

20 January 2025

Sunstone Metals - Shining bright

NEED TO KNOW

- Sunstone is advancing two large scale gold-copper projects in Ecuador with a 4Moz Au-eq resource base already established
- The Limon discovery is a very attractive higher grade, at surface deposit that has been largely ignored by the market
- Strategic partnership process underway now, likely to be concluded in H1 2025. We see this as a key valuation catalyst

Establishing scale: The Bramaderos and El Palmar projects are located in Ecuador on the prolific Andean Copper Belt. STM is establishing significant scale, with Bramaderos hosting a 2.7Moz Au-equivalent Resource with an Exploration Target of a further 3.3-8.6Moz Au-eq. El Palmar has a 1.2Moz Au-eq Resource with an associated 15-45Moz Au-eq Exploration Target. El Palmar and Bramaderos are each in regions that are attracting attention of global majors with BHP, Newmont, Barrick, Codelco, Fortescue and Hancock Prospecting all either active in or entering these regions in recent years.

Limon an undervalued discovery: The discovery of the higher grade, at surface Limon epithermal gold-silver deposit within the Bramaderos footprint has been under-appreciated by the market. Excellent drilling results include 243m at 1.32g/t Au-eq from 46m and 185m at 2.85g/t Au-eq from 90m, with a number of much higher grade sub-intervals also reported (e.g. 31m at 12.93g/t Au-eq). Limon is on its way to becoming a stand-alone open pit gold mine, with a Resource base that could exceed 1Moz. This is not reflected in the current STM share price.

Management track record: The STM team has discovered and developed major deposits in the past. Members of the team were central to the discovery and early development of major porphyries at Tujuh Bukit in Indonesia and Cascabel in Ecuador. Others had key roles bringing the King of the Hills gold mine in WA and Koniambo nickel mine in New Caledonia online.

Investment Thesis

Building a Resource base that cannot be ignored: Sunstone has a proven management team that is well on its way to developing a resource base of significant scale that we expect to ultimately 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 H1 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: \$0.023 with upside as Resource grows

We have valued STM on an EV/oz basis identifying a peer group of +1Moz ASX listed explorers who are yet to conclude studies. STM is currently trading on 9x EV/oz vs these peers on an average of 41x. We see upside to our valuation as the Exploration Target is converted into Resource.

Risks

Key risks include exploration success, commodity prices, funding, currencies,

Report prepared by MST Access, a registered business name of MST Financial services ABN 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)

Equity Research Australia

Materials

Chris Drew, Research Analyst

chris.drew@mstaccess.com.au



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.

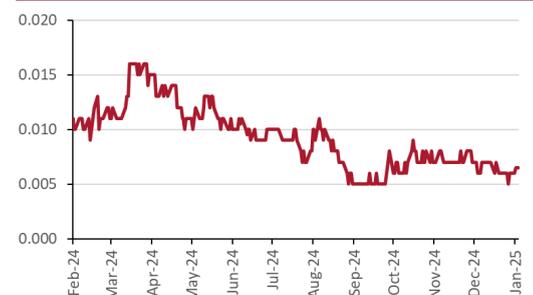
Valuation	A\$0.023
Current price	A\$0.006
Market cap	A\$31m
Cash on hand	A\$4.9m

Upcoming Catalysts / Next News

Period

H1 2025	Strategic partnership process
2025	Establish maiden resource at Limon
2025	Grow El Palmar resource
2025	Grow Bramaderos porphyry resource

Share Price (A\$)



Source: FactSet, MST Access

Financial Summary

Figure 1: STM Financial Summary

Sunstone Metals Ltd							STM.ASX
Year end 30 June							
MARKET DATA							
Share Price	A\$/sh						0.006
52 week high/low	A\$/sh	0.004 - 0.016					
Valuation	A\$/sh						0.023
Market Cap (A\$m)	A\$m						31
FY24 Y/E Net Cash / (Debt) (A\$m)	A\$m						3
Enterprise Value (A\$m)	A\$m						28
Shares on Issue	m						5,150
Options/Performance shares	m						836
Other Equity	m						0
Fully Diluted Shares on Issue	m						5,986
INVESTMENT FUNDAMENTALS (June Y/E)							
		FY23A	FY24A	FY25E	FY26E	FY27E	
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\$	0.02	0.02	0.02	0.02	0.02	
Price / Book	x	0.40	0.37	0.35	0.31	0.31	
Year End Shares	m	3,082	3,838	5,150	5,150	5,150	
Market Capitalisation (current)	A\$m	31	31	31	31	31	
Net Cash / (Debt)	A\$m	10	3	3	10	3	
Enterprise Value	A\$m	21	28	28	21	28	
EV/EBITDA	x	nm	nm	nm	nm	nm	
Net Debt / Enterprise Value	x	(0.5)	(0.1)	(0.1)	(0.5)	(0.1)	
Net Debt / Equity	%	-13%	-3%	-4%	-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)							
		FY23A	FY24A	FY25E	FY26E	FY27E	
Revenue		-	-	-	-	-	
Expenses		(2.0)	(2.3)	(2.1)	(2.4)	(2.4)	
EBITDA		(2.0)	(2.3)	(2.1)	(2.4)	(2.4)	
D&A		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
EBIT		(2.1)	(2.4)	(2.1)	(2.4)	(2.4)	
Interest		0.2	0.1	0.0	(0.1)	(0.1)	
Tax		-	-	-	-	-	
Underlying NPAT		(1.9)	(2.3)	(2.1)	(2.5)	(2.5)	
Exceptionals		-	-	-	-	-	
Reported Profit		(1.9)	(2.3)	(2.1)	(2.5)	(2.5)	
Profit before tax		(1.9)	(2.3)	(2.1)	(2.5)	(2.5)	
Balance Sheet (A\$m)							
		FY23A	FY24A	FY25E	FY26E	FY27E	
Cash		10.3	2.7	3.1	10.3	2.5	
Receivables		0.1	0.3	0.3	0.3	0.3	
Inventory		-	-	-	-	-	
PP&E		1.1	1.6	2.1	2.5	2.9	
Exploration		68.3	81.2	84.7	89.7	94.7	
Other		0.3	0.1	0.1	0.1	0.1	
Assets		80.1	86.0	90.3	103.0	100.6	
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	88.3	100.9	98.5	
Cashflow (A\$m)							
		FY23A	FY24A	FY25E	FY26E	FY27E	
Net Cash From Operations		(2.0)	(1.5)	(1.9)	(2.2)	(2.2)	
Interest		0.2	0.1	0.0	(0.1)	(0.1)	
Tax		-	-	-	-	-	
Other		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Net Cash From Operations		(1.8)	(1.4)	(1.9)	(2.3)	(2.3)	
Capex		(0.0)	(0.7)	(0.5)	(0.5)	(0.5)	
Capitalised Exploration		(25.1)	(13.7)	(3.5)	(5.0)	(5.0)	
Other		1.9	-	-	15.0	-	
Free Cash Flow		(24.9)	(15.9)	(5.9)	7.2	(7.8)	
Equity		12.0	8.7	6.6	-	-	
Borrowings drawn/(repaid)		-	-	-	-	-	
Other		(0.7)	(0.5)	(0.3)	-	-	
Net Increase / (Decrease) in Cash		(13.6)	(7.6)	0.4	7.2	(7.8)	

Source: STM, MST

Executive Summary

Sunstone Metals is advancing two major gold-copper projects in Ecuador, Bramaderos and El Palmar. It has already established a 4Moz gold-equivalent (Au-eq) resource base, with clear potential to continue to grow well beyond that. Both El Palmar and Bramaderos sit on the prolific Andean Copper Belt and are in proven mining or exploration districts. Bramaderos is located in southern Ecuador which also hosts the world class Fruta del Norte gold mine and large-scale Mirador Copper mine, while El Palmar is on the same geological belt as SolGold's 4Bt Cascabel project and the Codelco/ENAMI 1Bt Llurimagua deposit.

Given the potential scale of its projects, the near-term focus for Sunstone is on securing a project partner. We expect this process to conclude in H1 2025. It is likely to be a key re-rating catalyst. Once the partnership is established, asset development will accelerate. The immediate focus will likely be on establishing a resource at the higher-grade, at surface, Limon epithermal target alongside growing the Bramaderos surface resource. We see these as strongly value accretive project developments.

Sunstone has a proven management team and board, with a team central to the discovery of Tujuh Bukut in Indonesia and Cascabel in Ecuador as well as development of the King of the Hills gold mine in Australia and the Koniambo nickel mine in New Caledonia. The company has now established an exploration portfolio that is on track to deliver a large-scale gold-copper resource base across two projects that could each support 200-400kozpa Au-eq production. We think such scale will ultimately be of interest to major miners globally.

Limon an undervalued discovery

In early 2023, Sunstone discovered the Limon epithermal gold-silver deposit within its Bramaderos project footprint. Subsequent drilling has delivered excellent results. We believe the market has failed to ascribe appropriate value to this discovery. Drilling to date has delivered a number of +100m and +200m holes at grades well above 1g/t, with several closer to 2g/t. Best holes to date include:

- 243m at 1.32g/t Au-eq from 46m including 42m at 3.9g/t Au-eq
- 185m at 2.85g/t Au-eq from 90m including 31m at 12.93g/t Au-eq

These are excellent results that we expect will ultimately underpin a stand-alone open-pit operation. Given development of this epithermal deposit would be at a smaller scale relative to the larger Bramaderos porphyries, stand-alone capital costs would be less of a hurdle, likely below US\$250m to deliver +100koz Au per annum. Alternatively, Limon would be an ideal source of higher-grade ore for use in the early years of a larger-scale development incorporating the Bramaderos porphyries.

A recent Australian analogy: Following the release of its discovery hole at its New England Granite prospect, the Yandal Resources stock price went up close to four times to a market capitalisation of over A\$100m. This hole was 78m at 1.2g/t Au from 96m. We believe the early results at Limon were superior to this (shallower, longer, and higher grade), furthermore, Limon continued to deliver ongoing strong results across its drilling campaign.

Significant scale already evident - More to come

The Bramaderos resource already stands at 2.7Moz (Au-eq), this resource has been constrained within a pit shell so represents near-surface material only. Like most porphyry systems it is highly likely to continue at depth, and the drilling that has been done to date supports this view. Alongside the Bramaderos resource, Sunstone has established a JORC compliant Exploration Target for the project that stands at 3.3 - 8.6Moz (Au-eq), with all targets included having been drilled to some degree. Several additional targets at Bramaderos have been excluded from this Exploration Target. The Limon epithermal target at Bramaderos does not yet have a resource, but 31 drill holes and extensive surface trenching underpin an Exploration Target of 0.9-1.7Moz.

El Palmar has a 1.2Moz resource, again representing open-pittable material only, and thus very likely to grow as drilling goes deeper. The JORC compliant Exploration Target at El Palmar is significant at 15 - 45Moz Au-eq from over 1Bt of ore. The resource at SolGold's nearby Cascabel now stands at 4Bt, Llurimagua, adjacent to El Palmar has a 1Bt resource in place. These deposits give validation to the potential scale on offer in this region.

With a 4Moz resource already established, and JORC compliant Exploration Targets totalling over 50Moz at the upper end, Sunstone is well on its way to establishing a significant gold-copper resource base. While early to assess potential, evidence to date suggests Bramaderos could deliver a 15-20Mtpa operation producing 300-400koz Au-eq, while El Palmar could be a 10-15Mtpa operation producing 250-350koz Au-eq.

Political support is attracting global miners to Ecuador

Relative to its Andean neighbours Peru and Chile, Ecuador is less well-established as a mining nation. This is now changing. Political support for mining has been strong since 2017 when left leaning Rafael Correa left power after ten years. Political leaders continue to be supportive of mining, recognising the role it can play in growing the nation's economy. Current President, Daniel Noboa, attended the 2024 PDAC conference in Canada and in his address described mining as a "crucial driver for the economy." This support has driven strong momentum in the sector, seeing the development of two world scale mines - Fruta del Norte and Mirador. These mines have significantly lifted mining revenues for the country. Mining is now on track to overtake bananas as the third largest export revenue generator for Ecuador by 2025. The changed political climate has also seen extensive investment by major global miners in exploration and development in the country in recent years.

Fruta del Norte is one of the world's highest grade, lowest cost gold mines. This project, located in the southern Ecuador, is owned by Lundin Gold. Newcrest acquired a 27% stake in Lundin in 2018. As part of this transaction, Newcrest separately secured earn-in agreements across eight exploration concessions held by Lundin. These interests are now held by Newmont following its 2023 acquisition of Newcrest. The Chinese owned Mirador copper mine is also located in this southern region of Ecuador, it is a 20Mtpa operation with annual production of close to 100kt copper, seeking to deliver a US\$650m expansion to lift production to 200ktpa.

SolGold's 4Bt Cascabel Project is one of the leading undeveloped copper-gold projects globally. It has attracted global mining majors, with both BHP and Newcrest (now Newmont) on its share register. This region also hosts the 1Bt Llurimagua deposit, owned by Codelco and the Ecuadorian government mining company, ENAMI. Australia's privately owned Hancock Prospecting had secured exploration ground around Cascabel as early as 2018, but in 2024 it expanded its interests with a winning bid of US\$120m to take a 49% interest in a number of exploration concessions in the region now held in JV with ENAMI. Hancock subsequently acquired additional assets in the region further strengthening its presence. Fortescue holds an extensive exploration portfolio in Ecuador, with 32 concessions spread across a number of regions in the country. Barrick has acquired exploration assets in the country and described its entry into Ecuador as part of its "expansion into world-class mining districts."

