

Sunstone Metals Ltd (STM)

Rating: Buy | Risk: High | Price Target: \$2.10

1 May 2026

March Quarter 2026 – Bramaderos Scoping Study Confirms World-Class Project

Key Information

Current Price (\$ps)	0.38
12m Target Price (\$ps)	2.10
52 Week Range (\$ps)	0.26 - 0.75
Target Price Upside (%)	452.6%
TSR (%)	452.6%
Reporting Currency	AUD
Market Cap (\$m)	86
Sector	Materials
Avg Daily Volume (m)	0.4
ASX 200 Weight (%)	0%

Fundamentals

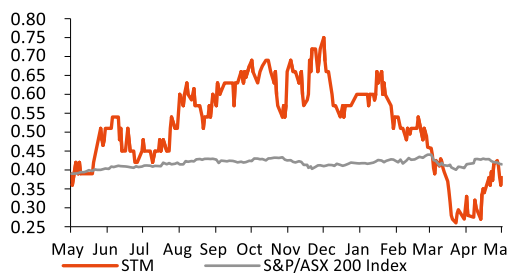
YE 30 Jun (AUD)	FY25A	FY26E	FY27E	FY28E
Sales (\$m)	0	0	0	0
NPAT (\$m)	(2)	(2)	(2)	(2)
EPS (cps)	(0.1)	(1.2)	(0.9)	(0.9)
EPS Growth (%)	15.7%	nm	18.5%	9.1%
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	0%

Ratios

YE 30 Jun	FY25A	FY26E	FY27E	FY28E
P/E (x)	nm	(32.7)	(40.2)	(44.2)
EV/EBITDA (x)	(31.9)	(31.9)	(31.9)	(31.9)
Div Yield (%)	0.0%	0.0%	0.0%	0.0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%

Price Performance

YE 30 Jun	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	15.3%	(11.6%)	(27.3%)	(9.0%)
Absolute (%)	15.2%	(17.4%)	(29.6%)	(2.6%)
Benchmark (%)	(0.1%)	(5.8%)	(2.3%)	6.4%



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Event

Sunstone Metals reported March quarter results. Sunstone is advancing two world-class gold-copper projects in Ecuador, with the recently released Bramaderos Scoping Study delivering a post-tax NPV of US\$0.9bn and 28% IRR at a base case gold price of US\$3,500/oz. This is based on a resource that has substantial room to grow from here.

Highlights

- Bramaderos Scoping Study** Released post-quarter end, the Scoping Study demonstrated that Bramaderos is an outstanding project, supporting continued investment and development. The study delivered a post-tax NPV of US\$0.9bn and a post-tax IRR of 28% at a base case gold price of US\$3,500/oz, with a 34-month capital payback period. This rose to a post-tax NPV of US\$1.9bn and 50% IRR at a US\$5,000/oz gold price. Known mineralisation already extends well beyond the boundaries used in the study.
- Bramaderos To Grow Substantially** Bramaderos hosts a Mineral Resource Estimate of 3.6moz AuEq, confined to the Brama-Alba-Melonado porphyry deposits in Southern Ecuador. Beyond this, the project carries a combined Exploration Target of 5-13moz AuEq in addition to the MRE, highlighting substantial upside. This means the Scoping Study results are based on a resource with clear potential to grow substantially.
- Strong Exploration Results at Copete & Porotillo** Drilling commenced at the Copete-Porotillo complex, which hosts an Exploration Target of 1.7–3.5Moz AuEq. Surface trenching at Porotillo returned a 462m intersection at 0.55g/t AuEq. The first two drill holes at Copete confirmed that surface grades extend consistently to depth, meaning substantial mineralisation volumes are expected to be defined as drilling continues through the June quarter.
- El Palmar Blue Sky Potential** The El Palmar project in northern Ecuador represents Sunstone's blue-sky. Located on the same prolific Toachi fault system as the world-class Cascabel and Llorimagua deposits, El Palmar already hosts a maiden resource of 1.2moz AuEq and a massive exploration target of 15-45moz. Sunstone's strategy at El Palmar involves methodical drilling to test the vertical extent of known mineralisation, which remains open at depth, mimicking the scale of the region's largest copper-gold porphyries.
- Corporate Discussions Ongoing** Sunstone continues to engage with potential strategic partners to accelerate its projects. A corporate advisor has been appointed which has refreshed and expanded these conversations. The current environment, characterised by high levels of M&A in Ecuador and record gold prices, is surely the perfect backdrop to conclude a transaction that reflects the true value of Sunstone's current and potential resource base.
- Gold Price Strength to Continue** The Gold price has experienced a frenetic start to 2026. USD Gold briefly touched \$5,600/oz in January before consolidating around current levels yet remains up 5% year-to-date. The fundamental drivers of 2025's gold price rally, including interest rate cuts, unsustainable US debt and global central banks diversifying holdings away from US Treasuries, have been enhanced by the war in Iran. Shaw and Partners lifted our gold price forecasts by 53.8% to US\$6,000/oz in 2026 during the March quarter.

