SUNSTONE METALS

Sunstone set for sustained growth as exploration delivers at Bramaderos

Bramaderos is poised for resource growth, with all 20 holes assayed so far in the current drilling program returning long intersections, while planning is underway to restart exploration at El Palmar

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Bramaderos Gold and Copper Project, Southern Ecuador

- Sunstone made strong progress during the quarter on both elements of its dual strategy to create value through ongoing growth in the already large resource while advancing economic studies
- Strong exploration results generated during the June quarter showed there is clear potential to grow the inventory and project value
- The Bramaderos Resource is 3.6Moz AuEq[1,2] – but this is limited to the pit-constrained Brama-Alba-Melonal porphyry deposits, highlighting scope for substantial growth
- Drilling at the Porotillo exploration target has now extended mineralisation to cover an area of over approximately 500m by 200m that lies outside the existing Bramaderos Resource, with 20 holes assayed in the current drilling program at the Porotillo, Copete and Melonal prospects returning long mineralised intersections
- The recent drill results from Melonal, Copete and Porotillo are planned to be incorporated in an updated Bramaderos Mineral Resource Estimate (MRE) in the second half of 2026
- Bramaderos scoping study released in April 2026; the Company continues to undertake further metallurgical and baseline studies
- In addition to the Resource, Bramaderos has a combined gold and copper Exploration Target of 5M–13Moz AuEq[1,2] (345–549Mt at 0.45–0.73g/t AuEq[1])
- The potential quantity and grade of the Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Resource for the reported exploration target area. It is uncertain if further exploration will result in the estimation of a resource.

El Palmar Gold and Copper Project, Northern Ecuador

- In the September quarter, drilling at El Palmar will restart and test the deeper exploration targets that sit adjacent to the Toachi Fault and below the identified starter pit at El Palmar
- MRE of 1.2Moz AuEq[5,6] at El Palmar is based solely on the outcropping T1 gold-copper porphyry target, which is one of several gold-copper porphyry deposits at El Palmar. T1 has the potential to be a large open pit opportunity before undertaking exploration and development of the deeper porphyry opportunities
- A high conviction Exploration Target of between 15M and 45Moz AuEq[5,6] has been identified at El Palmar, consisting of 1.0Bt to 1.2Bt at a grade between 0.3g/t to 0.7g/t gold and 0.1% to 0.3% copper for contained metal of between 10Moz and 27Moz gold and 1.0 to 3.7Mt copper

Corporate highlights

- Cash at 30 June 2026 was $1.7 million
- On 29 June 2026, the company announced that it had raised $10 million (before costs) via a share placement at $0.175 per share, with the funds received on 7 July 2026.
- As part of the raising, the Company welcomed DGR Global as a strategic 10% cornerstone investor in the Company. DGR is an experienced resource investor with a strong track record in building successful resource companies, including SolGold Plc in Ecuador (sold in March 2026 for A$1.7 billion)

7.0 million options remain outstanding from the options issued to subscribers in the September 2024 Placement and the October 2024 Share Purchase Plan. The options have an expiry date of 24 October 2026 and are exercisable at $0.225 each, with a total remaining value of $1.6 million.

For any shareholders who would like to enquire about the process to convert options to shares, please email info@sunstonemetals.com.au.

Exploration and Development Activities

1. Bramaderos Gold-Copper Project (Sunstone 87.5%)

The Bramaderos Project is ideally located immediately adjacent to the Pan-American Highway in southern Ecuador and within a reasonable distance of available grid power, supporting the economics of potential future development opportunities. The project has gentle topography with an average elevation of around 1,100m above sea level. It is also supported by nearby commercial airports and significant population centres such as the city of Loja, and has strong community support.