Development partner to de-risk projects and provide valuation marker

It is well understood that development of porphyry deposits typically requires meaningful capital. Sunstone has flagged that it is looking to secure a development partner to support advancing its projects. Bringing on a funding partner, likely through a JV agreement structured either as a sell down or an earn-in (or both) will materially reduce the funding constraints that Sunstone faces enabling the project to advance on an optimal pathway. There is attractive recent precedent for such a transaction with a number of deals in Ecuador in 2024 including:

- Silvercorp's US\$146m acquisition of Adventus, owner of the approved El Domo project,
- Hancock Prospecting entering into a JV with the Ecuadorian government mining entity ENAMI in a US\$120m deal earning a 49% interest in six exploration concessions,
- Hancock Prospecting earn in with Titan Minerals over its Linderos copper project, under the deal Hancock can earn up to 80% of the project through spending US\$120m,
- Barrick's acquisition of the Valle de Tigre exploration assets off Somerset Minerals for US\$320k,
- China's Zijin Mining Group attempting to acquire a 15% stake in explorer Solaris Resources for US\$97m in order to advance its Warintza project, ultimately Canada's restrictive critical minerals policy saw this deal rejected by Canadian regulators.

We look for Sunstone's strategic process to conclude in H1 2025. We expect it to be a key catalyst for Sunstone, as any deal will likely reflect valuations comfortably above the current market capitalisation.

Valuation upside material as resource continues to build

We have valued Sunstone on an EV/oz base, using a 40x 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 studies, essentially identifying early-stage explorers with a large-scale resource, in line with Sunstone's current position. On this basis we value STM at A\$0.023.

We have conservatively ignored STM's JORC compliant Exploration Target in our valuation. If we take a bottom of the range peer multiple of 5x and apply it to the bottom end of the Exploration Target this would add A\$0.013c to our valuation, suggesting material upside if the company is able to convert even some of this Exploration Target into resource. Overall, we see significant potential upside to our valuation as the company concludes the strategic partnership process, grows its resource base, and advances its projects.

Valuation: 2.3c with upside as Resource grows

Our valuation approach is based around peer comparison EV to resource ounce multiples. We have chosen a peer group based on ASX listed mining companies that have a resource base that exceeds 1Moz gold, but are yet to undertake feasibility studies on their projects. This group is aligned with Sunstone's position as a large scale, early-stage exploration company. The average EV/oz multiple for this peer group is 41x. We have adopted a multiple of 40x for use in our equity valuation resulting in a valuation of 2.3c per share.

We have excluded STM's JORC compliant Exploration Targets from our valuation. If we were to apply a bottom of the peer group range multiple of 5x EV/oz to the low end of the attributable ounces in the Exploration Target this would add a further 1.3c to our valuation. We expect that as drilling firms up these targets and they transition into Resource we would increase our valuation accordingly. Offsetting the fact we ignore the potential valuation upside in the Exploration Target, we have allowed for a A\$15m cash injection in FY26 from a potential JV partner to address near term funding.

Where developers have a clear pathway to production, for example completed feasibility studies, we would use an NPV based valuation and typically look to adjust this NPV for the capital raisings required to fund the project. In the case of earlier stage explorers and developers, there is significant uncertainty around the pathway to production, as such we believe a resource multiple is more appropriate. This type of valuation does not capture potential funding for the projects. The lower multiples for this peer group reflect this unfunded nature of early-stage explorers.

As companies advance projects, valuation multiples will on average increase, with multiples most elevated for producers. As STM advances its projects, the appropriate valuation multiple would typically lift driving upside over time. Reflecting this, we estimate that ASX miners who have reported a feasibility study and have over 1Moz in Resource (but are not yet in production) have an average EV/oz multiple of approximately 70x, while gold producers with a >1Moz resource base trade on an average EV/oz multiple of approximately 250x.

We see our valuation multiple as appropriate for Sunstone as an early-stage explorer, however, we see meaningful upside to our current valuation as Sunstone builds its resource base and advances its projects.

Figure 2: Sunstone Metals equity valuation

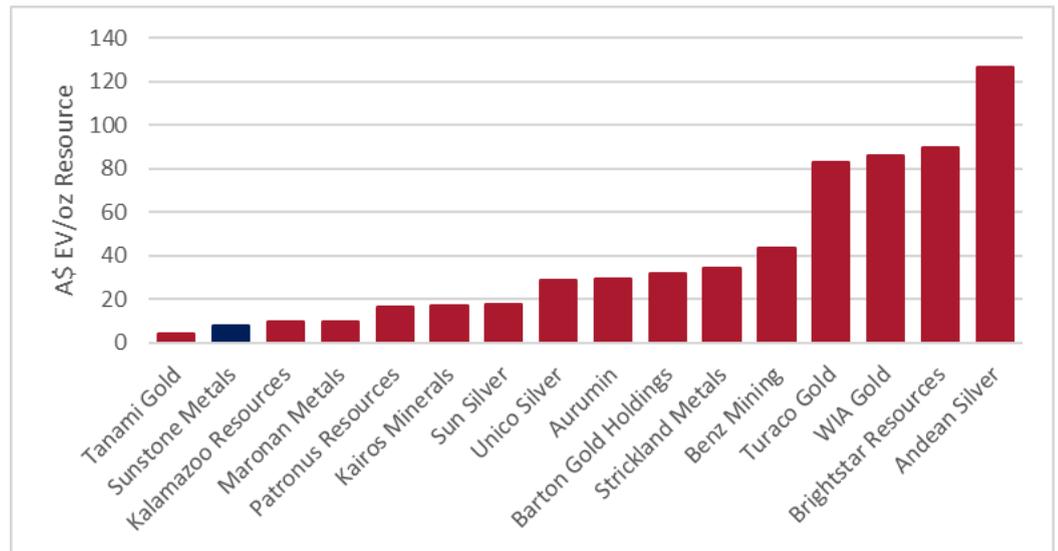
Attributable Resource	Moz	
Bramaderos	2.36	
El Palmar	0.89	
Total Attributable Resource (Moz Au-eq)	3.26	
Valuation Multiple (A\$ EV/oz)	40	
	A\$m	A\$ps
Project Value	130	\$0.022
Less: NPV Corporate Costs	-3.5	-\$0.001
Add: Cash from option exercise in FD shares	5.6	\$0.001
Add: Net Cash (30 Sept 2024)	4.9	\$0.001
Equity Valuation	137	\$0.023
Current shares outstanding (m)	5150	
Outstanding options/perf rights (m)	836	
Fully diluted shares on issue (m)	5986	

Source: MST

Peer Comparisons

Below we highlight the standing of Sunstone relative to our peer group companies that have a similarly large resource base and are at a similar stage of development. While we recognise that EV/oz multiples are relatively crude, with a range of factors that can drive variances in these multiples, including grade, potential capital and operating costs, mineralisation styles, and jurisdiction, it is nevertheless clear, that on this basis, STM is trading cheaply relative to these peers. The average for this peer group is 41x EV/oz, while STM is trading at 8x.

Figure 3: EV/oz Peer Comparison



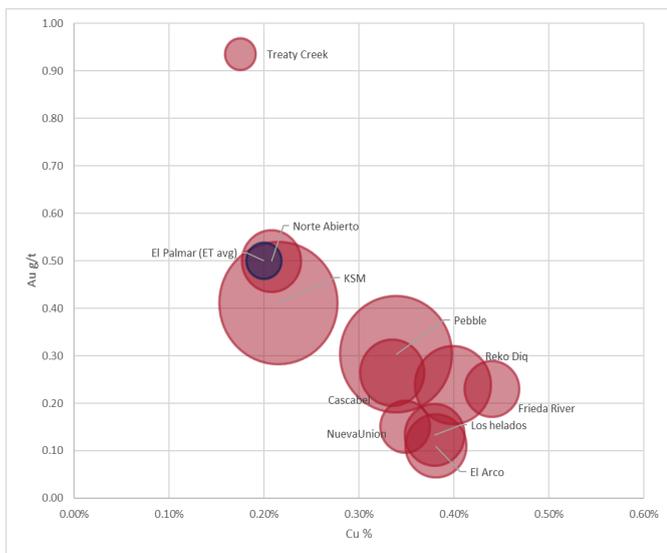
Source: MST, GoldNerds

This peer group trades at a wide range of multiples - from A\$5/oz to A\$110/oz. At the upper end, higher multiples are ascribed to projects that generally have some combination of higher grade, near surface (lower capex) mineralisation, attractive jurisdiction, or obvious corporate appeal. We are comfortable including several higher valued peers in our mix as they still qualify under our initial criteria of early stage, large scale explorers, while for STM, we see strong potential for a higher grade +1Moz development at Limon alone, and we believe corporate appeal will be demonstrated through its strategic partnership process.

Comparisons to Tier 1 Porphyry Projects

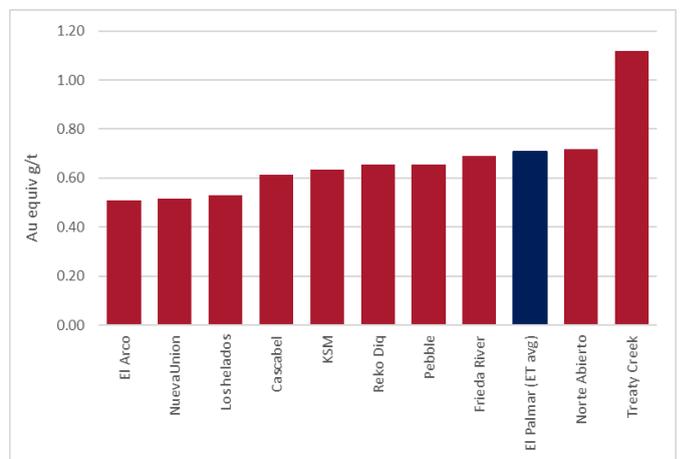
The charts below compare the El Palmar Exploration Target mid-points to a selection of leading global gold-copper porphyry projects. These projects are naturally far more advanced, with extensive drilling having fully defined what are often global scale deposits. The charts show that the El Palmar grade, while more gold-dominant, is certainly comparable to such deposits. In terms of scale, at this relatively early stage of Resource definition and with the constraints around reporting an Exploration Target, it is expected that El Palmar would be at a more limited scale than the fully defined deposits we are comparing to here. Note that we are comparing to gold-copper porphyries, and as such, we have excluded a number of world class copper dominant projects such as Los Bronces, Resolution, Udokan, and La Granja from this group.

Figure 4: Global porphyry projects - grade and scale



Source: MST

Figure 5: Global porphyry projects - Au-eq grades



Source: MST

The Bramaderos porphyry Exploration Target is constrained to open-pittable material, so is thus not yet comparable in scale to the projects shown above, however, the Bramaderos Exploration Target grade midpoint at 0.51g/t Au eq (unadjusted for recoveries) does lie within the range of these projects.

Our gold-equivalent calculations are based on current spot prices (US\$2675/oz for gold and US\$8,980/t for copper), and are unadjusted for recoveries. This contrasts with the equivalency calculations reported by STM and other miners, the JORC Code (and thus ASX) requires metal equivalencies are adjusted for recoveries.

Key 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. Global majors have been active in the country, with companies including Barrick, Newcrest, Codelco, Fortescue and Hancock Prospecting all acquiring exploration assets and tenements in the areas that STM operates. This gives us confidence that interest will be material. We expect a conclusion to the process during the first half of 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 by mid-year, likely enabling a resource to be in place by year end.
- **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 in the second half of the year once the strategic process has concluded.

Key Risks

- **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** - 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, 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.
- **Development risks** - 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.

Balance Sheet & Capital Structure

Following completion of a placement and SPP in the December 2024 quarter Sunstone holds a cash balance of A\$4.9m. The raising was comprised of a A\$2.5m institutional placement and a well oversubscribed SPP raising A\$4m. The SPP had been upsized from an initial target of A\$2.0m. In total 1,297m shares were issued at 0.5c per share. The shares were issued with attaching options on a 1 option for 2 shares basis, resulting in the issue of 648.5m options. These options have an exercise price of 0.75c and expire two years post issue in Oct 2026. All Board members (and the outgoing Chair), participated in the raising.

This leaves STM comfortably funded to work through its strategic partnership process. We would expect the conclusion of this process to result in a further cash injection, and also potentially reduce Sunstone's share of future spend on exploration under an earn-in type of structure.

Following the raising the company now has a total of 5,149.9m shares on issue. Alongside this there are a total of 662.5m options, almost all of which are the options associated with the Dec quarter capital raise. The remaining 18m are options held by board members which have an exercise price of 4.2c and expire in Oct 2026 (12m) and Feb 2027 (6m).

Alongside the options, there is a total of 173m performance rights on issue. These have been issued over several tranches, although the bulk (100.1m) were issued post the 2024 AGM. These all have share price based hurdles, either requiring outperformance against the ASX small caps resources index, or VWAP's multiple times the current share price. The 2024 issuance of 100.1m performance rights requires a 60-day VWAP of 4 to 6 times the current share price to vest. We would consider these hurdles challenging, although consistent with a stretch target valuation range. Achieving these hurdles would be a very positive outcome for shareholders.

