

22 April 2026

Bramaderos comes out with a Bang

NEED TO KNOW

- **Bramaderos Scoping Study highlights low-cost, long-life project with very strong economics**
- **Key project metrics - Pre-tax NPV US\$1.4b, IRR 38%, 34mth payback at modest prices of US\$3500/oz Au, US\$5.00/lb copper.**
- **Conversion of Bramaderos Exploration Target into Resource plus Limon integration offer further upside to development pathway.**

Large-scale, long-life, low-cost: The Bramaderos Scoping Study delivers a post-tax NPV of US\$0.9b and IRR of 28% at a conservative US\$3,500/oz base case gold price, rising to US\$1.9b NPV and 50% IRR at spot prices. The study supports a 23-year, 10Mtpa open-pit operation producing 135koz AuEq pa over the first eight years at an AISC of US\$1,499/oz (LOM). The project capital cost estimate stands at US\$511m capital with a 34-month payback (dropping to only 19 months at spot). The study highlights a very attractive development prospect, with further upside still to come as the Resource grows further.

Low-cost position a highlight, underpins attractive economics: While grades at Bramaderos are modest (LOM Au-eq 0.44g/t Au), the large scale of the operation (10Mtpa), the low strip ratio (1.4x) and access to low-cost power and labour drive a particularly attractive unit cost position. AISC of US\$1,499/oz Au (net of by-product credits) positions Bramaderos to deliver elevated margins through the cycle and drives strong project returns.

Further upside as Resource evolves: We see this study as a starting point for Bramaderos. Integration of the higher-grade Limon epithermal could add an additional 100kozpa of low-cost gold to the first ten years of the operation. Conversion of the extensive Bramaderos porphyry Exploration Target into Resource could also add a further 100-150kozpa. This would push Bramaderos towards a 400kozpa operation, with even more attractive economics than what is already evident in the current Scoping Study.

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. The Bramaderos Scoping Study confirms a strong development case for this large-scale asset. Limon adds material value as either a stand-alone operation or as potential higher-grade feed to the Bramaderos porphyry development. The strategic partnership process will be a key valuation marker in our view, with STM advancing Resource development and studies while this is ongoing.

Valuation & Risks: \$2.31 (was \$1.91)

We introduce a risk weighted Bramaderos NPV into our STM valuation. We have conservatively modelled the project (15-20% higher opex and capex), and apply a 60% risk weighting. We include this risked NPV value alongside our existing EV/Oz value for Bramaderos. This lifts our valuation to \$2.31. Risks for STM include exploration success, commodity prices, funding, currencies, 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)

Report prepared by MST Access, a registered business name of MST Financial Services Limited ABN 54 617 475 180 AFSL 500 557.

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Materials

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Sunstone Metals is advancing the Bramaderos and El Palmer 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	A\$2.31 (from A\$1.91)
Current price	A\$0.40
Market cap	A\$91m
Cash on hand	A\$7.8m

Additional Resources

[Sunstone Metals - Management Presentation](#)

Upcoming Catalysts / Next News

Period	
H1 2026	Copete-Porotillo drilling
2026	Update Bramaderos Resource
2026	Strategic Review
2026	PFS commencement

Share Price (A\$)