Recommendation

Sunstone Metal's Ecuadorian assets have potential to be a world class, tier 1 production hub. We maintain our Buy recommendation and \$2.10 price target on Sunstone Metals. Our price target is based on peer group multiples that highlight Sunstone is significantly undervalued vs ASX-listed base metal explorers.

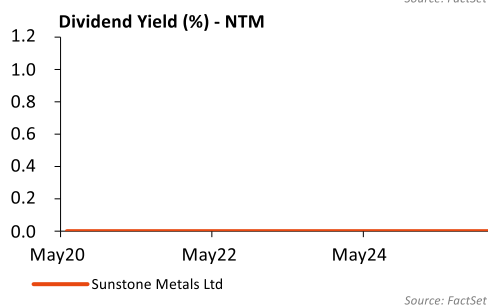
Sunstone Metals Ltd
Materials
Materials

FactSet: STM-AU / Bloomberg: STM AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	0.38
Target Price (\$ps)	2.10
52 Week Range (\$ps)	0.26 - 0.75
Shares on Issue (m)	226
Market Cap (\$m)	86
Enterprise Value (\$m)	76
TSR (%)	452.6%

Company Description

Sunstone Metals is developing two major gold-copper projects in Ecuador: Bramaderos and El Palmar. Both porphyry projects have the potential to evolve into multi-decade gold-copper mining centres.