Figure 6: Capital Structure

Current Shares on Issue	5149.9			
Total Performance Rights	173.2			
Options	Number (m)	Exercise	Expiry	Cash on exercise
Oct 23 options	12.0	0.042	Oct-26	0.50
Feb 24 options	6.0	0.042	Feb-27	0.25
Sept 24 placement options	644.5	0.0075	Oct-26	4.83
Total Options	662.5			5.59
Fully diluted shares on issue (m)	5985.6			

Source: STM, MST

Board and Management - A Track Record of Mine Discovery and Building

The Board and Management of Sunstone Metals are extensively experienced with a positive track record across both exploration and development of mining projects, as well as extensive financial market experience. Particularly relevant for Sunstone is the experience of Chair Malcolm Norris and GM Geology Dr Bruce Rorlach. The pair were responsible for the discovery and early development of Tujuh Bukit in Indonesia. From there they moved on to SolGold where they secured the Cascabel tenements in 2012. CEO & MD Patrick Duffy was CFO of Red 5 through the development of the King of the Hills mine and held senior roles in the development of Tampakan and Koniambo, both multi-billion dollar base metals mines.

Mr Malcolm Norris - Non-Executive Chair

Mr Norris is a senior mining industry professional with extensive experience in business management, mineral exploration, development of new business opportunities and asset transactions. His roles have covered a wide range of commodities, geographic locations and management of global portfolios of projects in both large and small organisations.

Mr Norris transitioned from MD & CEO of Sunstone to a non-exec director role upon the appointment of Patrick Duffy as MD & CEO in April 2024. He subsequently transitioned to Chair in Sept 2024 upon retirement of the prior Chair, Graham Ascough.

Mr Norris holds an MSc in Geology and a Masters in Applied Finance. He has more than 35 years of industry experience including 23 years with WMC Resources, followed by executive roles with Intrepid Mines and SolGold.

Mr Patrick Duffy - Managing Director & CEO

Mr Duffy was appointed Managing Director and CEO of Sunstone Metals in April 2024 and brings extensive international leadership, mine development, financial and governance expertise. Most recently Mr Duffy held the roles of both Chief Corporate Development Officer and Chief Financial Officer for Red 5 Limited and was a key member of the Company's leadership team that has established Red 5 as a successful multi-billion dollar Australian gold producer through the development, construction and production ramp up of the 5.5Mtpa King of the Hills (KOTH) Gold Mine in Western Australia.

Mr Duffy began his career with Ernst & Young and has since had broad leadership and executive roles in the international resource sector. He was CFO for the development of Xstrata's US\$6 billion Tampakan Copper and Gold Project in the Philippines and was Director - Strategy & Performance for the construction and production ramp up of Glencore-Xstrata's US\$7 billion Koniambo Nickel Project in New Caledonia.

Mr Stephen Stroud - Non-Executive Director

Mr Stroud is an experienced CPA qualified corporate finance executive with over 20 years experience advising across all aspects of corporate finance. He advises boards and management teams across a broad range of transactions including public and private equity raisings, debt/hybrid debt, Initial Public Offerings, mergers & acquisitions, sell-downs and restructures both in Australia and overseas.

Mr Stroud is Co-Head, Melbourne - Corporate Advisory with Morgans Financial Limited, with a key focus on the small-mid cap market listed space on the ASX working across a broad range of sectors including IT, retail, FMCG, healthcare, metals and mining, energy, property and general industrials. Mr Stroud possesses strong relationships across buy and sell side clients across Australia, Asia, UK and North America.

Mr Neal O'Conner - Non-Executive Director

Mr O'Connor is a lawyer with global leadership experience of a top four global mining company, with extensive experience in the development and operation of mines and related infrastructure, including across South America. He has extensive experience in the resource industry and brings an added focus on Corporate Transactions, Corporate Governance and Risk Management to the Board.

Mr O'Connor was formerly General Counsel and Company Secretary and an Executive Committee member of Xstrata Copper (2003 – 2013), the largest business unit of global mining company Xstrata Plc. Mr O'Connor is currently a Non-Executive Director of Mitchell Services Limited and a Director of Wesley Medical Research Institute Foundation. He was previously a Non-Executive Director of Stanmore Coal Limited and Non-Executive Director of Maas Group Holdings Limited (ASX: MGH). His prior legal roles include General Manager Legal M.I.M. Holdings Limited and in private practice with Pinsent & Co Solicitors, London (now Pinsent Masons LLP) and Mallesons Stephen Jacques, Brisbane (now King Wood Mallesons).

Mr Lucas Welsh - CFO and Company Secretary

Mr Welsh is a Chartered Accountant with over 25 years' experience in senior finance roles in the resources sector with operations in Australia and overseas with WMC Resources and St Barbara Limited. Mr Welsh previously worked in the Transaction Services department at PwC. Mr Welsh's experience includes capital and debt raisings, treasury, taxation, financial reporting, procurement, risk management, governance and transformation.

Dr Bruce Rohrlach - General Manager - Geology

Dr Rohrlach has had a long career in the mineral industry in Australia, Philippines, PNG, Indonesia, Scandinavia and South America. This has included extensive experience in all stages of the exploration to development cycle from establishment of exploration and ore genesis models to management of reconnaissance and advanced exploration programs in regional and mine environments. As well as his considerable experience in multiple scoping, feasibility studies, and orebody definition of several globally significant copper-gold porphyry projects, he has been instrumental in managing the discovery holes in two world class copper-gold deposits - at Tujuh Bukit in Indonesia with ASX listed Intrepid Mines, and Cascabel in Ecuador with SolGold.

Mr Ray Robinson - General Manager - Studies & Technical Services

Mr Robinson is a mining engineer with over 20 years of industry experience in operating and developing mines in Australia, Papua New Guinea, Argentina and Laos. He has expertise in delivering feasibility studies from scoping study to detailed engineering level in both open-pit and underground projects across multiple commodities. Most recently he was employed by PanAust where he successfully delivered two prefeasibility studies for their Laos operations. Previous engagements have ranged from majors including Placer Dome at the Porgera mine, as well as juniors and mid-tiers including ASX listed Intrepid Mines. Mr Robinson holds a mining engineering degree from the West Australian School of Mines and a Bachelor of Laws.

ESG Matters

As an early-stage exploration company, Sunstone's ESG focus is around establishing systems and processes to ensure its actions and decision making will be aligned with its ultimate ESG goals. Reflecting its focus on delivering positive ESG outcomes, Sunstone released its inaugural Sustainability Report in 2023, a positive step, particularly at this relatively early stage of development.

In terms of steps currently being taken, social objectives are being prioritised, including focusing on local employment and procurement spend, supporting local communities where possible, and ensuring local populations remain well informed. Engagement with local stakeholders is regular and ongoing. Maintaining appropriate environmental safeguards is also important for work on the ground, this will become more of a focus as the activity levels increase.

Environment

Ecuador can be an environmentally sensitive nation to operate within. While it is relatively small, it hosts extensive rainforest and is extremely biodiverse. Sunstone's projects are not located in protected areas, however, El Palmar is near a protected forest (on agricultural or cleared land and outside the 20km buffer zone around the protected forest), the Bramaderos region is relatively arid and significantly less biodiverse.

Sunstone is actively contributing to maintaining the biodiversity of the regions it operates within through establishment of plant nurseries at both projects. The majority of the plants are used for reforestation initiatives aligned with government objectives. Locals are able to request plants for productive or personal requirements, and the plants are also used to rehabilitate any ground disturbance from work such as drilling.

Water is an important resource for local communities, as such Sunstone has policies and procedures in place to minimise water use and maximise recycling. Drilling activities operate with zero water discharge through re-use of drilling water. Collection limits are in place at Bramaderos, with streams monitored to ensure flow rates are sufficient to enable collection without impacting the local communities. Sunstone has also worked with local communities to enhance agriculture through establishing irrigation systems.

Sunstone has Environmental Management Plans in place for both projects. Environmental compliance is regulated under national legislation with reporting submitted every six months. To date, no environmental incidents have occurred at either project.

Social

Much of Sunstone's current ESG focus is on social considerations, as this is where it can have the most meaningful impact at its current stage of development. A Local Employment Policy is in place and being delivered on with over 99% of employees in Ecuador being Ecuadorian and 86% being local to the projects. It also has a relatively high percentage of female professional personnel in Ecuador at 39%. Contractor engagement is highly localised at 60%. A local procurement policy is also in place prioritising purchases from local communities where possible. Local in these cases is defined as within the immediate project location cantons (regional zone). At Bramaderos in particular, where economic activity is typically limited to small scale agriculture and livestock, Sunstone's ability to provide professional jobs to the local communities is a key social benefit.

Sunstone has undertaken a number of community development initiatives, including road improvements, support of cultural events, public vehicle and building maintenance, provision of materials for school construction and maintenance work, provision of uniforms and equipment for schools, logistical support for medical workers, purchase of medical supplies, support for maintenance and construction activity of church buildings, and provision of water supplies if needed.

Engagement with local stakeholders is multi-faceted. Community forums are held twice a year to ensure locals are informed as to ongoing activities and hear feedback. Both projects have a community relations team in place to provide ongoing community communication, respond to questions, and take feedback. Formal feedback mechanisms are in place and managed by the project Community Relations team. The 2023 Sustainability report showed that the vast majority of community feedback and enquiry was around employment, community support, and investment (66% of enquiries at Bramaderos, and 82% at El Palmar). Environment matters comprised 3% and 6% of the enquiries at Bramaderos and El Palmar respectively.

Sunstone has appropriate health and safety systems in place for employees, and undertakes appropriate training to ensure a safe workplace for its staff and contractors. Both projects have dedicated Health and Safety Committees which meet monthly to ensure processes and practices remain appropriate and effective. Time is dedicated each day for health and safety training for employees.

Governance

Sunstone follows the ASX Corporate Governance Council Principles and Recommendations, and has applied these across the company. Key governance elements include:

- The Board is composed of 4 members, each with qualifications well-suited to the business. There are 2 independent directors (Malcolm Norris, the prior MD, has transferred to a Non-Exec role, he will be considered non-independent for two years under ASX governance guidelines), so the Board meets the ASX guideline of at least 50% independent members. Annual performance evaluations are undertaken. All board members are currently male. Given the size of the company and its stage of its development it is not considered appropriate to have a formal diversity policy in place, however, 33% of all Ecuadorian based staff are female.
- A Code of Conduct has been established for Directors, executives, and employees. Alongside this a range of governance policies are in place including Whistleblowing, Anti-Bribery and Corruption, Risk Management, Securities Trading, and Continuous Disclosure policies.
- The Board has established a separate committee for audit and risk, comprised of the three independent non-executive directors. The Board has not established a separate committee for remuneration and nominations, with it considered appropriate for this function to be carried out by the full board at this stage of the company.

Project Summary

Sunstone holds two large scale exploration assets in Ecuador. Both are in proven mineralised regions. Bramaderos is located in a mining jurisdiction within southern Ecuador. Southern Ecuador also hosts Lundin Gold's Fruta del Norte mine, the largest gold deposit in Ecuador, as well as the Chinese owned Mirador - a large-scale copper mine. El Palmar is in northern Ecuador adjacent to the Codelco/ENAMI 1Bt Llurimagua copper porphyry discovery, Hancock Prospecting has recently bought into an exploration portfolio surrounding Llurimagua. El Palmar is in the same geological belt as SolGold's 4Bt Cascabel copper-gold porphyry deposit.

Figure 7: Project Locations



Source:

The Bramaderos project was secured in a 2017 JV agreement with Cornerstone Capital Resources, that initially incorporated a series of milestones that would gradually lift Sunstone's interest in the project. This was later amended in 2020 to provide Sunstone with an 87.5% interest, leaving Cornerstone Capital with a 12.5% interest. Following SolGold's acquisition of Cornerstone in 2023, Cornerstone's interest in Bramaderos has transferred to SolGold. Sunstone is currently 100% funding exploration and development activity at Bramaderos, with the 12.5% JV partner (now SolGold), being loan-carried to commercial production. Once in production, Sunstone will be repaid for funding SolGold's share of costs.

Cornerstone Capital Resources has a successful history of project generation in Ecuador, being the party that initially vended Cascabel into SolGold. It retained a 15% interest in the asset and was eventually taken over by SolGold for US\$108m consolidating 100% ownership of Cascabel under SolGold. As a result of the takeover of Cornerstone by SolGold, the 12.5% interest in Bramaderos transferred to SolGold.