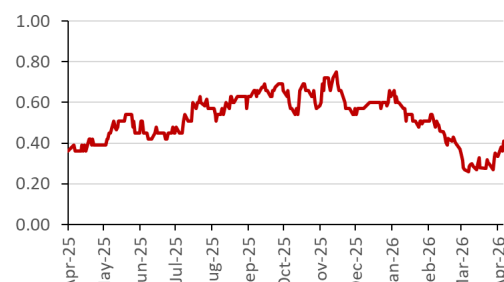


Figure 1: Sunstone Metals - Financial Summary

Sunstone Metals Ltd							STM.ASX
Year end 30 June							
MARKET DATA							
Share Price	A\$/sh	0.400					
52 week high/low	A\$/sh	0.24 - 0.78					
Valuation	A\$/sh	2.31					
Market Cap (A\$m)	A\$m	91					
Current Net Cash / (Debt) (A\$m)	A\$m	8					
Enterprise Value (A\$m)	A\$m	83					
Shares on Issue	m	226					
Options/Performance shares	m	18					
Other Equity	m	0					
Fully Diluted Shares on Issue	m	244					
INVESTMENT FUNDAMENTALS (June Y/E)							
		FY24A	FY25A	FY26E	FY27E	FY28E	
EPS Reported (undiluted)	cps	(0.1)	0.0	(1.0)	(1.1)	(1.1)	
EPS Underlying (undiluted)	cps	(0.1)	0.0	(1.0)	(1.1)	(1.1)	
DPS	cps	0.0	0.0	0.0	0.0	0.0	
FCF/Share	A\$	(0.07)	(0.05)	0.05	(0.03)	(0.03)	
Book Value / Share	A\$	0.37	0.42	0.54	0.53	0.52	
Price / Book	x	1.08	0.96	0.74	0.76	0.77	
Year End Shares	m	3,838	6,084	226	226	226	
Market Capitalisation (current)	A\$m	91	91	91	91	91	
Net Cash / (Debt)	A\$m	3	3	25	18	11	
Enterprise Value	A\$m	88	88	65	73	80	
EV/EBITDA	x	nm	nm	nm	nm	nm	
Net Debt / Enterprise Value	x	(0.0)	(0.0)	(0.4)	(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 (100%)	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)	1.7	0.4	0.0				
Patrick Duffy (MD & CEO)	1.0	0.6	0.4				
Stephen Stroud (NED)	0.5	0.0	0.3				
Neal O'Conner (NED)	0.4	0.0	0.1				
Lucas Welsh (CFO)	0.4	0.5	0.1				
Bruce Rohrlach (GM Geology)	0.8	0.9	0.0				
Ray Robinson (GM Studies)	0.8	0.9	0.0				
12-Month Relative Performance vs S&P/ASX Metals & Mining							
Profit & Loss (A\$m)							
		FY24A	FY25A	FY26E	FY27E	FY28E	
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)							
		FY24A	FY25A	FY26E	FY27E	FY28E	
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)							
		FY24A	FY25A	FY26E	FY27E	FY28E	
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)	

Source: STM, MST

Bramaderos Scoping Study confirms strong development case

The Bramaderos Scoping Study sets the stage for STM to commence the transition from explorer to developer. The strong project metrics - even at conservative commodity price assumptions - confirm the attractive development potential of Bramaderos. The project will deliver 120koz pa Au-equiv over a 23 year mine life, at a low AISC of US\$1,499/oz Au. Using a US\$3,500/oz base case gold price, the project delivers an NPV of US\$0.9b and IRR of 28%, these metrics lift to US\$1.9b and 50% at spot prices.

Beyond the metrics, this is a particularly robust scoping study, Ausenco's extensive involvement and detailed approach to process design and capital and operating costs estimation de-risks estimates relative to typical scoping study levels. We expect that the results of the study as well as the high-quality nature of the work completed will serve to further advance the ongoing partnership discussions. It also positions STM well to easily transition into a PFS as the Resource is further developed.

We consider this study as just the start for Bramaderos. Whether it is through inclusion of the Limon epithermal or expansion of the Bramaderos porphyry Resource as the Exploration Target is converted to Resource (or both), we see Bramaderos growing well beyond this initial Scoping Study design, further enhancing what are already very attractive project economics. STM continues to trade as a heavily discounted early-stage explorer, the release of this study should commence a transition to a higher-valued developer supporting significant upside in the share price in our view.

Figure 2: Bramaderos Scoping Study - Key Metrics

	Base case (US\$3,500/oz Au)	Spot case (US\$5,000/oz Au)
Post-tax NPV (7.5%)	US\$0.9b	US\$1.9b
Pre-tax NPV (7.5%)	US\$1.4b	US\$2.9b
Post-tax IRR	28%	50%
Payback period	34 months	19 months
LOM post-tax free cash flow	US\$2.4b	US\$4.6b
AISC (after by-product credits)	US\$1,499/oz	US\$1,359/oz
Breakeven gold price	US\$2,100/oz	
Mine life	23 years	
Throughput	10 Mtpa	
LOM Production	2.1Moz Au / 165kt Cu / 5.0Moz Ag	
First-8-year production	135 koz AuEq pa	
Pre-production capex	US\$511M	
LOM sustaining capex	US\$440M	
Strip ratio (LOM)	1.4	
Recoveries	85% Au / 75% Cu / 60% Ag	

Source: STM, MST

Scoping Study Highlights

Mining design: Low strip, conventional open-pit

The mine plan is a conventional open pit operation, to be contractor-mined, with a single pit staged at 23–55Mtpa of total movement to feed a 10Mtpa plant. Total mined tonnage is 220Mt of ore plus 310Mt waste for a very low LOM 1.4:1 strip ratio. This also reflects the surface outcropping that allows STM to minimise pre-strip requirements.