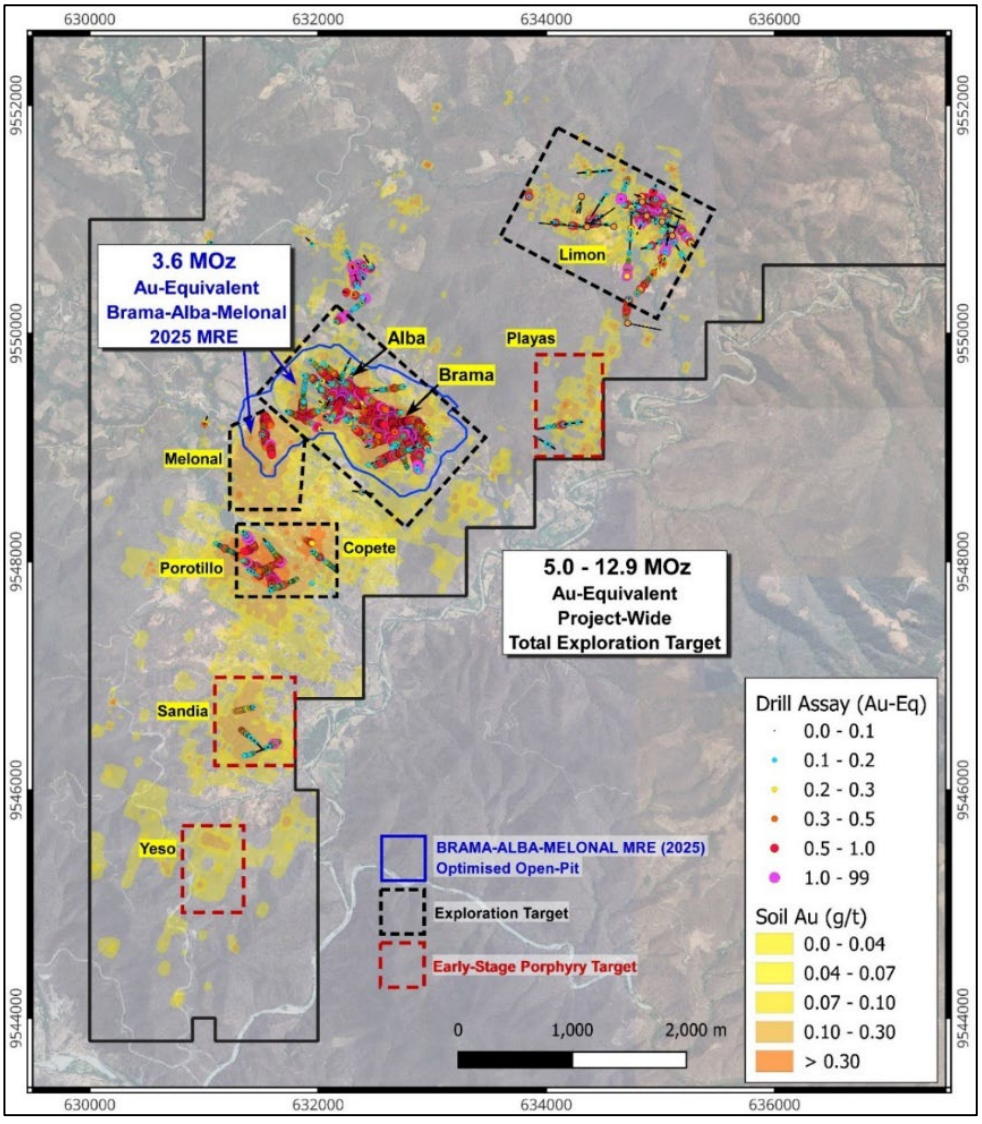


Figure 1: *Overview of key prospects on the Bramaderos project, the Brama-Alba-Melonal resource area, and Exploration Target areas defined on the Bramaderos properties*

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Copete and Porotillo drill program

A total of 25 drill holes have now been completed at Copete and Porotillo for 4,776m of drilling, with assays received for 19 of these holes (Figure 2)[7]. 5 drill holes have been completed at Melonal, with assays received for one of these holes.

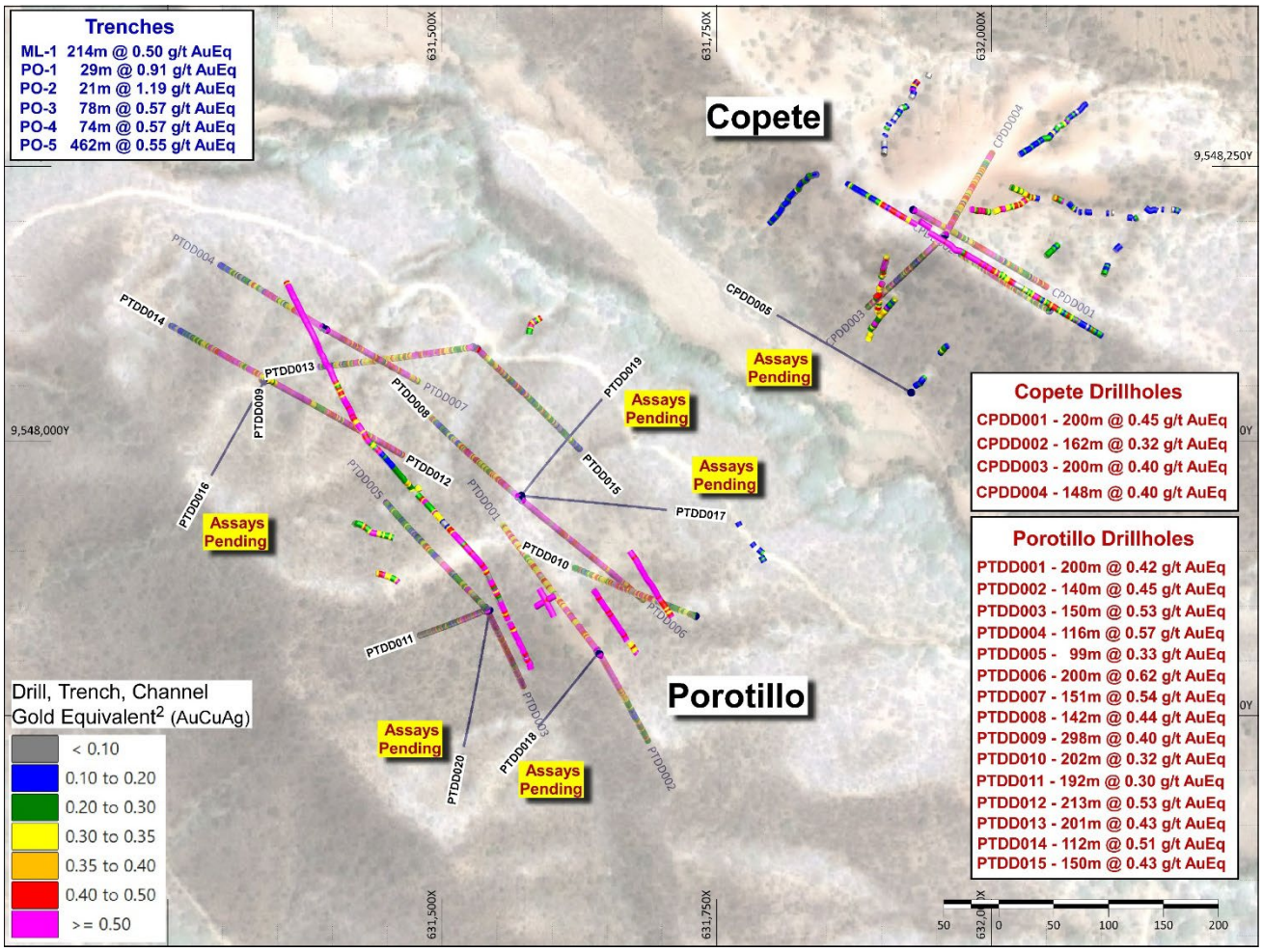


Figure 2: *Status of drilling at Copete and Porotillo and location of new intersections in holes PTDD008-015. Assays for CPDD001-004 and PTDD001-015 displayed[7]. Assays are pending for the six holes at Porotillo and Copete (PTDD016-020 and CPDD005).*

All 20 holes assayed in the current drilling program at the Porotillo, Copete and Melonal prospects within Bramaderos have returned long mineralised intersections and all with mineralisation from surface. The assay results for Copete and Porotillo are included in Figure 2.