Financial Year End: 30 June

Investment Summary (AUD)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS (Reported) (cps)	(0.1)	(0.1)	(1.2)	(0.9)	(0.9)
EPS (Underlying) (cps)	(0.1)	(0.1)	(1.2)	(0.9)	(0.9)
EPS (Underlying) Growth (%)	15.0%	15.7%	nm	18.5%	9.1%
PE (Underlying) (x)	nm	nm	(32.7)	(40.2)	(44.2)
EV / EBIT (x)	(33.0)	(31.5)	(31.9)	(31.9)	(31.9)
EV / EBITDA (x)	(34.2)	(31.9)	(31.9)	(31.9)	(31.9)
DPS (cps) (AUD)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)	0%	0%	0%	0%	0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Free Cash Flow Yield (%)	(0.2%)	(0.2%)	(3.1%)	(2.4%)	(2.2%)
Profit and Loss (AUD) (m)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	0	0	0	0	0
Other Operating Income	0	0	0	0	0
EBITDA	(2)	(2)	(2)	(2)	(2)
EBITDA Margin (%)	nm	nm	nm	nm	nm
Depreciation & Amortisation	(0)	0	0	0	0
EBIT	(2.3)	(2.4)	(2.4)	(2.4)	(2.4)
EBIT Margin (%)	nm	nm	nm	nm	nm
Net Interest	0	0	0	0	0
Pretax Profit	(2)	(2)	(2)	(2)	(2)
Minorities	0	0	0	0	0
NPAT Underlying	(2)	(2)	(2)	(2)	(2)
Significant Items	0	0	0	0	0
NPAT Reported	(2)	(2)	(2)	(2)	(2)
Cashflow (AUD) (m)	FY24A	FY25A	FY26E	FY27E	FY28E
EBIT	(2)	(2)	(2)	(2)	(2)
Tax Paid	0	0	0	0	0
Net Interest	0	0	0	0	0
Change in Working Capital	0	0	(0)	0	0
Depreciation & Amortisation	0	0	0	0	0
Other	1	(1)	0	0	0
Operating Cashflow	(1)	(3)	(2)	(2)	(2)
Capex	(1)	(0)	0	0	0
Acquisitions and Investments	0	0	0	0	0
Disposal of Fixed Assets/Investments	0	0	0	0	0
Other	(14)	(8)	(3)	(3)	(3)
Investing Cashflow	(14)	(8)	(3)	(3)	(3)
Free Cashflow	(2)	(3)	(2)	(2)	(2)
Equity Raised / Bought Back	8	11	8	8	8
Dividends Paid	0	0	0	0	0
Change in Debt	0	0	0	0	0
Other	0	0	0	0	0
Financing Cashflow	8	11	8	8	8
Exchange Rate Effect	0	(0)	0	0	0
Net Change in Cash	(8)	0	3	3	3
Balance Sheet (AUD) (m)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	3	3	5	8	11
Accounts Receivable	0	0	0	0	0
Other Current Assets	0	0	0	0	0
PPE	2	2	2	2	2
Total Assets	86	95	101	107	112
Accounts Payable	1	0	0	0	0
Long Term Debt	0	0	0	0	0
Total Liabilities	2	1	1	1	1
Total Shareholder Equity	84	94	100	106	112
Ratios	FY24A	FY25A	FY26E	FY27E	FY28E
ROE (%)	(2.7%)	(2.7%)	(2.4%)	(2.2%)	(2.0%)
Price to Book (x)	12.3	24.0	0.9	0.9	0.9

Key risks

- Commodity price and exchange rate fluctuations. Future earnings of Sunstone Metals are subject to fluctuations in commodity prices and foreign currency exchange rates.
- Operating and capital cost fluctuations. Markets for exploration, project development and processing inputs can fluctuate and cause significant differences in actual costs vs expected costs.
- Resource growth and project life extensions. Future earnings forecasts may rely on uncertain Resource and Reserve growth to extend mine lives.
- Environmental risks. Resource companies are subject to risks associated with environmental degradation as a result of their exploration, development and production activities.

Core drivers and catalyst

- Sunstone revealed in recent quarterly reports that several parties are in the data room and several structures are being explored such as corporate-level transactions, project-level earn ins, and combinations with nearer-term development assets.
- The Gold price has risen substantially over the past 12mths and share prices of the largest listed gold miners have risen strongly. These share price gains are yet to be reflected in the junior end of the mining complex.
- The Limon deposit within Bramaderos presents as a high-grade gold-silver opportunity.
- The Limon Porphyry discovery reinforces the concept of multiple high grade gold-copper porphyry systems and gold-silver epithermal systems within the 50km² Bramaderos concession and significant future resource growth.

Rating Classification

Buy	Expected to outperform the overall market
Hold	Expected to perform in line with the overall market
Sell	Expected to underperform the overall market
Not Rated	Shaw has issued a factual note on the company but does not have a recommendation

Risk Rating

High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market

RISK STATEMENT: Where a company is designated as ‘High’ risk, this means that the analyst has determined that the risk profile for this company is significantly higher than for the market as a whole, and so may not suit all investors. Clients should make an assessment as to whether this stock and its potential price volatility is compatible with their financial objectives. Clients should discuss this stock with their Shaw adviser before making any investment decision.

Distribution of Investment Ratings

Rating	Count	Recommendation Universe
Buy	74	90%
Hold	7	9%
Sell	1	1%

History of Investment Rating and Target Price - Sunstone Metals Ltd



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