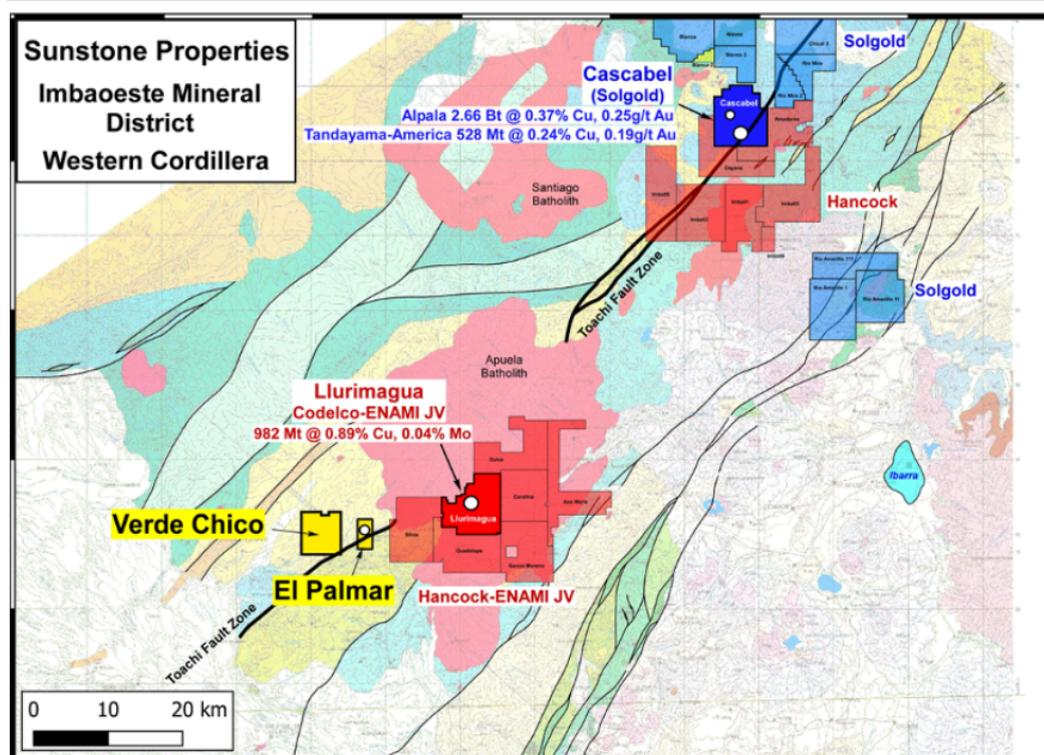
El Palmar was added to the portfolio in 2020, through an earn-in deal with Golden Exploration (GOEX), an Ecuadorian entity majority owned by a well-respected Ecuadorian geologist. Sunstone currently owns 74.5% of the company that holds El Palmar, with a final US\$1.7m due by June 2026 which will secure 100% ownership.

There is a royalty of 1% in place to the original shareholders of GOEX on El Palmar, however, 75% of this can be bought back for US\$1m. Bramaderos has a 2% royalty in place due to a third party, and 50% of this can be bought back for US\$3m

El Palmar

El Palmar is located in a highly prospective region of northern Ecuador. The project is adjacent to the 1Bt at 1% Cu-eq Llurimagua deposit owned by Codelco and ENAMI. It is on the same fault system as the two primary Cascabel deposits, Alpala (3.0Bt at 0.37% Cu and 0.25g/t Au), and Tandayama-America (969Mt at 0.23% Cu and 0.19g/t). In addition to these existing deposits, in March 2024 Hancock Prospecting spent US\$120m in a competitive auction to secure a 49% interest in a JV with ENAMI, covering six exploration licenses which surround Llurimagua and are adjacent to El Palmar.

Figure 8: El Palmar project location



Source: STM

El Palmar Mineral Resource

Sunstone commenced drilling at El Palmar in 2021, with a total of 28 diamond holes since completed. 21 of these holes, along with three historical holes by Codelco (totalling 17,699m) underpinned the maiden resource at El Palmar reported in October 2024. The resource is based solely on the outcropping T1 deposit and is pit constrained. T1 is one of five gold-copper porphyries identified at El Palmar to date. As the open-pit component of one of several potential orebodies within this extensive system, there is clearly significant upside to this initially reported resource across the El Palmar project. Depth extensions are highly likely, while we would expect additional resource to be proven up across at least some of additional porphyry targets at El Palmar.

The maiden T1 resource was reported at 64Mt at 0.60g/t Au-eq (0.41g/t gold, 0.13% copper and 0.7g/t silver) for 1.2Mozs Au-eq at a cut-off grade of 0.4g/t Au-eq. The modelling implies a very slow strip ratio for this outcropping deposit. It is likely that additional drilling would bring in elements of the El Palmar Exploration Target within and surrounding the current T1 resource, further growing this open-pittable Resource. Having a meaningful open pit resource is advantageous from a development perspective as it will have lower initial capex and can bring earlier cash flow relative to a longer duration and more costly block cave development.

Figure 9: El Palmar Maiden Resource

Resource	Tonnes Mt	Au g/t	Ag g/t	Cu ppm	Au-Eq g/t	Au-Eq Moz
Indicated	5	0.42	0.81	1,456	0.63	0.1
Inferred	59	0.40	0.65	1,290	0.59	1.2
Total	64	0.41	0.66	1,301	0.60	1.2

Source: STM

El Palmar Exploration Target

The upside at El Palmar is partly reflected in the significant JORC compliant Exploration Target that Sunstone reported alongside the maiden resource. The Exploration Target is reported as 1.0 to 1.2Bt at 0.3-0.7g/t Au and 0.1-0.3% Cu. This delivers 10 to 28Moz of contained gold and 1.0 to 3.7Mt of contained copper. On a gold equivalent basis this comes to 15 - 45Mozs. Even at the bottom end of this range El Palmar would be a very significant deposit.

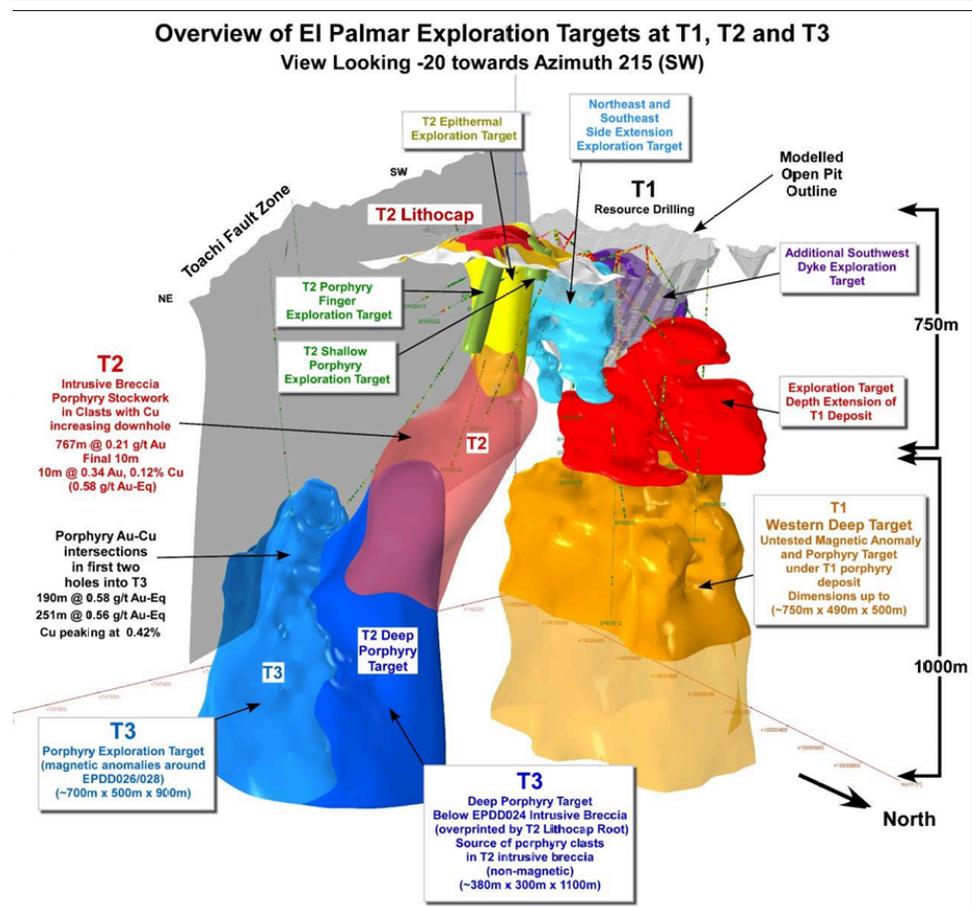
Figure 10: El Palmar Exploration Target

Exploration Target	Tonnes		Gold		Cu		Contained Gold		Contained Cu		Contained Au -equiv	
	Min Mt	Max Mt	Min g/t	Max g/t	Min %	Max %	Min Moz	Max Moz	Min Mt	Max Mt	Min Moz	Max Moz
Exploration Target	1035	1228	0.3	0.7	0.1	0.3	10	27.6	1	3.7	15	45

Source: STM

The Exploration Target extends to capture additional zones within T1, as well as incorporating T2 and T3. It covers an area of 1.6km x 1.1km including near surface mineralisation and deeper mineralisation down to depths of 1,500m. The zones are visually summarised in the Figure below. It excludes the T4 and T5 zones due to lack of drilling to date. Once drilled further, it is likely these zones will add to the Exploration Target.

Figure 11: T1 Resource and additional targets included in Exploration Target



Source: STM

The estimation of the El Palmar Exploration Target is also relatively conservative in our view, requiring at least one hole through each zone, some drilling at surface and evidence that the geological structures continue, typically through geophysics.

A proven region for discoveries

The El Palmar region is proven in terms of its prospectivity. The world-class Cascabel project is the flagship for the region. This remains one of the largest copper-gold projects globally not held by a major, however, project owner SolGold has both BHP and Newcrest (now owned by Newmont) on its register.

The latest resource (M+I) for the primary Cascabel deposit, Alpala, stands at 3.0Bt at 0.52% Cu-eq (0.35% Cu and 0.28g/t Au) for a total of 15.6Mt contained Cu-eq metal (10.7Mt Cu and 26.8Moz Au). The secondary Cascabel deposit, Tandayama-America, has a resource of 969Mt at 0.36% Cu-eq (0.23% Cu and 0.19g/t Au). The Feb 2024 updated PFS highlighted annual average production of 123kt of copper, 277koz of gold and 794koz of silver over a 28 year mine life. This mine plan is based on only 18% of the Alpala resource, indicating significant upside once in operation.

The second large scale Project in the region is Lurimagua, a JV owned 51% by Ecuadorian state mining Company, ENAMI, and the Chilean state copper miner Codelco. This project has a resource of 982Mt at 0.89% Cu and 0.04% Mo. The latest resource was reported in 2018, more recent activity has been limited due to ongoing environmental challenges to its granted EIS which enables exploration activity on the project.

More recently, Australia's Hancock Prospecting, through its subsidiary Hanrine, has secured a 49% interest in six mining concessions surrounding Lurimagua for US\$120m in Feb 2024. The concessions are now held in JV with ENAMI who retains a 51% interest. The concessions cover 260,000 hectares. Shortly after this investment, ASX listed Titan Minerals announced it had agreed terms for a proposed JV with Hanrine, with Hanrine earning up to an 80% interest in Titan's Linderos project through spending up to US\$120m. This agreement was finalised and executed in September 2024. Prior to this, as early as 2018 Hancock had already secured ground surrounding Cascabel.

Development pathway: Potential for 200 - 400kozpa Au-eq production

It is clear El Palmar is only at the start of its resource development pathway. We see significant upside with potential for this to be a very meaningful deposit as further work proves up its scale.

The company has defined a range of drill targets that will test the various components of the Exploration Target with a view to ultimately bringing more of this into Resource. This work will be subject to funding and the outcomes of the strategic partnership process currently underway.

Longer term, we see a development strategy that would involve an initial large scale open pit, of the order of 10-12Mtpa, producing approximately 200-250kozpa on a gold equivalent basis (60-75kt pa cu-eq). Under a transition to a block cave, we would expect the scale to lift to over 15Mt, likely seeing output approach 400kozpa Au-eq (120ktpa cu-eq). Capital intensity would likely exceed US\$10,000/t of copper, this would see capital costs over US\$1b depending on final scale.

Preliminary metallurgical testwork has already shown a standard process flow sheet is likely to deliver economic recoveries. The work undertaken on drill core indicates that standard flotation and leaching can deliver 90% recoveries for gold and 78% for copper. Over time we expect significantly more work to be undertaken to optimise the flow sheet, including assessing various reagent and grind size options, STM has also flagged consideration of flotation only circuits may be feasible. As this work advances we may see upside to the preliminary recovery estimates. We see metallurgical performance as a very low risk technical element for El Palmar.

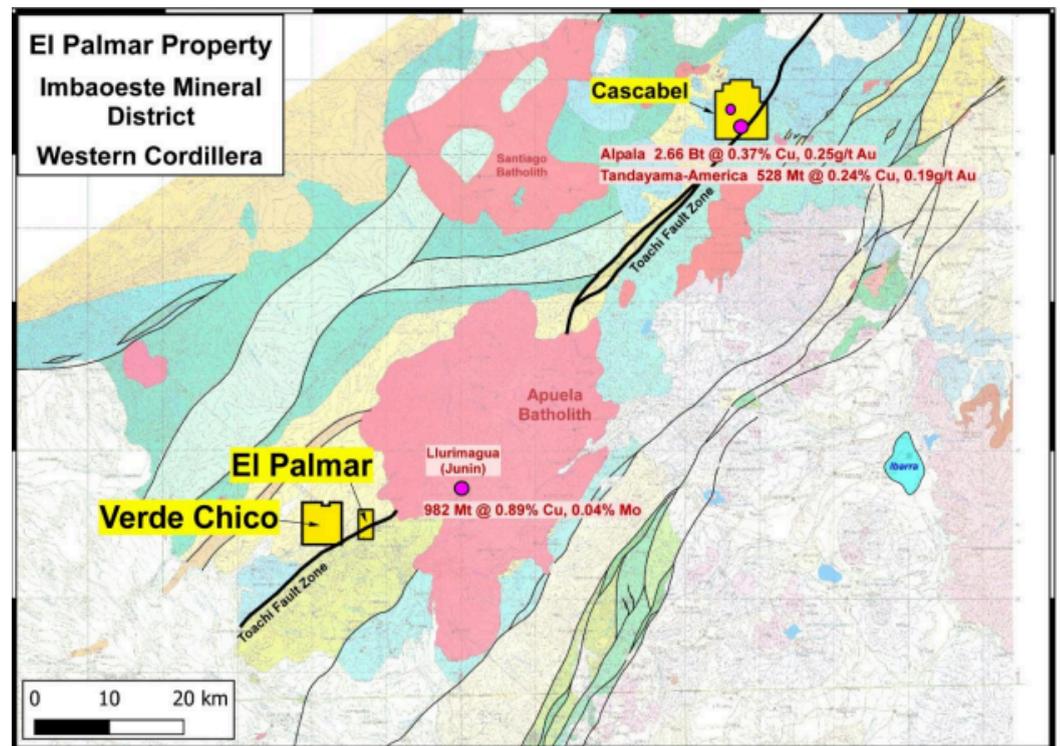
Environmental approvals may be a greater challenge for El Palmar than Bramaderos. It is important to note that the El Palmar project site does not encroach on any forested areas and is on partly cleared arable land. However, the broader area is sensitive given its proximity to Quito. When combined with the potential scale of the project, particularly any initial open pit, with its requirement for tailings dams and waste storage facilities (albeit El Palmar is likely to be very low strip), this almost guarantees opposition from environmental groups. The mining industry is accustomed to such challenges and appropriate development and engineering (e.g. filtered tailings) can help minimise any impact when necessary. Adopting standards such as the IFC Standards and Equator Principles can help ensure the project is designed with an elevated level of environmental responsibility, and these standards are likely to be required to be met in order to secure any debt funding for the project. With a supportive government in place, we see these challenges as manageable. We note Fruta del Norte was developed in the headwaters of the Amazon basin highlighting that managing environmental sensitivities is certainly achievable when approving and developing mines in Ecuador. Similarly, a large-scale hydropower dam was permitted and constructed within 10km of El Palmar. SolGold is also likely to help establish a pathway for successful development with its Cascabel project.