Drilling has now intersected significant mineralisation over a northwest-southeast extent of more than 500m and up to 180m in the northeast-southwest direction at Porotillo, with several holes expected to expand this footprint pending further assay results.

This drill program has discovered extensive disseminated and vein-hosted gold-copper mineralisation within early-mineral quartz diorite, diorite and volcaniclastic sedimentary wallrocks, syn-mineral diorite and diorite intrusion breccia bodies and in very extensive syn-late-mineral intrusion breccias.

The mineralisation domains at Porotillo and Copete are expected to expand laterally as we receive additional assay results from holes PTDD016-020 and CPDD005, and as results from ongoing peripheral surface trenching are received.

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The stronger mineralised domains appear to plunge steeply towards the southeast and towards a deep-seated magnetic target well below the area of current surface drilling. These deeper magnetic features represent a higher-grade target that will be tested in the future.

The drill program aims to upgrade to resources a significant portion of the Exploration Target in the Copete-Porotillo complex, which hosts an Exploration Target of 135–180Mt at 0.40–0.60g/t AuEq for 1.7 to 3.5 Moz AuEq[1,2].

This will be done as part of an upgrade to the November 2025 Bramaderos 3.6Moz AuEq[1,2] Mineral Resource estimate, which includes the Brama-Alba-Melonal cluster of porphyry systems.

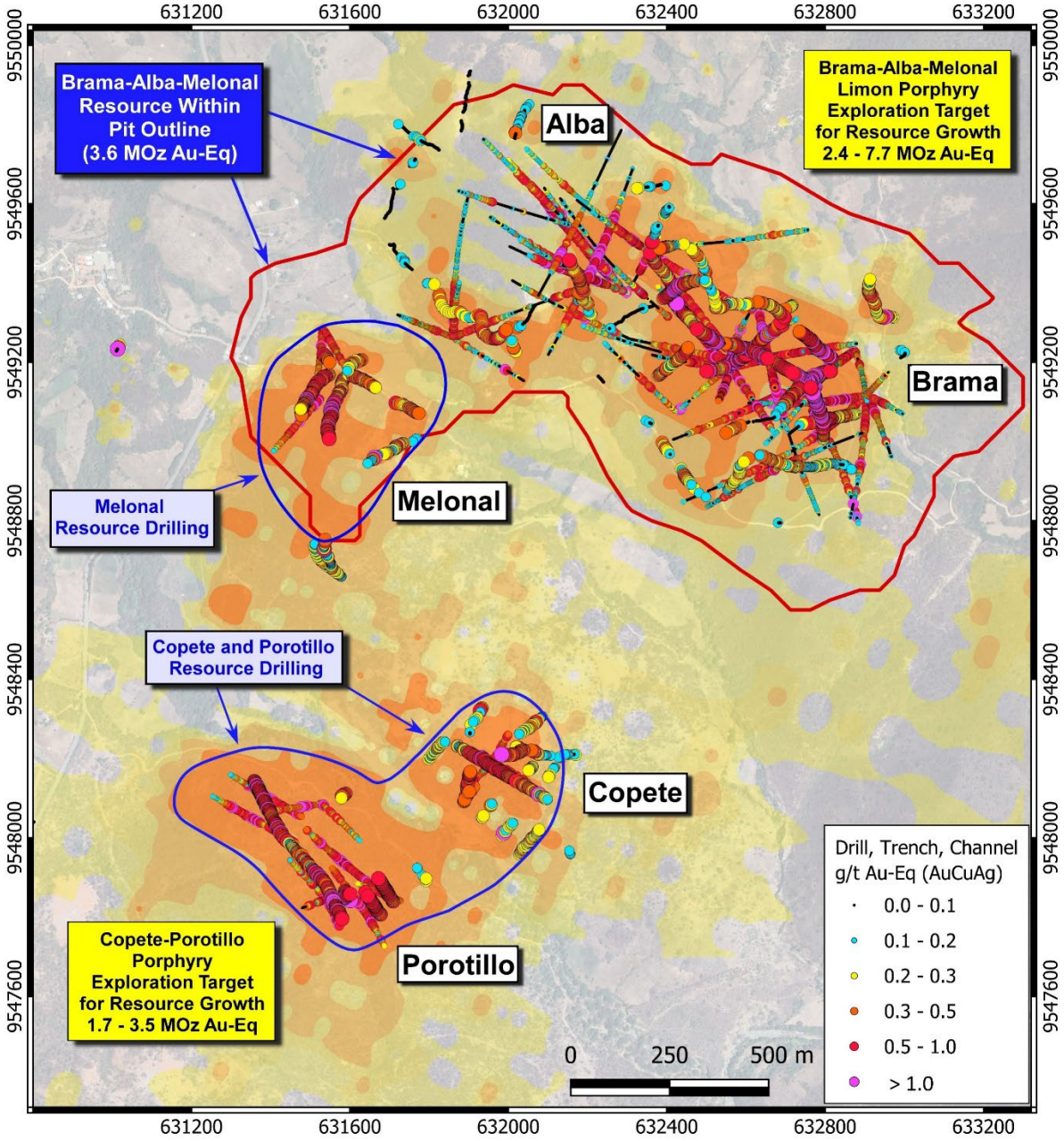


Figure 3: *The cluster of five porphyry gold-copper systems in the Bramaderos concessions (Brama, Alba, Melonal, Copete and Porotillo), and showing the area where resource drilling in the current drill program has been underway at Porotillo, Copete and Melonal to grow the Bramaderos Mineral Resource. Background colour shading is gold in soils.*

