		(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	
EBIT		(2.4)	(2.5)	(2.5)	(2.7)	(2.7)	
Interest		0.1	0.1	0.2	0.3	0.1	
Tax		-	-	-	-	-	
Underlying NPAT		(2.3)	(2.4)	(2.3)	(2.4)	(2.6)	
Exceptionals		-	-	-	-	-	
Reported Profit		(2.3)	(2.4)	(2.3)	(2.4)	(2.6)	
Profit before tax		(2.3)	(2.4)	(2.3)	(2.4)	(2.6)	
Balance Sheet (A\$m)							
Cash		2.7	2.7	25.2	18.1	10.7	
Receivables		0.3	0.4	0.4	0.4	0.4	
Inventory		-	-	-	-	-	
PP&E		1.6	1.6	2.0	2.4	2.8	
Exploration		81.2	90.3	95.3	100.3	105.3	
Other		0.1	0.1	0.1	0.1	0.1	
Assets		86.0	95.1	123.0	121.3	119.4	
Creditors		0.5	0.3	0.3	0.8	1.3	
Debt		-	-	-	-	-	
Leases		1.4	0.5	0.5	0.5	0.5	
Provisions		0.2	0.1	0.1	0.1	0.1	
Other		-	-	-	-	-	
Liabilities		2.1	0.9	0.9	1.4	1.9	
Net Assets		83.9	94.1	122.1	119.9	117.4	
Cashflow (A\$m)							
Net Cash From Operations		(1.5)	(3.1)	(2.3)	(2.0)	(2.0)	
Interest		0.1	0.1	0.2	0.4	0.2	
Tax		-	-	-	-	-	
Other		(0.0)	0.0	(0.0)	(0.0)	(0.0)	
Net Cash From Operations		(1.4)	(3.0)	(2.1)	(1.7)	(1.9)	
Capex		(0.7)	(0.3)	(0.5)	(0.5)	(0.5)	
Capitalised Exploration		(13.7)	(7.8)	(5.0)	(5.0)	(5.0)	
Other		-	-	20.0	-	-	
Free Cash Flow		(15.9)	(11.0)	12.4	(7.2)	(7.4)	
Equity		8.7	11.7	10.1	-	-	
Borrowings drawn/(repaid)		-	-	-	-	-	
Other		(0.5)	(0.6)	-	-	-	
Net Increase / (Decrease) in Cash		(7.6)	0.1	22.5	(7.2)	(7.4)	

## Raising \$8m to advance Bramaderos

STM has completed an A\$8m share placement, issuing 421.1m new shares at \$0.019 per share. The funds will be applied to advancing Bramaderos, including Scoping Study work and drilling. The strategic process will continue to progress alongside this work. A positive update was provided by STM, indicating that documentation is progressing as key terms are negotiated. Advancing Bramaderos will help STM demonstrate the value potential of its projects, we see this as a positive dynamic as the company works towards bringing the strategic process to a conclusion.

Funds will be applied to:

- **Scoping Study:** STM will undertake a Scoping Study at Bramaderos. This will be supported by the recent Resource upgrade that lifted the total Bramaderos Resource to 3.6Moz, including a 600koz Indicated component. The Scoping Study will be key to demonstrating the potential scale of the opportunity at STM as well as a preliminary assessment of potential project economics.
- **Bramaderos Drilling:** The JORC compliant Exploration Target at Bramaderos is 5-13Moz Au-equivalent. Additional drilling will potentially help convert components of this Exploration Target into Resource. In particular, drilling the higher grade, near surface Limon epithermal deposit could bring this into the Bramaderos Resource. We see Limon as particularly complementary to the large-scale lower grade porphyry developments at Bramaderos, through delivering higher grade early ore supporting a lift in early-years cash flow for any project development.

## Valuation: \$0.064

We continue to value Sunstone on an EV/oz base, now using a A\$75 EV/oz multiple based on a peer group of companies, (updated from our prior A\$70/oz). We have selected the peer group on the basis of companies that have a +1Moz resource but are yet to conclude studies, essentially identifying early-stage explorers with a large-scale resource, in line with Sunstone's current position.

In addition, we ascribe a A\$10/oz multiple to the low end of the Exploration Target range. We use A\$10/oz as it reflects the very bottom end of the peer group multiples. We consider this approach reflects the early stage and uncertain nature of the Exploration Target, while still capturing value for the material potential scale on offer at the STM projects.

**Figure 2: STM valuation summary**

Attributable Resource	Moz	
Bramaderos	3.2	
El Palmar	0.9	
<b>Total Attributable Resource (Moz Au-eq)</b>	<b>4.0</b>	
<b>Valuation Multiple (A\$ EV/oz)</b>	<b>75</b>	
<b>Resource Value</b>	<b>303</b>	<b>\$0.041</b>
Attributable Exploration Target (low end)	Moz	
Bramaderos	3.6	
El Palmar	11.3	
Limon Epithermal	0.8	
<b>Total Attributable Resource (Moz Au-eq)</b>	<b>15.6</b>	
<b>Valuation Multiple (A\$ EV/oz)</b>	<b>10.0</b>	
<b>Exploration Target - Value</b>	<b>156</b>	<b>\$0.021</b>
Sunstone Metals Valuation	A\$m	A\$ps
Resource Value	303	\$0.041
Exploration Target - Value	156	\$0.021
Less: NPV Corporate Costs	-5.5	-\$0.001
Add: Cash from option exercise in FD shares	2.7	\$0.000
Add: Net Cash	10.0	\$0.001
<b>Equity Valuation</b>	<b>467</b>	<b>\$0.064</b>
Current shares outstanding (m)	6790	
Outstanding options/perf rights (m)	540	
<b>Fully diluted shares on issue (m)</b>	<b>7331</b>	

Source: MST

We include the current capital raising (\$8m raised, issuance of 421.1m shares) plus we update for latest option issuance and cash received. Overall, the modest dilution offsets the slightly higher multiple now used, lowering our valuation from \$0.066 to \$0.064. As the Exploration Target transitions to Resource, and Scoping Studies are delivered, we would expect further increases to our valuation, supporting longer term upside.

In order to address future funding, our financial modelling includes a A\$20m cash inflow in FY26 reflecting an assumed cash contribution from a potential partner at the conclusion of the strategic process. This is not intended to reflect any valuation or outcomes regarding deal structure, rather that the partner will support funding exploration and development costs.

## 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.
- **Bramaderos Scoping Study:** With 600koz Au-Equiv now in the higher-confidence Indicated Resource category at Bramaderos, the company will undertake a scoping study in H1 2026 to demonstrate the development case for the near-surface porphyry deposits amenable to straightforward, low-strip-ratio open-pit mining. This will be a key catalyst demonstrating the valuation potential at this project.
- **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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Sunstone Metals Ltd (STM.AX) | Price A\$0.020 | Valuation A\$0.064;

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

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