Verde Chico a potential high-grade tie in to El Palmar

Verde Chico is an early-stage exploration asset 4km west of El Palmar. The asset was acquired in 2022, with staged consideration due at various exploration activity and resource development milestones, with a maximum payable of US\$6.6m depending largely on the scale of any reported resource.

Historical exploration activity has defined a 1.1km gold-in-soil anomaly that remains open to the north and south. It includes a range of high-grade gold bearing veins at surface with drilling indicating wider lower grade zones of mineralisation beneath (including 68m at 1.05g/t Au). Some of the higher-grade trenching results include 6.5m at 25.11g/t Au, 24m at 21.2g/t Au, 10m at 11.7g/t Au, 29m at 8.3g/t Au and 8m at 7.3g/t Au, with these and additional results spread across at least six separate veins. The tenements are extensive, covering 3,672ha, with the area that has been subject to any exploration activity standing at only 10% of the total.

Figure 12: Verde Chico location



Source: STM

The longer-term objective for Verde Chico would be to tie it into the development of El Palmar as a potential source of higher-grade ore. This is likely to be a more attractive pathway than building a separate processing facility so close to the large scale El Palmar operation, while it would also enhance the economics of the El Palmar development.

Bramaderos

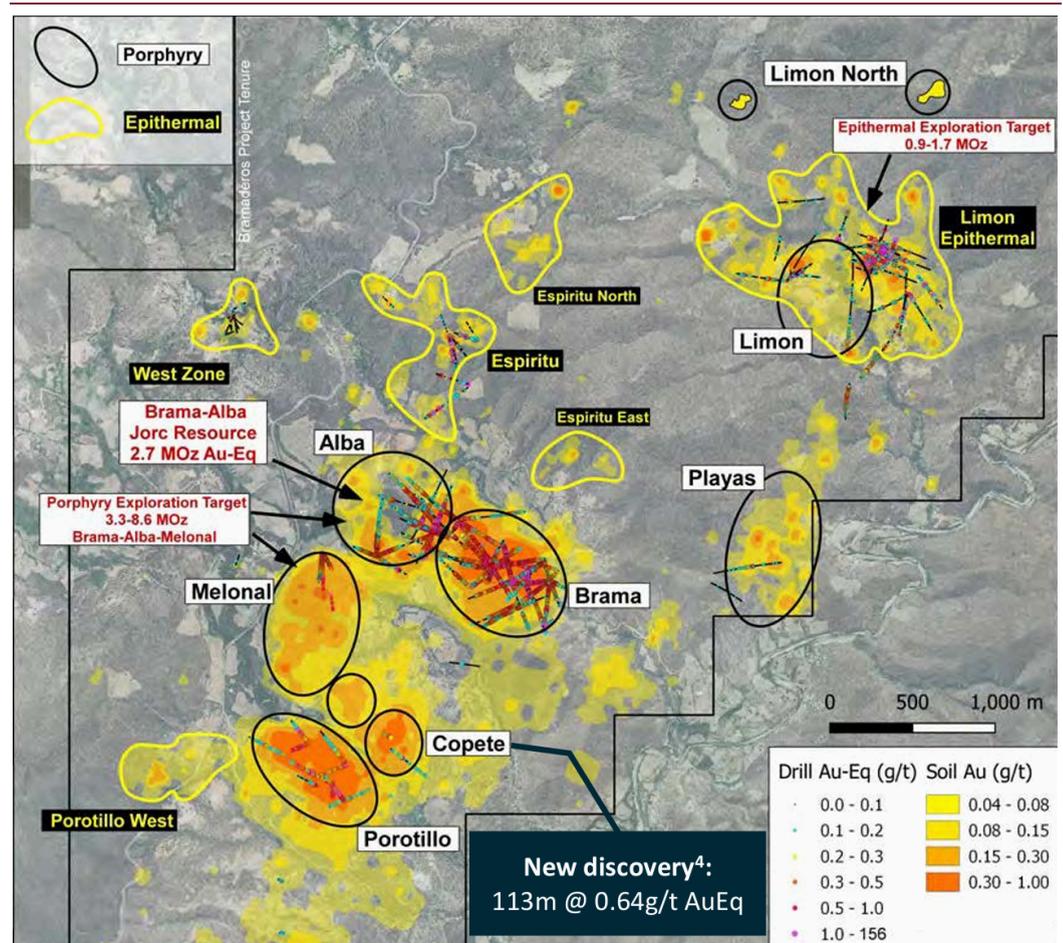
Bramaderos is located alongside the Pan-American highway, 90km from the nearest city of Loja. Regional infrastructure is attractive with hydro-electric power and commercial airports in place capable of supporting mining developments. The regional economy is relatively poor, and agriculture is limited given the dry, semi-arid climate, as a result mining development is viewed favourably. The deposit styles being explored for are porphyry copper-gold and epithermal gold-silver systems. The region is home to the two-world scale mines in operation in Ecuador, Lundin Gold's Fruta del Norte - one of the highest grade, lowest cost gold mines in the world, as well as the Chinese owned Mirador.

The project incorporates a number of targets, the most advanced of which is the Brama-Alma porphyry deposit. Sunstone's Jan 2023 discovery of the high-grade near surface Limon epithermal deposit adds development optionality to the broader prospect. This could become either a standalone higher-grade starter operation, or be a source of higher-grade feed enhancing overall project economics for a larger scale development that also encompasses the Brama-Alma porphyries.

The very recent November 2024 discovery of Copete further broadens the mineralisation at Bramaderos (excluding Limon) to now cover a 2km x 1.8km area improving the prospects for a large-scale open pit operation at the project.

Sunstone has flagged its belief that the Bramaderos system could ultimately exceed 10Moz Au-eq. We see the potential to deliver on this. The initial 2.7Moz Au-eq resource only covers the open-pit component of just one of the deposits across the project. The JORC compliant Exploration Target of a further 4.2-10.3Moz Au-eq highlights the potential across three porphyry prospects at Bramaderos plus the Limon Epithermal, however, the Exploration Target still excludes a number of prospective targets which could deliver further upside.

Figure 13: Bramaderos targets showing drilling and soil sampling results



Source: STM

Bramaderos Mineral Resource

A 2.7Moz Au-eq maiden resource was reported at Bramaderos in December 2022. Similar to the El Palmar resource, the maiden resource incorporates only the open-pittable component of the Brama-Alba deposit. As at El Palmar, the Bramaderos resource is pit constrained (rather than a more simple depth constraint), giving greater confidence in its ability to be mined as an open pit. The extensive upside at Bramaderos, across both additional deposits and at underground mining depths, is at least partially captured in the JORC compliant 3.3 - 8.6Moz Exploration Target that was reported alongside the maiden resource. This was subsequently boosted with the addition of an 0.9 - 1.7Moz Exploration Target for the Limon epithermal deposit in Nov 2023.

Figure 14: Bramaderos Mineral Resource Estimate

	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

The maiden resource at Bramaderos is already significant at 156Mt at 0.53g/t Au-eq, for contained metal of 1.8Moz Au and 169kt Cu (2.7Moz Au-eq). Considering this is the open-pittable component of only one of several potential deposits across the project, Bramaderos has the potential to grow materially over time as drilling continues.

The resource is based on 81 holes drilled by Sunstone from 2019 to 2022. There had been 35 historic holes drilled in two campaigns undertaken from 1999 to 2007. Only the more recent historic drilling, comprising 22 holes, has been included in the resource estimation, given the inability to verify the information from earlier drilling. The resource is estimated at a cut-off grade of 0.3g/t Au-eq, appropriate for a large-scale open pit operation in our view.

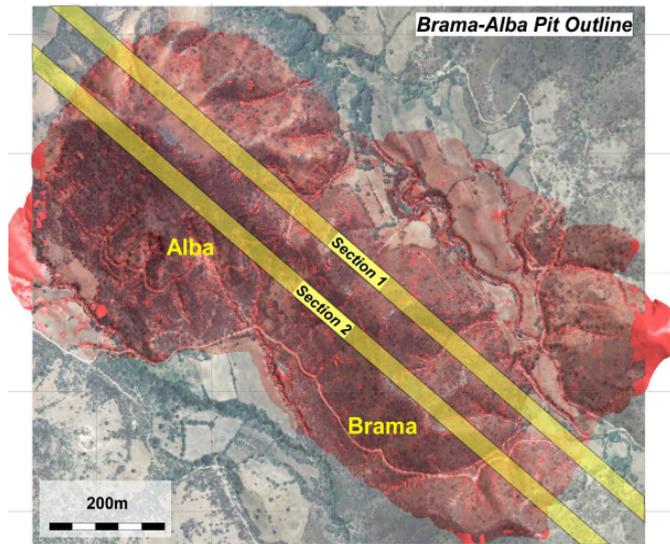
As shown in the Figures below, the topography at Brama-Alba is particularly favourable for an open pit operation. The resource is essentially mineralised hills, lending to a very low strip open pit operation, particularly at the commencement of any mining operation. Additionally, the shallower material is also typically higher-grade supporting project economics.

Figure 15: Bramaderos deposits



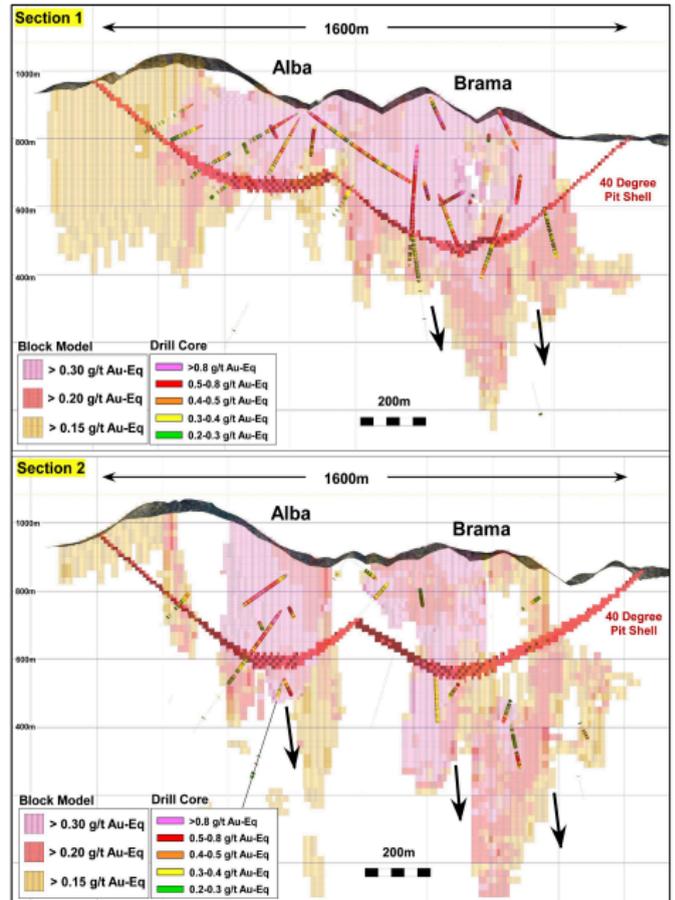
Source: STM

Figure 16: Bramaderos resource plan view



Source: STM

Figure 17: Bramaderos long sections



Source: STM

Bramaderos Exploration Target

The initial Bramaderos Exploration Target was reported alongside the maiden resource in Dec 2022. It captured extensions at Brama-Alba as well as two further porphyry targets at Melonal and Limon, both of which have had limited drilling. It excludes the recent Copete discovery, and the Porotillo and Playas targets. More recently, an Exploration Target for the Limon epithermal was also established in Nov 23 following its discovery in Feb 2023.