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Bramaderos November 2025 Mineral Resource estimate

The November 2025 Bramaderos Mineral Resource estimate **is 220 Mt at 0.5g/t AuEq[1] (0.33g/t gold, 0.10% copper, and 1.2g/t silver) for 3.6 Moz AuEq[1,2]**.

			Grades				Contained Metal		
Deposit	Classification	Tonnes (Mt)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu %	AuEq (Koz)	Cu (Mlbs)	Cu (Kt)
Bramaderos	Indicated	**40**	0.56	0.38	1.26	0.10	600	90	40
Bramaderos	Inferred	**190**	0.49	0.32	1.14	0.10	2,900	410	190
Bramaderos	**Total**	**220**	**0.50**	**0.33**	**1.16**	**0.10**	**3,600**	**490**	**220**

The Exploration Target within the Bramaderos Project concession is estimated based on the extensions to the Brama-Alba system that are not captured in the MRE, as well as mineralisation drilled at Melonal, Copete, Porotillo and the upper section of the Limon porphyry. The Exploration Target does not include known porphyry mineralisation at Sandia, Playas, Yeso and the deeper main body of the Limon porphyry. The Exploration Targets are in addition to the 2025 Bramaderos Mineral Resource estimate.

The Bramaderos Porphyry Exploration Target consists of between approximately 315 and 505Mt at a grade between 0.41 and 0.69g/t AuEq for contained metal of between 4.1Mozs and 11.2Mozs AuEq[1,2]. This is complemented by the higher-grade Limon epithermal Exploration Target of between 30 - 40Mt at a grade between 0.9 - 1.2g/t AuEq for 0.9Moz – 1.7Moz AuEq[3,4].

The Exploration Targets were not considered in the Scoping Study but represent significant future growth potential as drilling converts these discoveries into additional Mineral Resources.

Table 1: Summary of Exploration Targets at the Bramaderos Project (in addition to the November 2025 Bramaderos Mineral Resource estimate).

Exploration Target Zone	Min Tonnage (Mt)	Max Tonnage (Mt)	Min Grade g/t AuEq	Max Grade g/t AuEq	Min. AuEq (Moz)	Max. AuEq (Moz)
Copete-Porotillo Porphyry[2]	135	180	0.4	0.6	1.7	3.5
Brama-Alba-Melonal-Limon Porphyry[2]	180	325	0.41	0.74	2.4	7.7
SUB-TOTAL PORPHYRY EXP. TARGET	315	505	0.41	0.69	4.1	11.2
Limon Epithermal[4]	30	44	0.9	1.2	0.9	1.7
TOTAL BRAMADEROS EXP. TARGET	**345**	**549**	**0.45**	**0.73**	**5.0**	**12.9**

Bramaderos April 2026 Scoping Study

On 21 April 2026, the Company announced a compelling Scoping Study for the current Bramaderos 3.6 Moz AuEq[1,2] Mineral Resource estimate. The single-stage, very low-stripping-ratio (1.4 times) mine plan was complemented by an Ausenco-designed SABC float-leach process plant.

The Company, however, was required by the ASX to retract the forecast production and financial information contained in the Scoping Study on 11 May 2026 due to an over-reliance on Inferred Resources for the mine plan.

The Company continues to conduct metallurgical and baseline studies to support future study programs for the development of Bramaderos.

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2. El Palmar Copper-Gold Project (Sunstone 82.6%, to acquire 100%)

El Palmar is located in northern Ecuador, 60km north-west of Ecuador's capital, Quito. Under a Staged Acquisition Agreement, Sunstone holds 82.6% following a payment of US$0.5M on 6 July 2026 to increase Sunstone's ownership from 74.5%. US$1.2M is payable by 1 July 2027 to take Sunstone's ownership to 100%.

El Palmar is made up of five gold-copper porphyry targets, which sit on and around the Toachi fault zone, and also hosts the nearby 2.7Bt Cascabel copper-gold deposit and the 1Bt copper-molybdenum Llurimagua deposit.

During the December 2024 Quarter, Sunstone announced the inaugural Mineral Resource estimate and initial Exploration Target at El Palmar.

El Palmar Mineral Resource Estimate

Based on drilling to date at the T1 target at El Palmar, the Company released the inaugural Mineral Resource estimate (**MRE**) for the T1 target at El Palmar on 22 October 2024 of 64Mt at 0.60g/t AuEq (0.41g/t gold, 0.13% copper and 0.7g/t silver) for 1.2Mozs AuEq[5,6].

Category	Tonnage Mt	Average Grade					Material Content			
		AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (ppm)	Cu (%)	AuEq (Koz)	Au (Koz)	Ag (Koz)	Cu (Kt)
Indicated	5	0.63	0.42	0.81	1,456	0.15	100	100	100	7
Inferred	59	0.59	0.40	0.65	1,290	0.13	1,100	700	1,200	70
TOTAL	**64**	**0.60**	**0.41**	**0.66**	**1,301**	**0.13**	**1,200**	**800**	**1,300**	**80**

The MRE is based on 21 drill holes for 17,699m of drilling (18 drilled by Sunstone in the period August 2021 to July 2022 and 3 drilled by Codelco in 2012) and 1,498 linear metres of trenching in 5 trenches.