The mine plan has been designed to deliver the Indicated tonnes early in the mine plan (with an associated stockpiling of the Inferred material with a rehandle cost of US\$0.80/t). This is likely to be designed purely to allow for ASX release of the study (the ASX would be unlikely to allow the release of a study that relied on Inferred tonnes early in the mine plan), it would not happen in reality. We expect the mine plan to be optimised as the Indicated Resource grows over time, and we would expect this stockpiling to be removed from any final design (as well as its associated rehandle cost).

Processing and metallurgy: Ausenco engineered

The SAG + ball mill comminution circuit feeding copper flotation with a CIL gold leach on the flotation tails and cyanide detox is a typical porphyry flowsheet. Products are a gold-copper concentrate (>20% Cu as per earlier test work at Brama-Alba-Melonal) and gold-silver dore. Recoveries are estimated at 85% Au, 75% Cu and 60% Ag these are conservatively estimated sitting below earlier STM Brama-Alba metallurgical work (which reported 88% Au and >85% Cu).

Infrastructure: Power, water and logistics

Power is estimated at US\$0.095/kWh from a Build-Own-Operate (BOO) project combining compressed natural gas and renewables. This will sit alongside grid connection to Ecuador's predominantly hydroelectric network. This approach aligns with regulations requiring mining operations to generate their own power. Water is sourced from a combination of the Rio Catamayo, seasonal dam storage, and tailings thickener return water. Concentrate will be road hauled on sealed roads to either Puerto Bolivar (in Machala, 3hrs) or the Port of Guayaquil (6hrs, 250km). The Loja airstrip is 90kms away.

Figure 3: Strong regional infrastructure access



Source: STM

Operating Costs - Delivering robust margins

The mining cost of US\$2.39/t has been benchmarked against a set of 8 South American peer operations with costs that ranged from US\$1.64 to US\$2.38/t, so the rate adopted conservatively sits at the upper end of the peer group. While the strip ratio is already low, the 35degree pit slope assumption may be improved following geotechnical work for the PFS. As noted above, we expect the stockpile rehandling cost (US\$0.80/t of stockpile material moved) to be removed as the project advances.

The processing cost of US\$10.02/t has been estimated by Ausenco using STM test results to estimate reagent consumption rates and deriving the associated costs from current supplier pricing and Ausenco's database of recent South American projects. If specific testwork consumption rates were unavailable, Ausenco applied benchmark rates from similar operations. We see this as a very robust approach to estimating the processing costs for a Scoping Study, particularly given the engagement of Ausenco as a Tier 1 engineering firm.

Figure 4: Operating cost input and estimates

Cost input	Unit	Value
Mining	US\$/t mined	2.39
Stockpile rehandling	US\$/t moved	0.8
Processing	US\$/t milled	10.02
G&A	US\$Mpa	14
TC/RC	US\$/t conc, USc/lb	70/0.07
Payability - Gold and Silver	%	98.5
Payability - Copper	%	96
Conc. haulage, shipping and port handling	US\$/t	35, 85, 12
Royalties	%GrossRev	6
AISC - Au Equivalent, net of by products	US\$/oz Au equiv	1499