The Bramaderos porphyry Exploration Target stands at 255 - 360Mt at 0.40 - 0.72g/t Au-eq for 3.3 - 8.6Moz. The subsequently added Limon epithermal target is 30 - 44Mt at 0.9 -1.2 g/t Au-eq for 0.9-1.7Moz Au-eq. All of this material is estimated on a pit constrained basis. It is likely that the porphyry systems would continue at depth to ultimately support an underground operation. In our view, this means that even if one of the deposits does not come to the scale included in the Exploration Targets, there would be upside to those deposits that are proven up.

Figure 18: Bramaderos Exploration Target

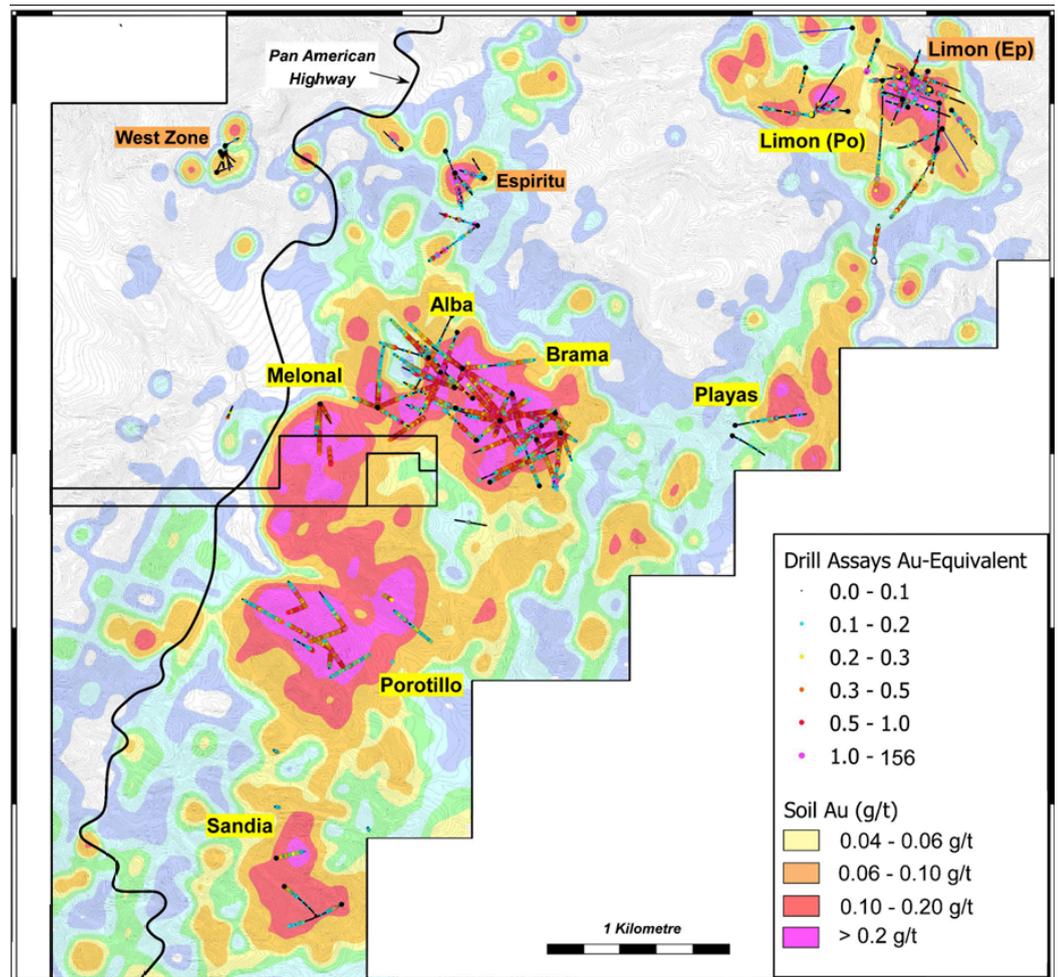
	Tonnes		Gold		Cu		Gold equiv		Contained Au -equiv	
	Min Mt	Max Mt	Min g/t	Max g/t	Min %	Max %	Min g/t	Max g/t	Min Mt	Max Mt
Brama-Alba	70	100	0.20	0.6	0.10	0.12	0.35	0.80	0.79	2.57
Melonal	150	200	0.25	0.5	0.10	0.12	0.40	0.70	1.93	4.50
Limon (Porphyry)	35	60	0.33	0.6	0.10	0.12	0.50	0.80	0.56	1.54
Total	255	360	0.25	0.38	0.10	0.12	0.40	0.74	3.30	8.60

Source: STM

The porphyry Exploration Target includes several areas of identified mineralisation at Brama-Alba that are not captured in the current resource typically due to insufficient drilling to establish sufficient continuity for inclusion in a resource. It also includes Melonal, an extension of the Brama-Alba system, lying on the same geological structures. Limited drilling by Sunstone as well as previous owners has proven the Melonal target is mineralised and that the rock systems are the same as those at Brama-Alba. In addition, the mineralisation shown in the drilling aligns with a magnetic anomaly that measures up to 400m in diameter and 1000m vertically. The Melonal Exploration Target has, however, only been estimated down to a depth of 500m, suggesting further upside upon deeper drilling.

The Limon porphyry has eight holes drilled into it showing mineralisation, while surface trenching also shows mineralisation. This work formed the basis for the Dec 2022 Exploration Target for the Limon porphyry. This Exploration Target is also pit constrained.

Figure 19: Bramaderos Targets - drilling and soil sampling results



Source: STM

More recently, drilling first identified epithermal mineralisation at Limon in Jan 2023, with a "discovery hole" drilled in February delivering 177m at 1.1g/t Au from 6.8m. In total, 31 holes for 9,530m were drilled into this target at Limon. The best hole delivered 185m at 2.85g/t Au-eq from 90m. This drilling along with trenching and geophysics supported the estimation of the Exploration Target in Nov 2023.

Figure 20: Limon Epithermal Exploration Target

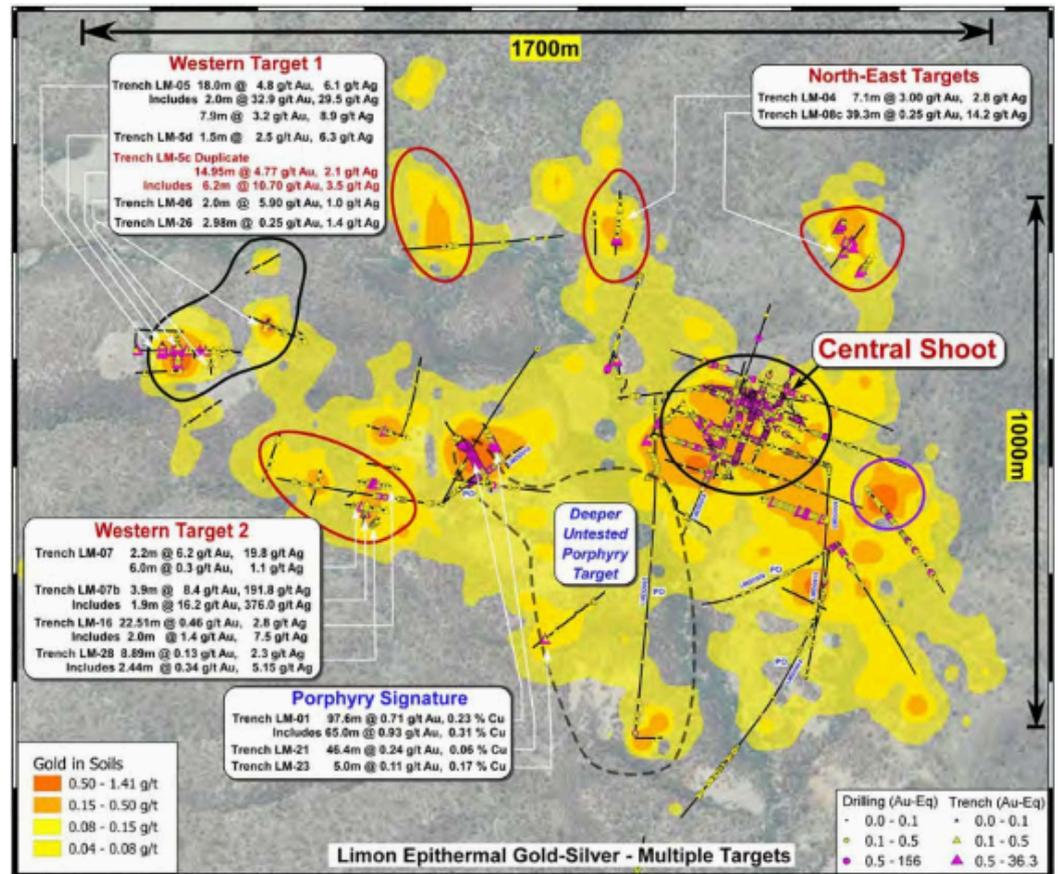
	Tonnes		Gold equiv		Contained Au -equiv	
	Min Mt	Max Mt	Min g/t	Max g/t	Min Mt	Max Mt
Limon Epithermal	30	44	0.90	1.20	0.88	1.70

Source: STM

The epithermal Exploration Target is made of an estimate of the Limon "Central Shoot", its surrounding mineralisation, and three of six additional satellite targets identified. It is limited to a depth of 400m. It sits adjacent to and above the Limon porphyry target. Approximately 70% of the contained gold in the Limon epithermal Exploration Target is contained within the Central Shoot.

The Central Shoot has been estimated based on the geological interpretation of the gold and silver bearing mineralised fault and vein networks, and dissemination of gold and silver into various host rocks. The Central Zone hosts sub-domains of very high grade (5 holes contain grade over 16g/t Au, with a maximum assay of 72g/t Au). These grades are interpreted to be associated with hydrothermal breccias at fault intersections. These sections of high grade are captured in the Exploration Target and it has been assumed at least one more similar zone will be identified through additional drilling.

Figure 21: Limon Exploration Target - Central shoot and surrounding targets



Source: STM

Overall, we believe the Bramaderos Exploration Targets have been relatively conservatively estimated. Targets have all been drilled, and there is additional information from trenching and geophysics supporting the Exploration Target estimation. Depths are constrained to open-pittable limits. Several highly prospective targets have been excluded entirely. Adding to this, the successful track record of the exploration team at Sunstone increases our confidence that these targets will be proven up into resource.

Limon a game changing - and as yet under-appreciated - discovery

The challenges of developing large-scale porphyry operations as a junior mining company are well understood. Accordingly, we believe STM's approach of engaging a partner is an appropriate strategy to deliver shareholder value across these assets. However, smaller scale open pit gold mines are more readily deliverable by juniors. Given this we are surprised that the market has not ascribed more value to the excellent drilling results at Limon. Drilling to date has delivered some particularly positive results and gives us confidence this will ultimately be developed as an open pit mine. This could be either standalone or as a source of higher-grade feed for a larger scale operation incorporating the surrounding porphyries.

Below are some of the drilling highlights reported so far at Limon

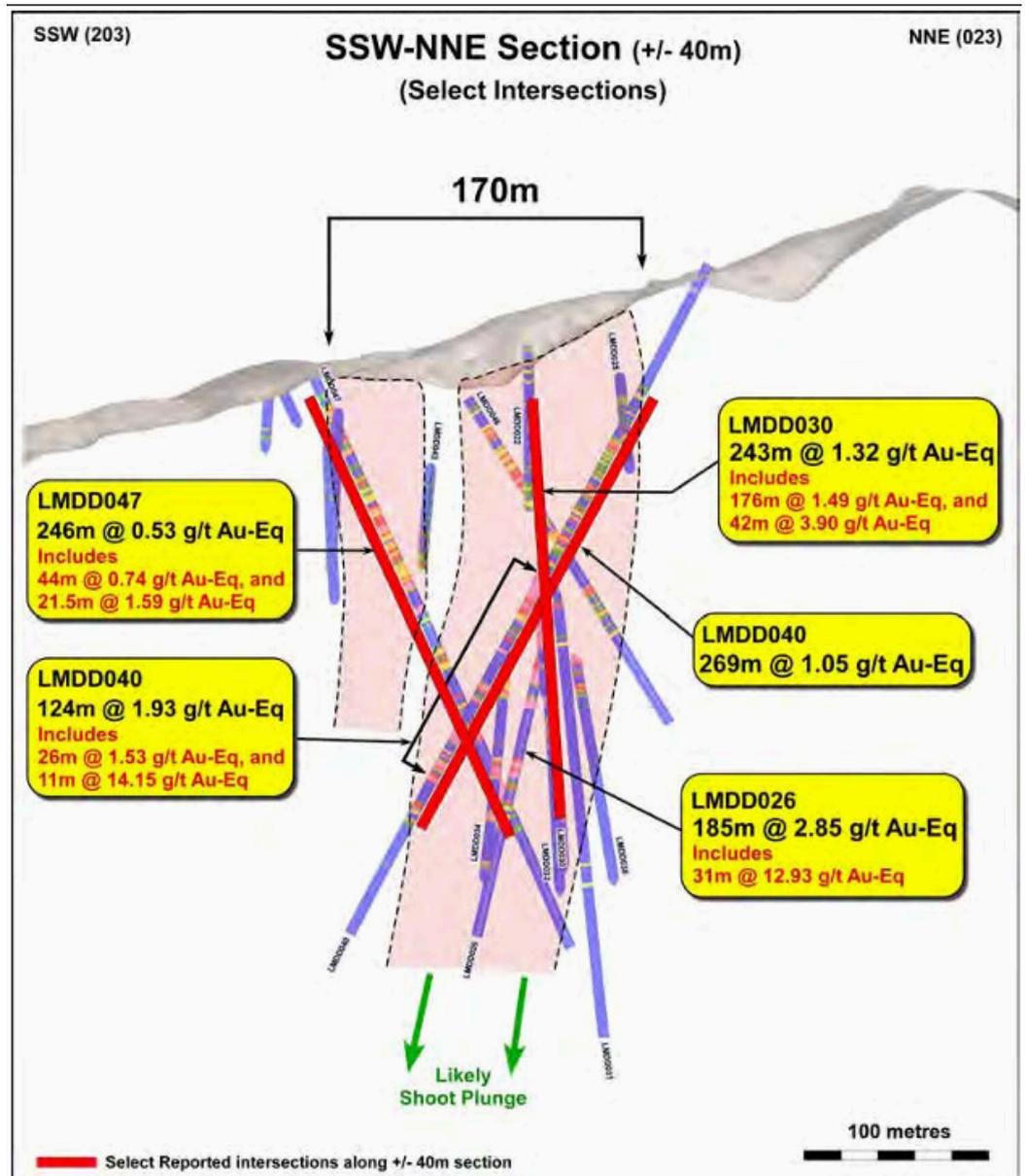
- 243m at 1.32g/t Au-eq from 46m including 42m at 3.9g/t Au-eq
- 185 at 2.85g/t Au-eq from 90m including 31m at 12.93g/t Au-eq

