Sunstone Metals Ltd (STM)

Rating: Buy | Risk: High | Price Target: $1.40

13 July 2026

$10m Raise Welcomes DGR Global to the Sunstone Register

Key Information

Current Price ($ps)	0.20
12m Target Price ($ps)	1.40
52 Week Range ($ps)	0.17 - 0.75
Target Price Upside (%)	600.0%
TSR (%)	600.0%
Reporting Currency	AUD
Market Cap ($m)	57
Sector	Materials
Avg Daily Volume (m)	0.9
ASX 200 Weight (%)	0%

Fundamentals

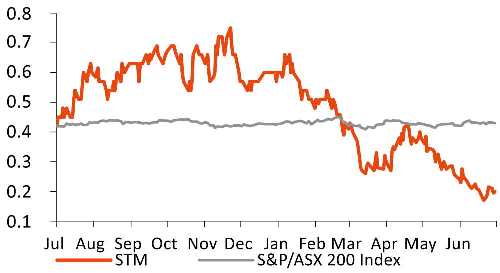
YE 30 Jun (AUD)	FY25A	FY26E	FY27E	FY28E
Sales ($m)	0	0	0	0
NPAT ($m)	(2)	(2)	(2)	(2)
EPS (cps)	(0.1)	(1.0)	(0.8)	(0.7)
EPS Growth (%)	15.7%	nm	22.3%	14.0%
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	0%

Ratios

YE 30 Jun	FY25A	FY26E	FY27E	FY28E
P/E (x)	nm	(19.8)	(25.4)	(29.6)
EV/EBITDA (x)	(19.6)	(19.6)	(19.6)	(19.6)
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 (%)	(18.5%)	(47.6%)	(31.0%)	(55.0%)
Absolute (%)	(16.7%)	(47.4%)	(33.3%)	(52.4%)
Benchmark (%)	1.8%	0.2%	(2.3%)	2.6%



Price performance indexed to 100 *Source: FactSet*

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Event

Sunstone Metals has raised $10m to fund key work programs including ongoing drilling at Bramaderos that will underpin a resource upgrade from the current 3.6moz AuEq. The defining feature of the raise is the cornerstone participation of DGR Global (DGR.ASX, Not Rated), which subscribed for $5m to secure a 10% shareholding in STM and a board seat. DGR is a specialist resource incubator and a meaningful third-party endorsement of the STM investment thesis.

Highlights

- Sunstone Metals has raised $10m at $0.175 per share to take pro-forma cash on balance sheet to $13m.
- Funds raised will be deployed across 4 priorities: accelerating drilling at Bramaderos and El Palmar, metallurgical test work and a resource upgrade at Bramaderos, lifting the economic interest in El Palmar from 74.5% to 82.6%, and general working capital. The strengthened balance sheet will fund the FY26/27 drill programme at both Ecuadorian assets without the need for further dilutive capital.
- The defining feature of the raise is the cornerstone participation of DGR Global at $5m for a 10% shareholding in STM and the right to nominate a board director. DGR is a specialist resource incubator led by Nick Mather, whose track record includes founding and building London-listed SolGold plc, itself built around Cascabel, a major Ecuadorian copper-gold porphyry on the same structural trend as El Palmar.
- Mather framed DGR's investment around the Toachi Fault trend that hosts both Cascabel and El Palmar. For Sunstone, a cornerstone technical investor of this pedigree is a meaningful third-party endorsement of the geological thesis and should help underwrite future institutional demand.
- Bramaderos, in Loja Province in southern Ecuador, is a cluster of five outcropping gold-copper porphyry systems: Brama, Alba, Melonal, Copete and Porotillo, hosting an existing JORC Mineral Resource of 3.6moz Au-Eq. A 5,000m, 26-hole program at the adjacent Copete-Porotillo complex earlier this year returned mineralised intercepts in every assayed hole including 200m at 0.62g/t AuEq and 151m at 0.54g/t AuEq from surface. Management are targeting conversion of a meaningful portion of the 1.7-3.5moz AuEq exploration target in a resource update later in 2026.
- El Palmar sits on the Toachi Fault trend in northern Ecuador, with a substantially larger but earlier-stage Exploration Target of 15-45moz Au-Eq. Proceeds will fund drilling with the express intent of increasing the copper weighting of that target. This is relevant given the read-through to broader porphyry copper sentiment and the scale needed to attract a major or mid-tier partner.
- The raise lands against an extremely supportive backdrop for both metals in STM's portfolio: gold has remained well bid through 2026 on continued central bank buying and safe-haven demand, while copper markets have been increasingly focused on structural supply-side tightness and the demand-pull from electrification.
- Next steps include a Bramaderos Mineral Resource upgrade in 2HCY26 and the resumption of drilling at El Palmar.