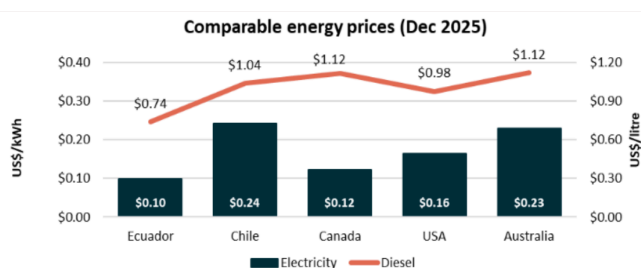
Source: STM

Figure 5: Capital Cost estimate

Item	Source	Total Capital cost (US\$M)
Mine establishment and TSF embankment	Sunstone	6
Process plant bulk earthworks	Ausenco	12
Process Plant	Ausenco	268
On-site Process Infrastructure	Ausenco	28
Total Directs		314
Temp facilities	Ausenco	12
Project Indirects	Ausenco	76
Owners Costs	Sunstone	29
Contingency	Sunstone	80
Total Indirects		197
Project Total		511

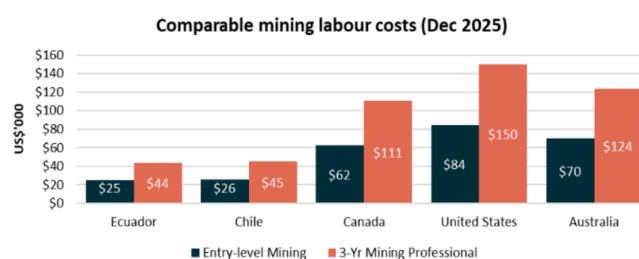
Source: STM

Figure 6: Energy price comparison



Source: STM (globalpetrolprices.com)

Figure 7: Mine labour cost comparison



Source: STM (www.eri.com/salary/job/mining-engineer)

Logistics are costed at US\$85/t shipping, US\$35/t road haulage, US\$12/t port handling, all based on the published figures for the nearby CMOC owned Cangrejos operation.

TC/RCs have been included at US\$70/t and US\$0.07/lb, again a conservative estimate based on long term figures. Current TC/RCs are negative. STM has also added a small marketing fee of US\$0.05/lb. Payabilities are standard at 98.5% for Au/Ag and 96% for Cu. Royalties sit at 6% (comprised of the 5% state royalty and a 2% NSR).

Taxation is to be negotiated with the government, but the 20% rate assumed by STM is aligned with recent in-country precedents.

STM has highlighted how the costs compare favourably against Australian equivalents. This supports further understanding of the attractive unit cost position. Specifically, STM highlights Ecuadorian mining engineer costs at one-third to one-half of Australian/Canadian levels; diesel at US\$0.74/L vs A\$1.12/L; and electricity at US\$0.10/kWh vs A\$0.23/kWh. Overall, the processing costs would be 22% higher at US\$12.89/t milled if based on Australian costs.

Capital Costs - Structural advantages deliver attractive capital intensity

The US\$511m capital cost estimate for Bramaderos was determined through a combination of engineered estimates, historical database pricing, and regional benchmarking. Ausenco was responsible for the bulk of the estimate (process plant and process related infrastructure, totalling US\$396m), STM estimated other site infrastructure plus owners costs and contingency.

Ausenco's cost estimate is a fully factored estimate based on a costed equipment list using pricing from its databases. This estimate covers the process plant, bulk earthworks, the CIL plant, tailings pumping and return water systems, process infrastructure, temporary facilities, and execution costs including EPCM (engineering, procurement, and construction management). Estimates were further benchmarked against comparable recent studies and mine builds in the broader region. These included the Santa Domingo mine in Chile, the Ausenco-designed Mina Justa mine in Peru, the Cordero Silver feasibility study in Mexico, and the nearby Cangrejos Gold Project pre-feasibility study in Ecuador. The contingency estimate of 20% is relatively low for a scoping study but supported by the detailed approach to cost estimation.

The final capital intensity of US\$51/t of annual throughput is attractively positioned against regional peers (typically US\$50-100/t) however, the project has structural advantages that support this. Outcropping mineralisation removes the need for a pre-strip and utilising existing local infrastructure, means no capital is required for dedicated airstrips, port facilities, or access roads. Design elements including the contractor mining and BOO power plant also reduce capex.