- 124m at 1.93g/t Au-eq from 124m including 11m at 14.1g/t Au-eq
- 176.7m at 1.09g/t Au-eq from 6.8m including 26m at 2.46g/t Au-eq
- 269m at 1.05g/t Au-eq from 74m incl 124m at 1.93g/t Au-eq
- 180.1m at 0.96g/t Au-eq from 6m including 88.1m at 1.50g/t Au-eq

Within these results, there are a number of particularly high-grade assays over short intervals:

- 2m at 72.04g/t Au-eq
- 1m at 16.51g/t Au-eq
- 7.6m at 42.69 Au-eq
- 1.7m at 22.28 Au-eq

Figure 22: Drilling into the Limon Central Shoot



Source: STM

As outlined above, at a grade of approximately 1g/t Au-eq, a 4-5Mtpa operation would deliver 120-150kozpa Au-eq production, for capital costs of approximately US\$200-250m. We see this as a particularly attractive prospect for STM.

While STM works through its strategic partnership process, exploration activity has been temporarily wound down. Once through this process, however, we would expect Limon to be a key target for further drilling. A maiden resource would be expected to follow after the next drilling campaign.

Copete discovery

A recent November 2024 exploration update from Sunstone added a further prospect to Bramaderos. Trench sampling has confirmed extensive at-surface porphyry mineralisation at the new target of Copete. Two key trenches were reported:

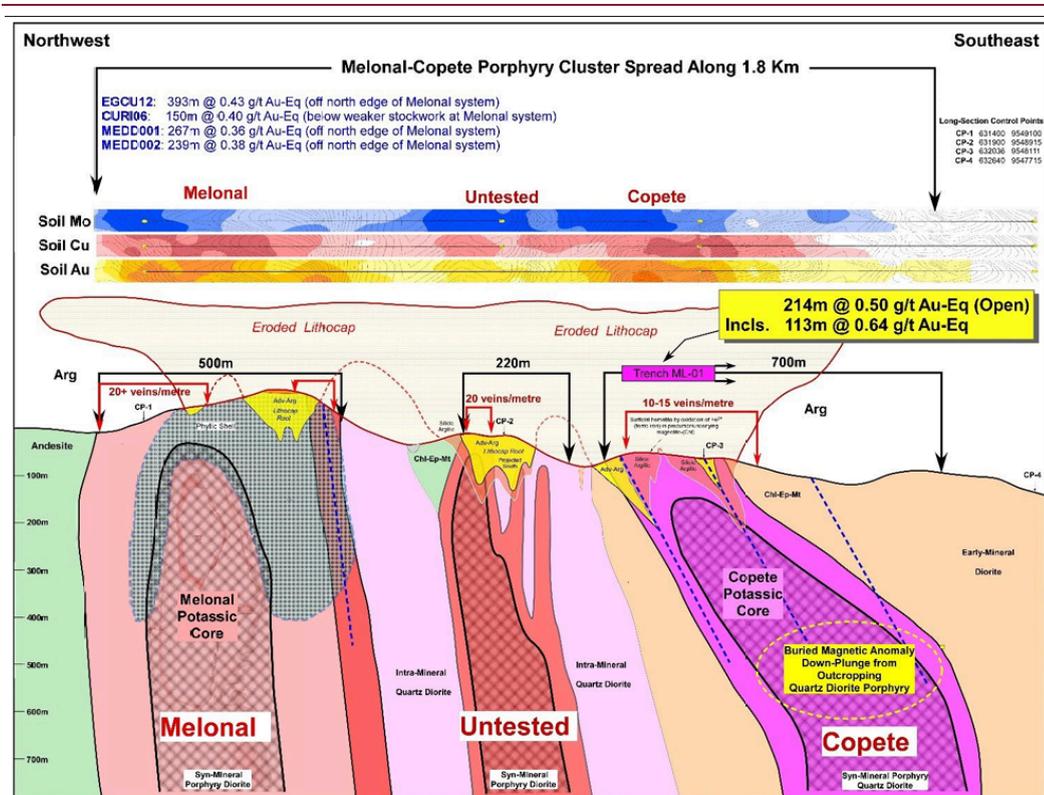
- 113m at 0.64g/t Au-eq (0.51g/t Au and 0.07% Cu)
- 214m at 0.5g/g Au-eq (0.37g/t g and 0.08% Cu)

Copete also hosts a magnetic anomaly that aligns with that at Brama, while there is extensive mapping of surface stockwork veining interpreted as the upper levels of an intact porphyry system.

The discovery of Copete likely will lead to an expansion of the existing Exploration Target once it is able to be drilled to confirm the mineralisation extends below surface. It is also expected that drilling will show improved copper grades once beneath the weathered surface layer.

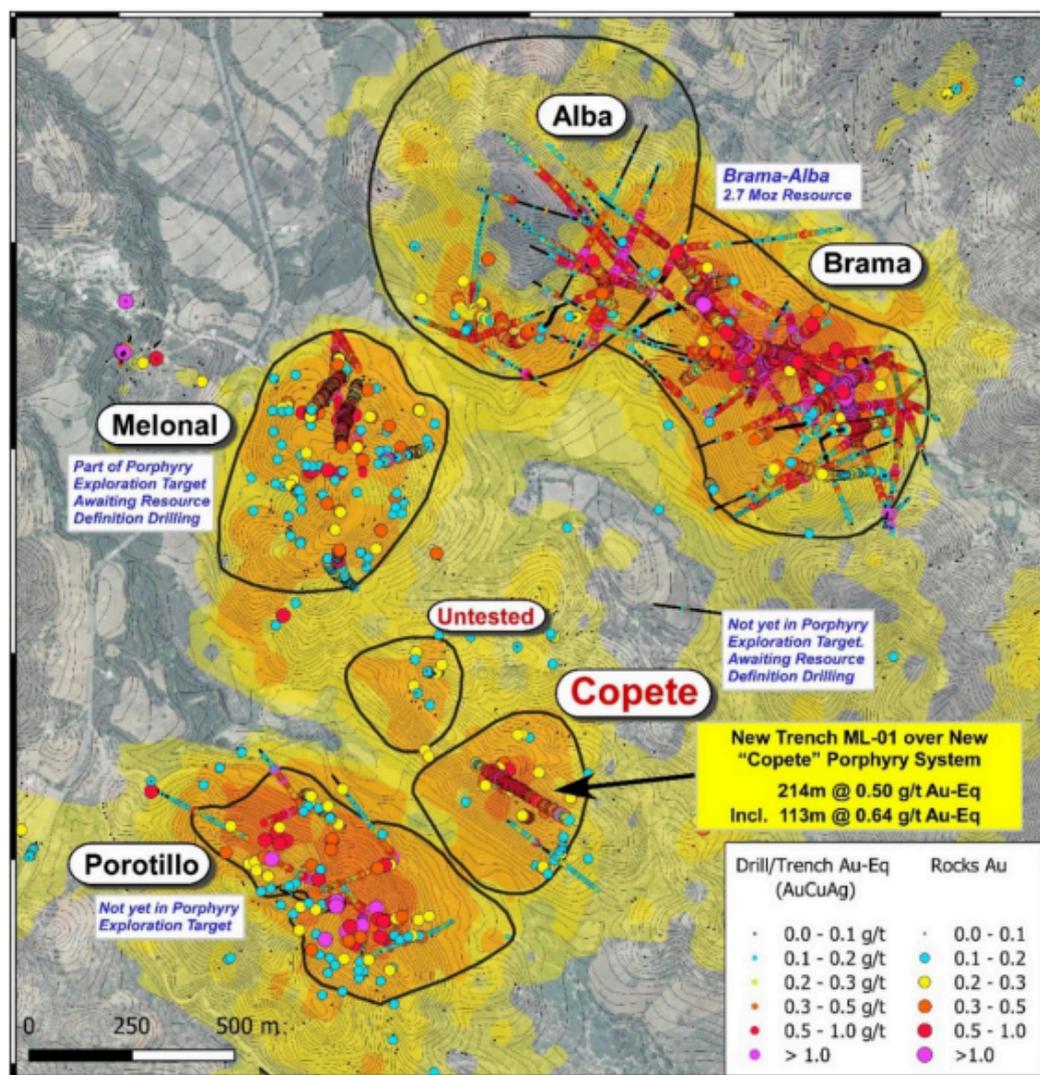
We await further drilling to further assess the potential at Copete, but work done to date is yet another indication of the extensive mineralisation evident across the Bramaderos project.

Figure 23: Copete sits alongside Melonal



Source: STM

Figure 24: Trenching at Copete within the broader Bramaderos project footprint



Source:

An active mining and exploration district

The eastern region of the south of Ecuador is a proven mineralised district. It sits on the Andean Copper Belt and is geologically connected to the Peruvian Copper Belt. It hosts the world class Fruta del Norte gold mine and the large-scale Mirador copper mine. Global majors such as Barrick and Newcrest (now under Newmont ownership) are actively exploring in the region.

Fruta del Norte is one of the highest grade and lowest cost gold mines in the world. It has a total reserve of 21.7Mt at 7.9g/t Au containing 5.5Moz of gold. In 2023, it produced 481koz at an All In Sustaining Cost (AISC) of US\$860/oz. The project was acquired by Lundin Gold off Kinross in 2014 for US\$240m. Construction on the mine commenced in 2017 with first production in 2019. The total capital cost came to approximately US\$700m. Newcrest acquired a 27% interest in Lundin Gold in 2018. Newcrest was subsequently acquired by Newmont in 2023.

As part of Newcrest's entry into Ecuador, alongside acquiring its direct interest in Lundin Gold, Newcrest separately agreed to earn-in up to 50% of eight separate exploration concessions held by Lundin in the region.

The Mirador mine is the largest open pit mine in the country and China's biggest investment in Ecuador. Current capacity is 20Mtpa ore processing yielding copper production of close to 100kt. The Chinese owners are in the final stage of approvals for a US\$650m expansion, lifting throughput to 46Mtpa and copper production to over 200ktpa. The total resource stands at 860Mt at 0.52% Cu. The operation will ultimately transition from open cut to underground, and following the pending expansion it is expected to run for 20 years.

Barrick entered the region in 2023 undertaking early-stage exploration, describing the move as part of its expansion into world class mining districts. It has reported that its early results are positive, confirming both the epithermal and/or porphyry potential of the region. In July 2024, it was announced that Barrick was to acquire the Valle de Tigre early-stage exploration project from Somerset Minerals.

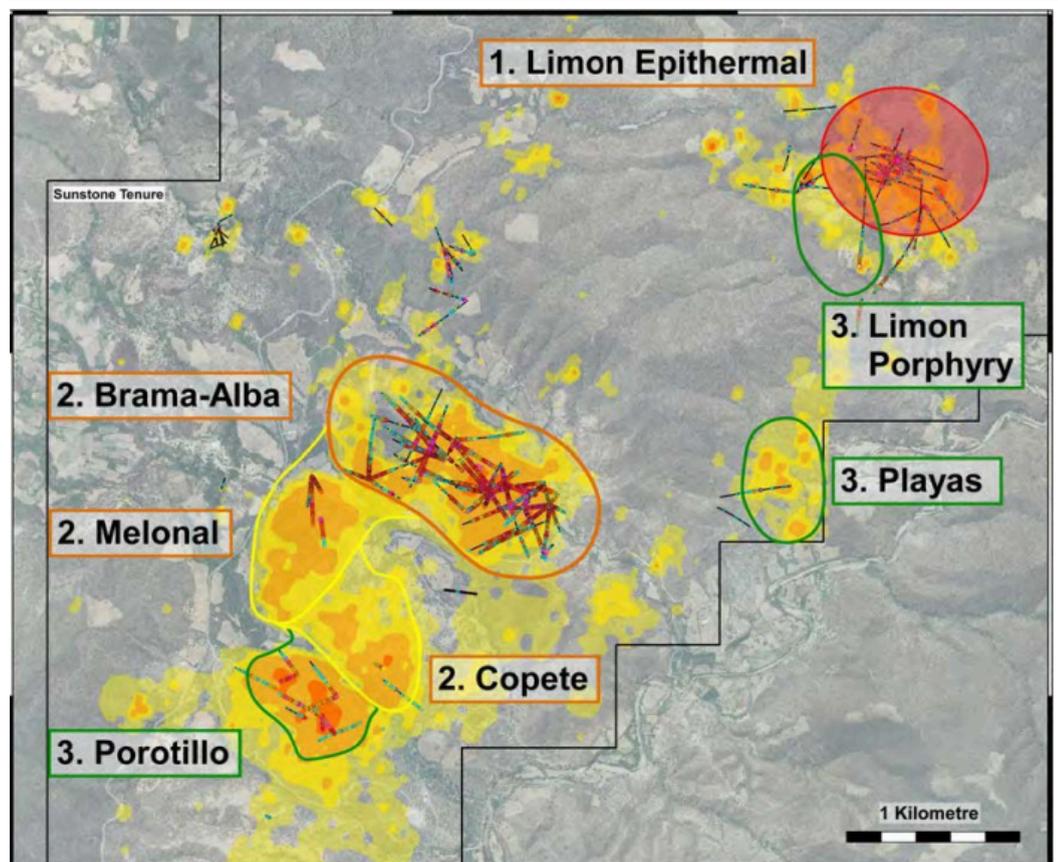
China's Zijin Mining Group had also sought to enter the region through taking a 15% stake in Canada's Solaris Resources for US\$97m to help advance its Warintza project, however, Canada's restrictive critical minerals investment policy saw the deal fail to get regulatory approval.