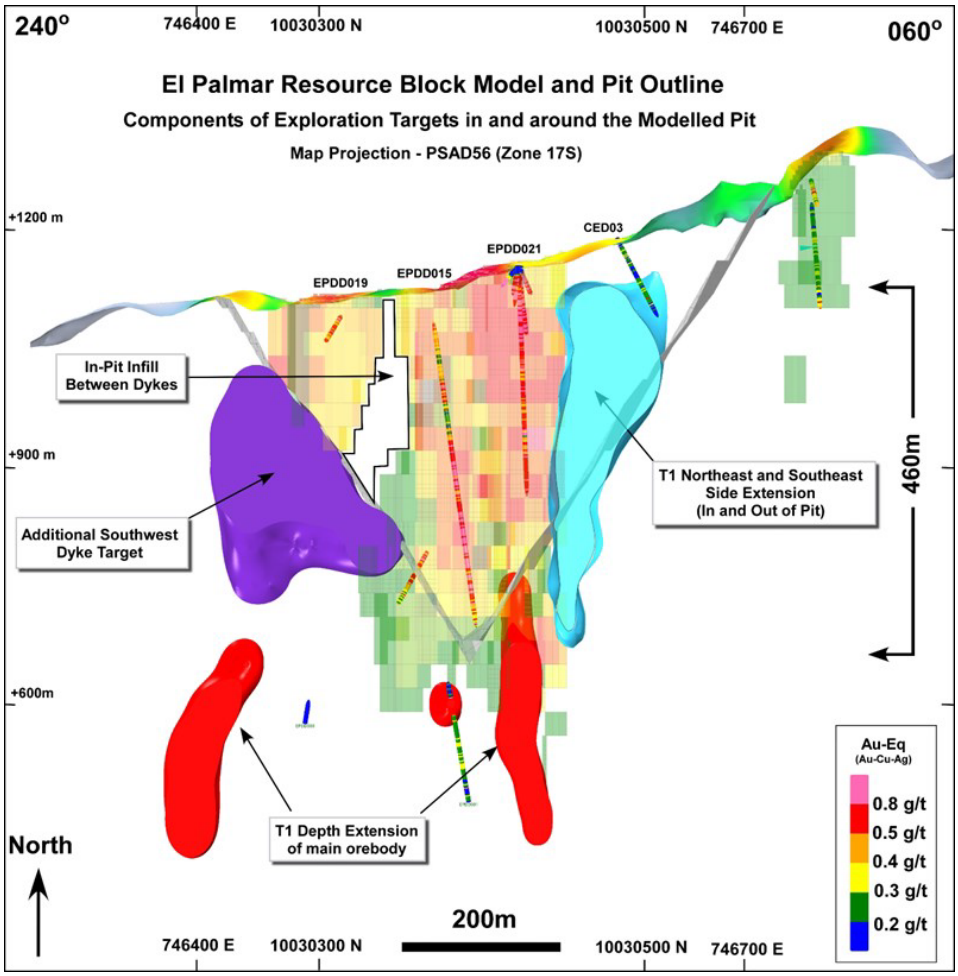


Figure 5: *El Palmar T1 resource block model for grades >0.2 g/t Au-Eq and pit outline along a 240-060° cross-section and showing the exploration targets which are located within, on the sides, and immediately below the modelled T1 open pit.*

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T1, which is at surface, is one of five target gold-copper porphyry deposits at El Palmar, and has the potential to be advanced as a large open pit opportunity before undertaking exploration and development of the deeper porphyry opportunities. This MRE establishes a strong platform on which to build a world-scale gold and copper resource inventory at El Palmar.

El Palmar Exploration Target

In addition to the inaugural MRE, the Company announced an initial Exploration Target for El Palmar of between 15M and 45Moz AuEq[5,6], consisting of 1.0Bt and 1.2Bt at a grade between approximately 0.3g/t to 0.7g/t gold and approximately 0.1% to 0.3% copper for contained metal of between 10Mozs to 27Mozs gold and 1.0Mt to 3.7Mt copper.

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the target area reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target comprises material from the T1, T2 and T3 targets and extends across an area of 1.6km x 1.1km. It includes near-surface mineralisation and deeper mineralisation to depths of 1,500m below surface. The areas of mineralisation captured in the Exploration Target are high-conviction, geologically robust domains consistent with high-aspect-ratio, clustered porphyry gold-copper deposits. There is potential for the copper content to increase in areas interpreted to be central to the porphyry systems.