Recommendation

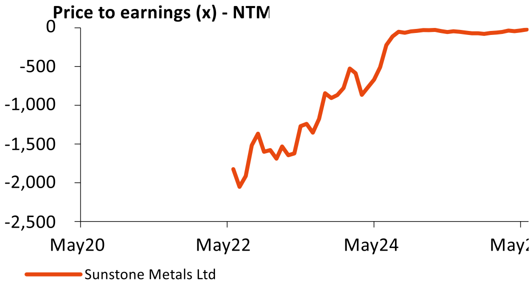
Sunstone Metal's Ecuadorian assets have potential to be a world class, tier 1 production hub. We maintain our Buy recommendation and reduce our price target from $2.10 to $1.40 as a result of dilution from the raise and trading multiples in the peer group.

Sunstone Metals Ltd
Materials
Materials
FactSet: STM-AU / Bloomberg: STM AU

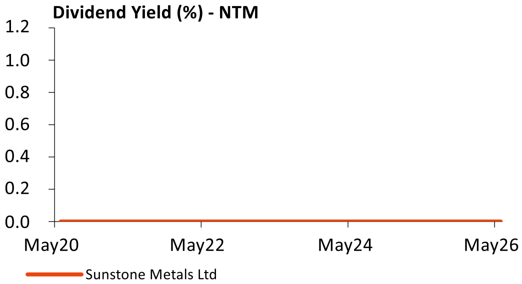
Key Items	Data
Recommendation	BUY
Risk	HIGH
Price ($ps)	0.20
Target Price ($ps)	1.40
52 Week Range ($ps)	0.17 - 0.75
Shares on Issue (m)	284
Market Cap ($m)	57
Enterprise Value ($m)	46
TSR (%)	600.0%

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.



Source: FactSet



Source: FactSet

Financial Year End: 30 June

Investment Summary (AUD)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS (Reported) (cps)	**(0.1)**	**(0.1)**	**(1.0)**	**(0.8)**	**(0.7)**
EPS (Underlying) (cps)	**(0.1)**	**(0.1)**	**(1.0)**	**(0.8)**	**(0.7)**
EPS (Underlying) Growth (%)	15.0%	15.7%	nm	22.3%	14.0%
PE (Underlying) (x)	**nm**	**nm**	**(19.8)**	**(25.4)**	**(29.6)**
EV / EBIT (x)	**(20.3)**	**(19.3)**	**(19.6)**	**(19.6)**	**(19.6)**
EV / EBITDA (x)	**(21.0)**	**(19.6)**	**(19.6)**	**(19.6)**	**(19.6)**
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%)	(5.2%)	(3.9%)	(3.3%)

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)	(8)	(8)	(8)
Investing Cashflow	**(14)**	**(8)**	**(8)**	**(8)**	**(8)**
Free Cashflow	**(2)**	**(3)**	**(2)**	**(2)**	**(2)**
Equity Raised / Bought Back	8	11	18	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**	**18**	**8**	**8**
Exchange Rate Effect	0	(0)	0	0	0
Net Change in Cash	**(8)**	**0**	**8**	**(2)**	**(2)**