Development pathway - Potential for 300-400koz Au-eq production

The pathway forward for Bramaderos is multi-faceted and will ultimately likely be a function of balance sheet capacity. The initial plan is likely to include development of the Limon epithermal as an open pit mine. This may be done either standalone or, if funding allows, in conjunction with development of the larger, more capital intensive Brama-Alba porphyry system. If developed standalone, Limon will be able to provide funding to support the subsequent development of the Brama-Alba porphyry. Over time, focus can then shift to developing the porphyry targets at Melonal and Limon, and then potentially the earlier stage targets at Copete, Porotillo and Playas.

With the resource base and Exploration Targets at Brama-Alba, Melonal, and Limon all based around near-surface material it is likely that these porphyry systems would be initially developed as open pit operations before transitioning to block cave underground operations as is common for such deposits.

Figure 25: Potential development pathways for Bramaderos



Source: STM

An initial operation at Brama-Alba would entail a large-scale open pit, likely developed to a scale of 15-20Mt to drive economic outcomes at the porphyry grades. We would expect a 15-20yr initial life, although life extensions would be highly probable as mining transitions to underground.

At a 15-20Mt scale, Brama-Alba would produce of the order of 200-300kozpa on a gold equivalent basis. This would likely be bolstered by an open cut operation at the Limon epithermal, which we expect could add at least another 120kozpa based on a 4-5Mtpa operation. This would see total Bramaderos production of 300-400koz Au-eq. Capital costs for Brama-Alba would be material, likely exceeding US\$1b. The Limon open pit operation would be significantly lower cost, at around US\$200-250m (at US\$40-50/t of ore processed capital intensity). Transitioning to underground operations would add significant capex at a later stage in the operation, but would significantly extend mine life. Given the topography, and based on the current resource, we would anticipate a strip ratio below 2:1, while copper and gold recoveries would likely approach 90%. On this basis, we believe operating costs would be competitive.

As a comparison, the Feb 2024 PFS update for SolGold's Cascabel project outlined a 28-year project, initially processing 12Mt pa followed by an expansion to 24Mtpa in Year 6. Feed grades average 0.6% Cu and 0.54g/t Au, with an AISC of US\$0.69/lb of Cu (US\$15.24/t milled). Pre-production capital costs are estimated at US\$1.6b, with subsequent sustaining and expansion capital of US\$2.6b.

Metallurgical testwork has been carried out on Brama-Alba, with preliminary work showing economically viable recoveries of 85% for copper and 88% for gold. Further work will be undertaken over time to optimise recoveries through varying components such as reagents and grind sizes. Work is also planned to assess whether a supplementary heap leach operation could capture mineralisation in material currently classified as waste due to low copper grades but carrying gold grades above the cut-off.

With the geology of the balance of the porphyry Exploration Targets very similar to Brama-Alba, we would anticipate metallurgical outcomes to be closely aligned across these prospects.

Ecuador

Ecuador is a South American country with a population of approximately 18m. With a land area of 257,000km² it is one of the smaller South American nations, making up 1.4% of its land mass. It is famous as the world's largest exporter of bananas, although oil is the country's top export earner by some margin and shrimp export revenue now exceeds banana revenue. Mining is the fourth largest export earner, although this is likely to overtake bananas in the next few years. The IMF estimates 2022 GDP per capita at US\$6,642, ranking it seventh in South America and 95th globally.

Figure 26: Ecuador location



Source: Adobe

The country has been focusing on improving its infrastructure, with transportation, energy, and communications all seeing investment supported by oil revenues. 70-80% of the country's electricity generation comes from hydroelectric sources. The Chinese built Coca Coda Sinclair hydroelectric plant commissioned in 2016, this source alone provides close to 30% of the nation's power.

Ecuador continues to struggle with corruption. Transparency International's corruption perception index rankings showed a significant improvement in the years immediately post Correa stepping down from power in 2017, (its national ranking lifting from 120 to 92 by 2020), however, in recent years the rankings has eased with Ecuador falling to 115th out of 180 nations. This ranks it behind Chile (29) but ahead of Peru (121), on par with South-East Asian nations such as Thailand, Indonesia, and the Philippines, and ahead of most African nations.

Recent Political History

The last twenty-five years have seen major political shifts in Ecuador with several significant changes in the economic direction adopted by the country. In the late 1990's the failure of a neoliberal movement was exacerbated by weak oil prices and a period of El Nino driven weak agricultural export revenues. This ultimately resulted in an economic crisis in 1999 which saw bank failures, hyperinflation and currency devaluation. In turn, the government made the surprise move to adopt the US\$ as its national currency in January 2000. This period was associated with elevated political instability, with the years from 1996 to 2006 seeing nine presidents most of whom did not finish their mandated terms.

The election of Rafael Correa in 2007 would usher in a period of stability. Correa was in power for ten years to 2017 with a socialist leaning agenda characterised by increased state participation in the economy and increased government power alongside increased social and infrastructure spending supported by strengthening oil revenues. He was also eventful on the international stage driving a more confrontational relationship with the US and cancelling US\$3.2b of foreign debt. While popular for much of his term, eventually the level of authoritarianism and restrictions on free speech created a backlash against him spurring protests (just as falling oil revenues drove the country into a recession). After a failed attempt to remove term limits on the presidency, he did not stand for re-election in 2017.

The subsequent period has seen a political shift towards more market friendly policies, a desire to attract more foreign investment and attempts (usually very unpopular) at fiscal austerity. Over this time the economic backdrop has been challenging and national security issues have escalated. The current President, Daniel Noboa, was appointed when his predecessor Guillermo Lasso dissolved parliament to avoid impeachment proceedings. Noboa took office in November 2023 and quickly implemented policies, including declaring a 60-day nationwide state of emergency, to address rising security issues typically linked to organised crime gangs. The country remains under what it has termed a state of "internal armed conflict" as Noboa focusses on addressing security issues.

2025 will see presidential elections hosted in February. Noboa remains the favourite, although polls suggest his lead has narrowed. Noboa remains the conservative pro-business, pro-mining candidate, his victory would be a positive for the mining sector. The leading challenger is a representative of the Citizen Revolution party which is a democratic socialist party comprised largely of supporters of Correa.

A political focus on growing the mining sector

Ecuador hosts expansive mineral endowments, companies including BHP and Barrick have described it as a target for world class deposits. Yet it remains relatively unexplored and certainly undeveloped with only two active large-scale mines, being the Fruta del Norte gold mine and the Mirador copper mine. The potential economic impact the sector could have is significant. These two mines alone are on track to quadruple mining sector export revenues from 2019 levels by 2025. This would see mining overtake bananas as the third largest export earner for the nation.

Accordingly, the country now sees the mining sector as a key potential driver of economic growth. The post-Correa leadership held specific aims to grow mining's contribution to GDP which have largely been delivered on with the development of the nation's first two large scale mines. In 2021, Executive Decree 151 was signed by President Lasso introducing an "Action Plan" specifically seeking to promote the mining industry. The stated aims of the plan were to develop an efficient and environmentally sensitive mining industry, to promote national and foreign investment, and to adopt industry best practices. It also introduced legal protections for mining rights and centralised the approvals processes.

Most recently, President Noboa presented at PDAC in Canada in 2024, describing mining as an "engine of national development" and describing the mining sector as an economic priority. He introduced further reforms aimed at supporting investment related to stakeholder and community consultations and regulating the consent process.

Mining sector now in action

This support from the government has delivered success, in particular, it has underpinned the development of the Fruta del Norte gold mine and Mirador copper mine, both of which came into production in 2019.

Fruta del Norte is one of the world's highest grade, lowest cost gold mines with annual production close to 500kozpa, while Mirador is now seeking to more than double output to close to 200ktpa copper with a US\$650m investment. Development of the 4Bt Cascabel Project, with its upfront capital cost of US\$1.6b (and subsequent capital costs of US\$2.6b) would be a material boost to the Ecuadorian mining sector as well as the national economy. The project is owned by LSE and TSX listed SolGold, which has both BHP and Newmont on its register. It is aiming to have all studies finalised and approvals in place by the end of 2025. The smaller scale Curipamba-El Domo copper gold mine received final permitting in late 2024 and is expected to commence construction in 2025 with an initial capital cost of US\$250m for an open pit operation. This project was recently acquired by Silvercorp through its 2024 US\$146m acquisition of Adventus.

In the post-Correa era, the increased political support for mining has seen a range of major global mining companies, including BHP, Newmont (largely through Newcrest's prior actions), Barrick, Codelco, Fortescue and Hancock Prospecting all active in the country either exploring, acquiring assets, or investing in projects. With political support attracting and supporting investment from such companies, we see a positive future for mining in Ecuador.

Personal disclosures

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.

Company disclosures

The companies and securities mentioned in this report, include:

Sunstone Metals Ltd (STM.AX) | Price A\$0.006 | Valuation A\$0.023;

Price and valuation as at 20 January 2025 (* not covered)

Additional disclosures

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)

Other disclosures, disclaimers and certificates

Methodology & Disclosures

MST Access is a registered business name of MST Financial Services Limited (ABN 617 475 180 "MST Financial Services"), which is a limited liability company incorporated in Australia on 10 April 2017 and holds an Australian Financial Services Licence (AFSL 500 557). This research is issued in Australia through MST Access, which is the research division of MST Financial Services. The research and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by MST Access is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a financial product you should read any relevant Product Disclosure Statement or like instrument.

ECM and corporate advisory services: MST Financial Services provides equity capital markets ("ECM") and corporate advisory services through its capital markets division, MST Capital Markets ("MST Capital"). MST Capital provides these services to a range of companies including clients of MST Access. As such, MST Capital may in the future provide ECM and/or corporate advisory services and, accordingly, may receive fees from providing such services. However, MST Financial Services has measures in place to ensure the independence of its research division is maintained, including information barriers between its Capital Markets and Research teams. In addition, neither MST Access, nor any of its research analysts, receive any financial benefit that is based on the revenues generated by MST Capital or any other division of MST Financial Services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently certified. Opinions contained in this report represent those of MST Access at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results and estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of liability: To the fullest extent allowed by law, MST Access shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained in this report. No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by MST Access, and under no circumstances will any of MST Financial Services' officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the content.

General Advice Warning

MST Access Research may not be construed as personal advice or recommendation. MST Access encourages investors to seek independent financial advice regarding the suitability of investments for their individual circumstances and recommends that investments be independently evaluated. Investments involve risks and the value of any investment or income may go down as well as up. Investors may not get back the full amount invested. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer's securities or investments. The information contained within MST Access Research is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy. Analysis contained within MST Access Research publications is based upon publicly available information and may include numerous assumptions. Investors should be aware that different assumptions can and do result in materially different results.

MST Access Research is distributed only as may be permitted by law. It is not intended for distribution or use by any person or entity located in a jurisdiction where distribution, publication, availability or use would be prohibited. MST makes no claim that MST Access Research content may be lawfully viewed or accessed outside of Australia. Access to MST Access Research content may not be legal for certain persons and in certain jurisdictions. If you access this service or content from outside of Australia, you are responsible for compliance with the laws of your jurisdiction and/or the jurisdiction of the third party receiving such content. MST Access Research is provided to our clients through our proprietary research portal and distributed electronically by MST Financial Services to its MST Access clients. Some MST Access Research products may also be made available to its clients via third party vendors or distributed through alternative electronic means as a convenience. Such alternative distribution methods are at MST Financial Services' discretion.

Access & Use

Any access to or use of MST Access Research is subject to the [Terms and Conditions](#) of MST Access Research. By accessing or using MST Access Research you hereby agree to be bound by our Terms and Conditions and hereby consent to MST Financial Services collecting and using your personal data (including cookies) in accordance with our [Privacy Policy](#), including for the purpose of a) setting your preferences and b) collecting readership data so we may deliver an improved and personalised service to you. If you do not agree to our Terms and Conditions and/or if you do not wish to consent to MST Financial Services' use of your personal data, please do not access this service.

Copyright of the information contained within MST Access Research (including trademarks and service marks) are the property of their respective owners. MST Access Research, video interviews and other materials, or any portion thereof, may not be reprinted, reproduced, sold or redistributed without the prior written consent of MST Financial Services.