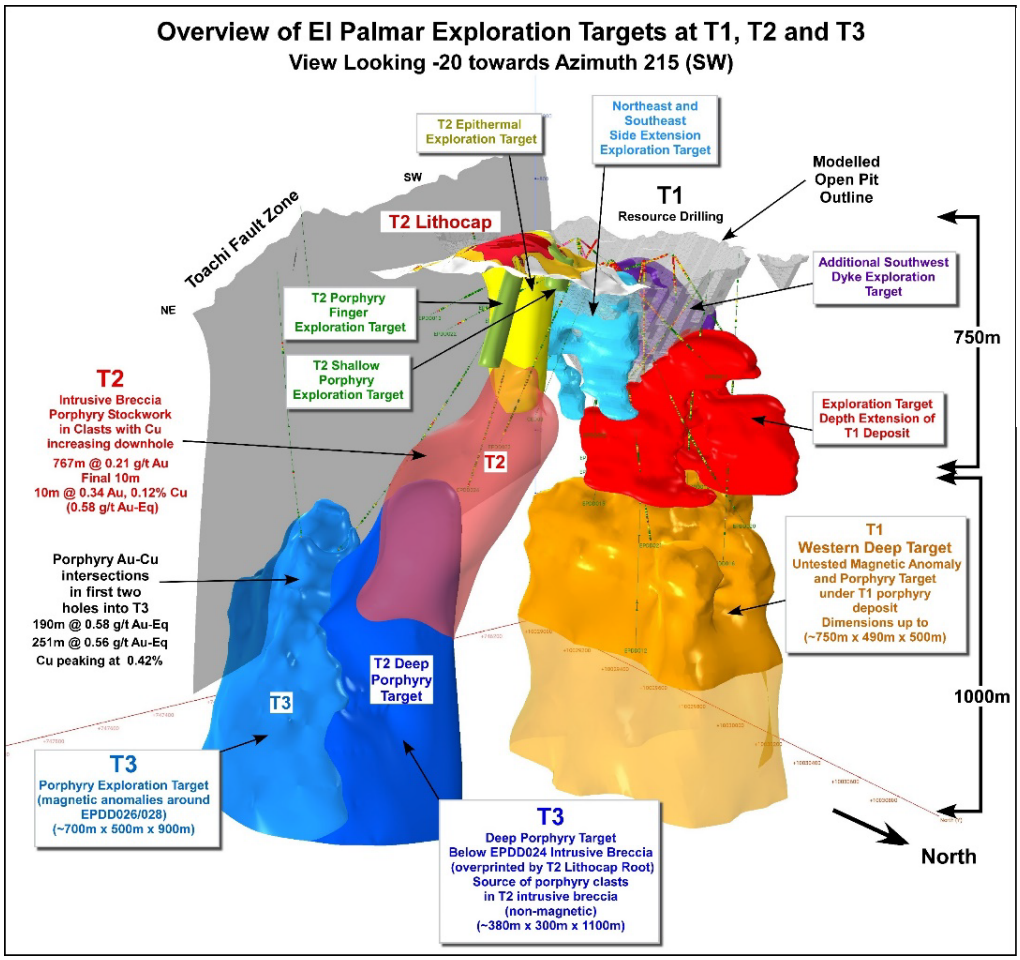


Figure 6: *Overview of 9 of the 10 exploration targets defined on the El Palmar concession. View is looking at -20 degrees towards azimuth 215º.*

As the Exploration Target has been estimated from only three of the five target deposits, there is still immense potential to grow at El Palmar, including two large untested magnetic anomalies.

Verde Chico Project

Sunstone is acquiring the Verde Chico Project through a Staged Acquisition Agreement (signed on 23 September 2022). Verde Chico is located to the west of Sunstone's El Palmar gold-copper porphyry discovery and quadruples Sunstone's land position to 3,672ha in this prospective belt in northern Ecuador, adjacent to the Toachi Fault.

The initial exploration activities at Verde Chico have included rock chip sampling and stream sediment sampling programs, along with formal community agreements and environmental baseline surveys.

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[1] Refer ASX Announcement on 24 November 2025.

[2] The gold equivalent (AuEq) calculation formula for porphyry gold-copper-silver mineralisation at Bramaderos is AuEq (g/t) = ((Au grade x Au price x Au recov / 31.1035) + (Ag grade x Ag price x Ag recov / 31.1035) + (Cu grade x Cu price x Cu recov / 100)) / (Au price x Au recov / 31.1035). The prices applied were US$1,800/oz gold, US$4.50/lb copper and US$22/oz silver. Recoveries are estimated at 88% for gold, 85% for copper and 60% for silver based on metallurgical studies. In Sunstone's opinion, all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

[3] Refer ASX Announcement on 5 February 2024.

[4] The gold equivalent calculation formula for the Limon epithermal gold-silver mineralisation is AuEq(g/t) = Au(ppm) + (Ag (ppm)/82). The prices used were US$1,800/oz gold and US$22/oz silver. Recoveries are estimated at over 90% for gold and 90% for silver from metallurgical studies. In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

[5] Refer ASX Announcement on 22 October 2024.

[6] The AuEq calculation formula for porphyry gold-copper-silver mineralisation at El Palmar is AuEq (g/t) = ((Au grade x Au price x Au recov / 31.1035) + (Ag grade x Ag price x Ag recov / 31.1035) + (Cu grade x Cu price x Cu recov / 100)) / (Au price x Au recov / 31.1035). The prices applied were US$1,800/oz gold, US$4.50/lb copper and US$22/oz silver. Recoveries are estimated at 90% for gold, 78% for copper (excluded for oxide material), and 60% for silver based on metallurgical studies. Grades for the Exploration Target are 0.30g/t Au and 0.10% Cu. In Sunstone's opinion, all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

[7] Refer ASX Announcements 14 April 2026, 4 May 2026, 14 May 2026, 21 May 2026, 2 June 2026, 2 July 2026

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Corporate

The Company's unaudited cash position at 30 June 2026 was approximately A$1.7 million, and the value of tradeable equity investments was approximately A$0.1 million. The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 June 2026 provides an overview of the Company's financial activities.

On 29 June 2026, the Company announced it had raised $9.9 million via a Placement, with the funds received on 7 July 2026. Proceeds from the Equity Raising will be used for exploration drilling at the Bramaderos and El Palmar gold and copper projects, undertake metallurgical test work and other studies at Bramaderos, increase Sunstone's ownership of El Palmar from 74.5% to 82.6%, pay concession fees, and provide working capital.

As part of the Equity Raising, Sunstone is pleased to welcome DGR Global as a strategic 10% cornerstone investor in the Company. DGR is an experienced resource investor with a strong track record in building successful resource companies, including SolGold Plc in Ecuador (which was sold in March 2026 for A$1.7 billion). DGR will have the right to nominate a representative to the Board of Sunstone.