An Ausenco tick on the estimates

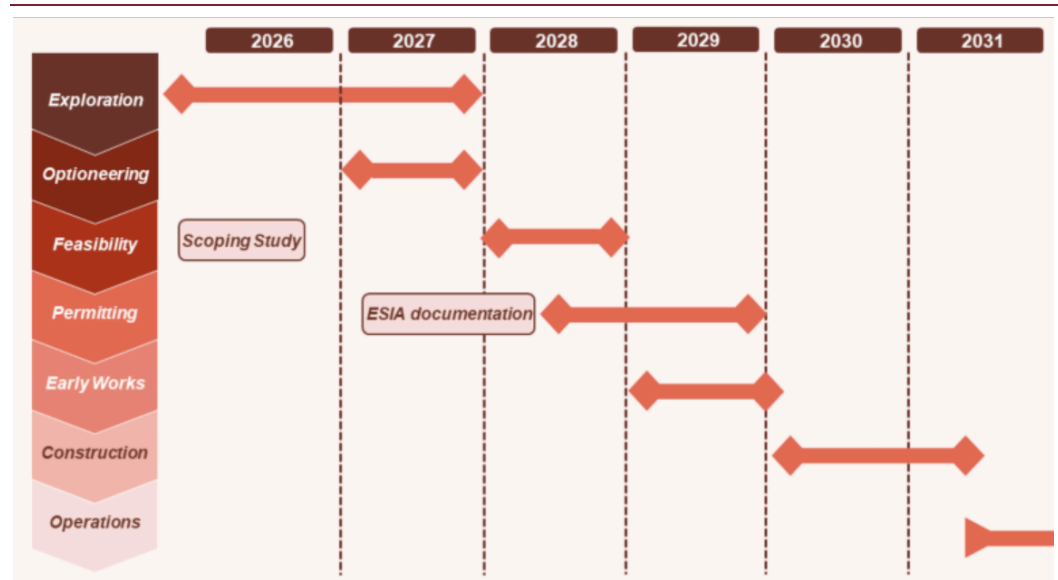
Ausenco's involvement in estimating capital and operating costs is an important quality signal for this study. As a Tier 1 processing engineer (currently also engaged on Solaris Resources feasibility for the 5.8Bt Warintza Project in Ecuador) we see its involvement as de-risking the cost estimates relative to typical scoping study level figures.

Next Steps

Following completion of this Scoping Study, STM will now undertake option studies on aspects such as power supply, it will also conduct additional metallurgical test work, broadening what has been completed to date to refine and optimise assumptions for PFS work.

Exploration activity will continue with drilling programs targeting conversion of the Exploration Target into Resource as well as upgrading the Inferred Resource into Indicated. Despite the scale of Bramaderos, given the homogenous nature of porphyry deposits, the drilling required to convert the Inferred resource into Indicated is not expected to be excessive. This work will support an updated MRE likely later in the year that will then underpin commencement of a PFS.

Figure 8: Project Development Timeline



Source: STM

Bramaderos - A Favourable Project Setting

Bramaderos sits in the Paltas district of Loja Province, southern Ecuador, 69km WSW of the provincial capital Loja. The project is 87.5% Sunstone-owned (SolGold 12.5% loan-carried to production). Infrastructure is good: the Pan-American Highway crosses the tenements; Puerto Bolivar (Machala) is three-hours away along a sealed road, Loja Airport is 90 minutes away. The site sits at a low ~900m elevation in a semi-arid climate, avoiding the paramo ecosystem and high-altitude water-resource sensitivities that add complexity for mining developments. With limited alternative local employment sources and a local environment that is not well suited for agriculture (limited rainfall concentrated over a brief period each year), local community support for the project is described by STM as strong.