Balance Sheet (AUD) (m)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	3	3	3	10	8
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**	**111**	**116**	**122**
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**	**110**	**116**	**122**

Ratios	FY24A	FY25A	FY26E	FY27E	FY28E
ROE (%)	(2.7%)	(2.7%)	(2.3%)	(2.0%)	(1.7%)
Price to Book (x)	12.3	24.0	0.5	0.5	0.5

Sunstone Metals Financial Summary

Profit & Loss ($m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	0.0	0.0	0.0	0.0	0.0
Expenses	-2.2	-2.4	-2.4	-2.4	-2.4
Underlying EBITDA	**-2.2**	**-2.4**	**-2.4**	**-2.4**	**-2.4**
Depreciation & Amort	-0.1	0.0	0.0	0.0	0.0
Underlying EBIT	**-2.3**	**-2.4**	**-2.4**	**-2.4**	**-2.4**
Net Interest	0.1	0.1	0.1	0.1	0.3
Profit Before Tax	**-2.2**	**-2.3**	**-2.3**	**-2.3**	**-2.1**
Tax	0.0	0.0	0.0	0.0	0.0
NPAT (Underlying)	**-2.2**	**-2.3**	**-2.3**	**-2.3**	**-2.1**
Exceptional items	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	**-2.2**	**-2.3**	-2.3	-2.3	-2.1
Minorities	0.0	0.0	0.0	0.0	0.0
Attributable NPAT	**-2.2**	**-2.3**	**-2.3**	**-2.3**	**-2.1**

Balance Sheet ($m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	2.7	2.7	2.6	10.3	8.0
Net Receivables	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.5	0.5	0.5	0.5
Current Assets	**3.1**	**3.2**	**3.1**	**10.8**	**8.5**
Property, Plant & Equipment	1.6	1.6	1.6	1.6	1.6
Other	81.2	90.3	106.1	104.1	112.3
Non Current Assets	**82.9**	**91.9**	**107.6**	**105.7**	**113.9**
Total Assets	**86.0**	**95.1**	**110.7**	**116.4**	**122.4**
Trade Creditors	0.5	0.3	0.3	0.3	0.3
Other	1.4	0.5	0.5	0.5	0.5
Current Liabilities	**1.9**	**0.8**	**0.8**	**0.8**	**0.8**
Borrow ings	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.1	0.1	0.1	0.1
Non Current Liabilities	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**
Net Assets	**83.9**	**94.1**	**109.8**	**115.6**	**121.5**
Shareholder Capital	131.3	142.4	160.4	168.4	176.4
Retained earnings	-55.1	-57.5	-59.8	-62.1	-64.1
Minorities/others	7.7	9.3	9.3	9.3	9.3
Total Equity	**83.9**	**94.1**	**109.8**	**115.6**	**121.5**

Cash Flow ($m)	FY24	FY25	FY26F	FY27F	FY28F
Receipts	0.0	0.0	0.0	0.0	0.0
Payments	-1.5	-3.1	-2.4	-2.4	-2.4
Other Operating Cash Flow	0.1	0.1	0.0	0.1	0.4
Operating Cash Flow	**-1.4**	**-3.0**	**-2.3**	**-2.2**	**-2.0**
Capex	-0.7	-0.3	0.0	0.0	0.0
Other Investing Cash Flow	-13.7	-7.8	-8.0	-8.0	-8.0
Investing Cash Flow	**-14.5**	**-8.0**	**-8.0**	**-8.0**	**-8.0**
Net Equity raised	8.3	11.1	18.0	8.0	8.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Net Borrow ings	0.0	0.0	0.0	0.0	0.0
Financing Cash flow	**8.2**	**11.1**	**18.0**	**8.0**	**8.0**