Exploration expenditure for the reporting period was A$2.7 million (March 2026 quarter A$2.9 million), with the expenditure related to the ongoing diamond drilling activities at Copete and Porotillo, and completion of the April 2026 Bramaderos Scoping Study. The drilling program will contribute to an upgraded Bramaderos Mineral Resource estimate towards the end of 2026.

Corporate and other expenditure (including property, plant, and equipment) amounted to A$0.4 million (March 2026 quarter A$0.3 million. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was A$0.2 million and includes salary, superannuation and directors' fees.

As the Company is an exploration entity, no sales revenue has yet been generated from product sales. Sunstone has primarily funded its activities through the issuance of equity securities. It is expected that the Company will be able to fund its future activities through further issuances of equity securities and consideration of corporate and project-level strategic partnerships.

Shareholder Information

[illegible]	ASX: STM
Opening balance at 31 March 2026	**226,799,843**
Options exercised	413,671
Closing balance at 30 June 2026	**227,213,514**

The balance of unlisted options at 30 June 2026 was 8,336,942, and the balance of unlisted performance rights at 30 June 2026 was 8,812,047.

Options exercised relate to options issued to subscribers in the September 2024 Placement and October 2024 Share Purchase Plan, with an expiry date of October 2026. There remain 7.0 million of these options with an exercise price of $0.225, valued at $1.6 million, still to be exercised. For any shareholders who would like to enquire about the process to convert options to shares, please email info@sunstonemetals.com.au.

On 29 June 2026, the Company announced a raise of A$9.9 million (before costs) through the issue of 56,803,378 shares via a Placement (issued on 8 July 2026). The funds from the Placement were received by the Company on 7 July 2026. Following the Placement, Sunstone had 284,016,892 shares on issue.

Notes Specific – June 2026 Quarter ASX Announcements

The following announcements, which relate to information in this Quarterly Report, were lodged with the ASX. Further details (including JORC 2012 Code Reporting Tables, where applicable) for the results summarised above can be found in the announcements:

Change in registered address	27 July 2026
Application for quotation of securities	23 July 2026
Noosa Mining Investor conference presentation	22 July 2026
Notice of General Meeting/Proxy Form	17 July 2026
Becoming a substantial holder from DGR	13 July 2026
S708A(5) Clensing Notice	8 July 2026
Application for quotation of securities	8 July 2026
Bramaderos poised for resource growth with recent drilling	2 July 2026
Proposed issue of securities – STM	29 June 2026
Sunstone raises $10M in share placement	29 June 2026
Trading halt	25 June 2026
Application for quotation of securities	5 June 2026
Porotillo drilling intersects wide intervals of gold-copper	2 June 2026
Application for quotation of securities	29 May 2026
Application for quotation of securities	21 May 2026
Drilling continues to intersect mineralisation	21 May 2026
Drilling returns more large intersections at Bramaderos	15 May 2026
Retraction announcement of scoping study	11 May 2026
Response to ASX Query Letter	5 May 2026
Drilling continues to extend Bramaderos mineralisation	4 May 2026
Quarterly activities/appendix 6B cash flow report	30 April 2026
Application for quotation of securities	24 April 2026
Bramaderos Gold-Copper Project Scoping Study	21 April 2026
Ignite Hong Kong Presentation	16 April 2026
Excellent start to new resource growth drilling program	14 April 2026

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Tenement Schedule

At the end of the quarter, the Company holds the following tenements:

Gold-copper tenements - Ecuador

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Bramaderos S.A.	Bramaderos[A]	Loja, Ecuador	Granted	87.5%
Bramaderos S.A.	Bramaderos 02	Loja, Ecuador	Granted	87.5%
Bramaderos S.A.	Cueva de Leon	Loja, Ecuador	Granted	87.5%
Golden Exploration Ecuador S.A.	Los Mandariyacus (El Palmar)[B]	Imbabura, Ecuador	Granted	82.6%[B]
Compania Minera Verde Chico CIA Ltda	Verde Chico[C]	Imbabura, Ecuador	Granted	0%

Notes

A: Sunstone announced on 7 January 2020 that the terms of the Earn-in Joint Venture with TSX-V listed Cornerstone Capital Resources (subsequently merged with SolGold PLC) had been amended to provide Sunstone with an immediate 87.5% interest and SolGold with a loan carried 12.5% interest in Bramaderos S.A. (formerly named La Plata Minerales S.A.), the holder of the Bramaderos concession. On 4 March 2026, SolGold was acquired by Jiangxi Copper.

B: Sunstone announcement 12 August 2020 regarding a Staged Acquisition Agreement for 100% of the El Palmar project. Sunstone currently holds 82.6% following a payment of US$0.5M on 6 July 2026.

C: Sunstone announcement 21 June 2022 regarding a Letter of Intent to acquire 100% of the Verde Chico Project, located to the west of Sunstone's El Palmar gold-copper porphyry discovery in northern Ecuador, through a Staged Acquisition Agreement, signed 23 September 2022, from the Verde Chico Group.

Competent Persons Statement

The information in this report that relates to exploration results and Exploration Targets is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach is a full-time employee of Sunstone Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information relating to the Bramaderos Mineral Resource is extracted from the ASX announcement on 24 November 2025. The information relating to the El Palmar Mineral Resource is extracted from the ASX announcement on 22 October 2024. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented for their respective Mineral Resource estimates have not been materially modified from the original market announcements.

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Information on Exploration Targets

Bramaderos

The Bramaderos porphyry Exploration Target within the Bramaderos concession is estimated from four areas – the extensions to the Brama-Alba system that are not captured in the Mineral Resource estimate (MRE), the majority of the Melonal system that is not captured in the Mineral Resource estimate (MRE), and mineralisation drilled at the targets of Limon and Copete-Porotillo porphyry mineralisation.