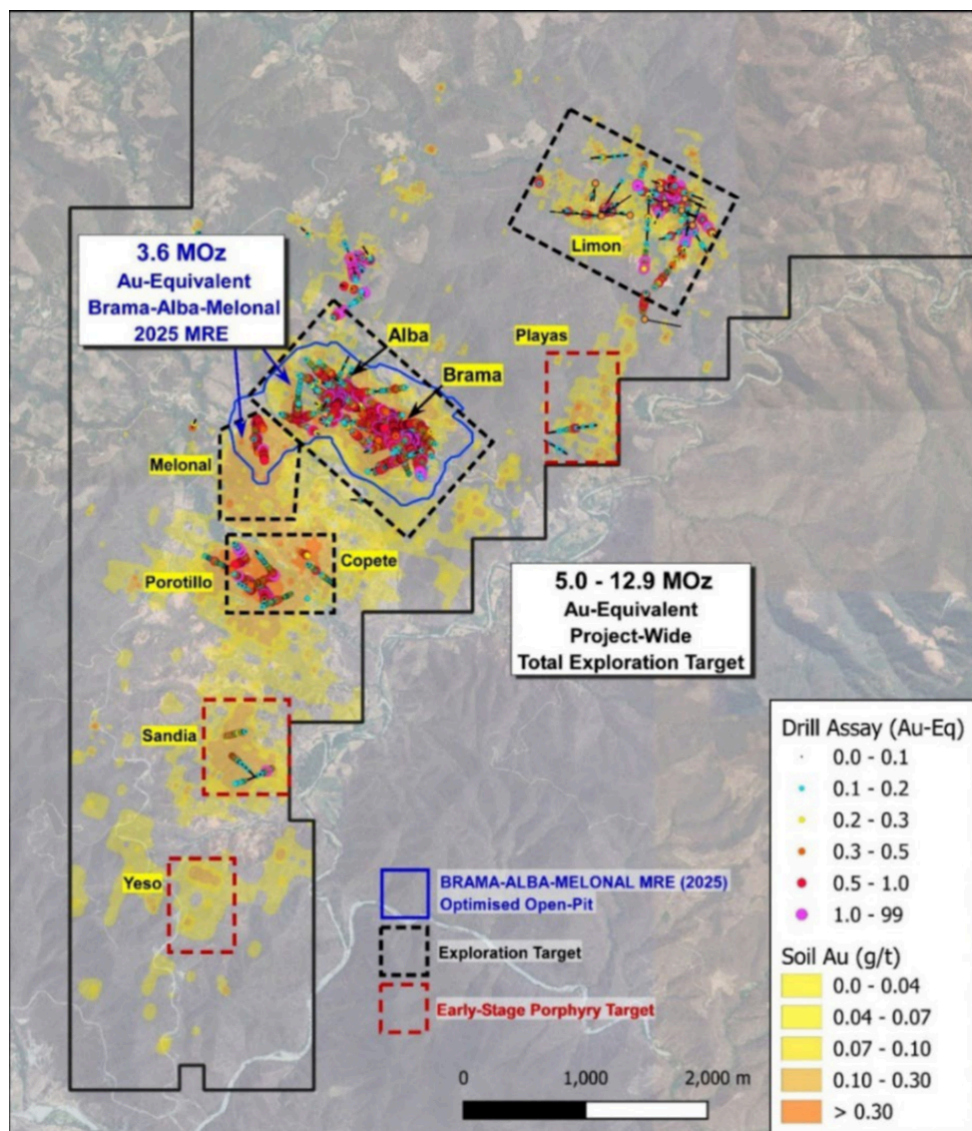
Figure 9: Bramaderos Resource

	Tonnes Mt	Au g/t	Cu %	Ag g/t	Au-Eq g/t	Au Moz	Cu kt	Ag Moz	Au-Eq Moz
Indicated	9	0.38	0.09	1.1	0.53	0.1	8	0.3	0.2
Inferred	147	0.35	0.11	1.3	0.53	1.7	161	6.2	2.5
Total	156	0.35	0.11	1.3	0.53	1.8	169	6.5	2.7

Source: STM, MST

Bramaderos is a cluster of five interconnected porphyry systems outcropping at surface (Brama-Alba, Melonal, Copete, Porotillo) plus the Limon epithermal vein system. Surface exposure and shallow depth to mineralisation translate directly into minimal pre-strip and a favourable strip ratio, supporting the projects low capital intensity.

Figure 10: Bramaderos Project Area - Brama-Alba-Melonal Resource plus Exploration Targets



Source: STM

The current Bramaderos Mineral Resource of 3.6Moz Au-Eq covers the Brama-Alba-Melonal systems only. The potential upside to this Resource is highlighted by the material JORC compliant Exploration Target totalling an additional 5.0-12.9Moz Au-Eq.