Company Information	
Financial Year End Date	30-Jun
Share Price ($)	$0.20
Market Capitalisation ($m)	57
Valuation ($)	$1.40
Recommendation	Buy

Per Share Data (c)	FY24	FY25	FY26F	FY27F	FY28F
Shares (m)	3,838	5,017	284	297	311
Normalised EPS	-0.1	-0.1	-1.0	-0.8	-0.7
Dividends	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0
Book Value	0.0	0.0	0.4	0.4	0.4
P/E (x)	-15.9	-37.8	-2.0	-2.5	-3.0
EV/EBITDA (x)	-4.7	-4.3	-4.3	-4.3	-4.3

Target price calculation	
AuEq Resource (moz)	4.8
Resource target (moz)	7.2
Target EV ($m)	305
Target mkt cap ($m)	318
Target share price	$1.40

Assumptions	FY24	FY25	FY26F	FY27F	FY28F
Exchange Rate					
AUD/USD	0.66	0.65	0.68	0.73	0.78
Prices					
Copper (USD/lb)	3.98	4.23	5.45	6.38	6.65
Gold (USD/oz)	2,078	2,843	4,159	5,250	5,750

Operating Metrics	FY24	FY25	FY26F	FY27F	FY28F
Ore processed (ktpa)	0.00	0.00	0.00	0.00	0.00
Grade of mill feed					
- Gold (g/t)	0.00	0.00	0.00	0.00	0.00
- Copper (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Average price ($/t)	0.00	0.00	0.00	0.00	0.00
Average cost ($/t)	0.00	0.00	0.00	0.00	0.00
Average margin ($/t)	0.00	0.00	0.00	0.00	0.00

Financial metrics (%)	FY24	FY25	FY26F	FY27F	FY28F
EBITDA margin	0.00%	0.00%	0.00%	0.00%	0.00%
EBIT margin	0.00%	0.00%	0.00%	0.00%	0.00%
ROIC	0.00%	0.00%	0.00%	0.00%	0.00%
Return on Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Return on Equity	0.00%	0.00%	0.00%	0.00%	0.00%

Balance sheet metrics	FY24	FY25	FY26F	FY27F	FY28F
Net Debt (m)	-2.7	-2.7	-2.6	-10.3	-8.0
ND / ND+E	0.0%	0.0%	0.0%	0.0%	0.0%

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

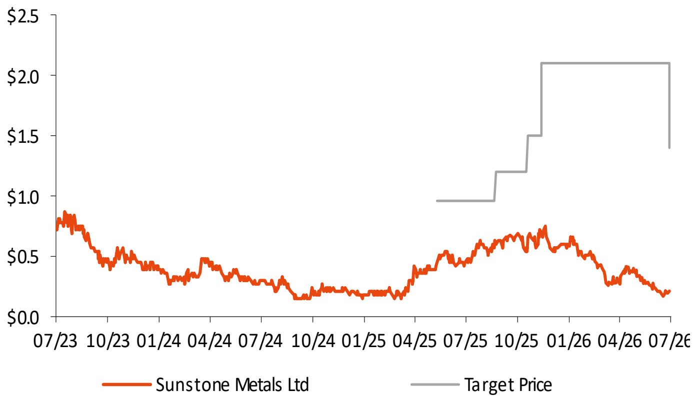
RISK STATEMENT: Where a company is designated as 'High' risk, this means that the analyst has determined that the risk profile for this company is significantly higher than for the market as a whole, and so may not suit all investors. Clients should make an assessment as to whether this stock and its 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	79	90%
Hold	8	9%
Sell	1	1%

History of Investment Rating and Target Price - Sunstone Metals Ltd

Date	Closing Price ($)	Target Price ($)	Rating
10-Jul-26	0.21	1.40	Buy
24-Nov-25	0.72	2.10	Buy
31-Oct-25	0.66	1.50	Buy
4-Sep-25	0.60	1.20	Buy
22-May-25	0.45	0.96	Buy



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