Figure 11: Bramaderos Exploration Target

Exploration Target	Tonnes		Gold		Cu		Gold equiv		Contained Au -equiv	
	Min Mt	Max Mt	Min g/t	Max g/t	Min %	Max %	Min g/t	Max g/t	Min Moz	Max Moz
Brama-Alba/Melonal/Limon	180	325	0.26	0.54	0.10	0.12	0.41	0.74	2.4	7.7
New Copete-Porotillo	135	180	0.25	0.40	0.10	0.12	0.40	0.60	1.7	3.5
Total	315	505	0.26	0.48	0.10	0.12	0.41	0.68	4.1	11.2
Limon Epithermal	30	44	0.80	1.10			0.90	1.20	0.9	1.7
Bramaderos Total	345	549	0.30	0.54	0.09	0.11	0.45	0.73	5.0	12.9

Source: STM, MST

Valuation: \$2.31 (previously \$1.91)

Following the release of this scoping study we have revised our STM valuation methodology. We now incorporate a risk weighted project NPV into our Bramaderos valuation. We model Bramaderos largely aligned with the Scoping Study parameters in terms of production and mine life, however, we adopt more conservative operating and capital cost assumptions (+15-20%). Our commodity price forecasts match the Scoping Study (US\$3500/oz Au and US\$5.00/lb copper). On this basis, we estimate an NPV of A\$983m for Bramaderos, we risk weight this by assuming 40% of the NPV in our valuation, reflecting its early stage and unfunded nature. We then estimate our Bramaderos value by taking our existing EV/oz value and our new NPV value and weighting them each by 50%.

Our EV/oz valuation adopts a A\$85 EV/oz multiple based on a peer group of companies. We have selected the peer group on the basis of companies that have a +1Moz Resource but are yet to conclude feasibility studies, essentially identifying early-stage explorers with a large-scale Resource, in line with STM'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 bottom end of the peer group multiple range. 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. As the Exploration Target transitions to Resource, and further studies are delivered, we would expect further increases to our valuation, supporting longer term upside.

On this basis our valuation lifts from \$1.91 to \$2.31.

Figure 12: STM valuation summary

Project Value	Moz	A\$ps
Bramaderos	3.2	
Valuation Multiple (A\$ EV/oz)	85	
Bramaderos Resource Multiple Value	268	\$1.10
Bramaderos NPV (ASM)	983	
Risk Weighting	40%	
Bramaderos Risk Weighted NPV	393	\$1.61
Bramaderos valuation (50% EV/oz, 50% NPV)	330	\$1.35
EI Palmar - Attributable Resource	0.9	
Valuation Multiple (A\$ EV/oz)	85	
EI Palmar Value	76	\$0.31
Attributable Exploration Target Value (low end)	Moz	A\$ps
Bramaderos	3.6	
EI Palmar	11.3	
Limon Epithermal	0.8	
Total Attributable Exploration Target (Moz Au-eq)	15.6	
Valuation Multiple (A\$ EV/oz)	10.0	
Exploration Target - Value	156	\$0.64
Sunstone Metals Valuation	A\$m	A\$ps
Bramaderos + EI Palmar Value	406	\$1.66
Exploration Target Value	156	\$0.64
Less: NPV Corporate Costs	-9.3	-\$0.04
Add: Cash from option exercise in FD shares	2.7	\$0.01
Add: Net Cash	7.8	\$0.03
Equity Valuation	564	\$2.31
Current shares outstanding (m)	226	
Outstanding options/perf rights (m)	18	
Fully diluted shares on issue (m)	244	

Source: MST

In order to address future funding, our financial modelling includes a A\$20m cash inflow in 2026 reflecting an assumed cash contribution from a potential partner at the conclusion of the strategic process as part of any deal structure. 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:** Sunstone is seeking to 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.
- **Bramaderos Drilling and Resource updates:** STM is drilling the Copete-Porotillo target areas at Bramaderos over H1 2026. Positive results here would be highly likely to ultimately support conversion of the Exploration Target over these areas into Resource, further boosting the scale of the opportunity in Ecuador.
- **Bramaderos Feasibility Study:** With the Scoping Study now complete, the next major phase of study work for Bramaderos will be its Pre-Feasibility Study. STM intends to complete several work programs ahead of commencing this, including an updated MRE targeting a boost in Indicated tonnes. This positions the company for a likely PFS start later in 2026.
- **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\$0.40 | Valuation A\$2.31;

Price and valuation as at 22 April 2026 (not covered)*

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