The Exploration Target does not include known porphyry mineralisation at Sandia, Playas or Yeso. It was decided to not include these areas because Sunstone has not yet completed any or sufficient drilling in these areas. Further work in these areas will be undertaken and they are expected to contribute to an expanded Exploration Target in future.

Several areas of mineralisation have been identified outside of the area of the MRE. The MRE captured material that was drilled to sufficient density an economically modelled pit. Inadequate drilling exists in some areas both within and outside the modelled pit to show mineralisation continuity. Furthermore, the effect of the reasonable prospects of eventual economic extraction was to exclude 31% of material. This material has been captured in the Exploration Target.

Six domains were identified as having clear potential for additional mineralisation and these were reviewed either on a depth slice basis, or a block basis. Volumes were calculated and grade was assigned based on nearby data and on comparison with the overall Brama-Alba grade. This exploration target was reduced by the amount of material within it that was converted to resource by the latest MRE update.

The Melonal target is a continuation of the Brama-Alba system. It is geologically grouped with Brama-Alba. Recent drilling by Sunstone, and historical drilling from 2007, has confirmed that the Melonal target is mineralised, and that mineralisation is hosted in rocks the same as those drilled at the nearby Brama-Alba deposit. The mineralised rocks are coincident with a discrete sub-vertical magnetic anomaly measuring up to 400m in diameter, and with a vertical extent of over 1,000m. The Exploration Target for Melonal was considered to a depth of 500m. The Melonal target straddles the approved Bramaderos-01 and Bramaderos-02 concessions. This exploration target was reduced by the amount of material within it that was converted to resource by the latest MRE update.

Sunstone has drilled 8 effective diamond holes at the Limon porphyry target. Mineralisation has been intersected in a number of holes. A trench (LM_TR_01) was completed at Limon prior to drilling in an area of outcropping stockwork veining and minor secondary copper mineralisation. It returned 97m at 0.73g/t gold and 0.23% copper. A recent hole drilled under the trench has intersected similar stockwork veined intrusive and contains chalcopyrite.

This area around Trench TR_LM_01 has been included in the porphyry Exploration Target where more drilling is required to allow inclusion in a Mineral Resource estimate.This target area will be further explored with drilling programs to be executed over the next two years, subject to the Company's funding ability.

Copete and Porotillo

The Copete and Porotillo exploration targets are areas of outcropping porphyry stockwork veining that occur within an extensive gold and copper soil geochemical anomaly. These areas have seen substantial historical drilling (13 drill holes) with extensive mineralised intersections, plus widespread rockchip sampling of surface mineralisation, channel sampling in ravines and an extensive mineralised trench ML-01 at Copete that assayed 214m @ 0.50 g/t AuEq (ASX announcement 12 November 2024).

At Porotillo, within the main body of the gold-in-soil geochemical anomaly, an extensive early-mineral quartz diorite intrusion hosts overprinting porphyry-related, disseminated and vein stockwork mineralisation over an area spanning up to approximately 530m by 310m. Very substantial historic drill intersections were encountered at Porotillo.

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Two domains were modelled to generate the Copete-Porotillo exploration target to depths of 200m and 400m below surface.

This target area will be further explored with drilling programs to be executed over the next two years, subject to the Company's funding ability.

Limon epithermal

The Limon epithermal Exploration Target was estimated on target prospects where there was a combination of diamond drilling (by Sunstone), geological mapping, trenching, geochemistry (soils) and to a lesser extent geophysical data (magnetics) which could support the geological and mineralisation concept model.

The Limon alteration area has been covered with soil sampling on a 50m x 50m grid. This survey is an important exploration method which identified several gold-in soil anomalies that are primary targets for drilling. The soil geochemical data is further interpreted using related element associations typical of epithermal systems, such as areas of somewhat coincident gold, silver, zinc, lead, copper, tellurium and arsenic. Target areas have also been strengthened using alteration mineralogy from a hand-held Terraspec instrument. These data assist in mapping the alteration zones most likely to be associated with epithermal mineralisation.

Drilling at Limon has also intersected an intermediate sulphidation epithermal system in numerous drill holes including LMDD017, 26, 30, 32, 38, 40, 43 and 46-51. Drill intersections include 185m @ 2.85 g/t AuEq[4] (include 31m @ 12.93 g/t AuEq[4]) in LMDD026, and 269m @ 1.05 g/t AuEq[4] (include 11m @ 14.15 g/t Au) in LMDD040.

Standard geological mapping and rock chip sampling has also been undertaken across the Limon target area.

The volume ranges for the initial Exploration Target in the Central Shoot were estimated using cross sections and 3-D modelling in Leapfrog software, based on drilling, mineralised rock types, grade distribution, potential for extrapolating mineralisation continuity, and interpreted geological risk.

The volume ranges for the other components were estimated from geological interpretation and guided by the extent of surface geochemical anomalism, supplemented by preliminary drilling. A conservative approach was taken to the potential distribution of gold and silver-bearing veins.

This target area will be further explored with drilling programs to be executed over the next year, subject to the Company's funding ability.

El Palmar

The Exploration Target within the El Palmar concession is estimated from within the T1, T2 and T3 areas.

The Exploration Target does not include interpreted or known porphyry mineralisation at the T4 and T5 target areas. It was decided not to include these areas because Sunstone has not yet completed any drilling at T4 and has conducted only minor drilling at T5. Further work in these areas will be undertaken and they are expected to contribute to an expanded Exploration Target in future.

The components of the exploration target are based on a combination of diamond drilling conducted by Codelco (during 2012) and by Sunstone (during 2022 and 2023), ground magnetics, multi-element soil sampling, multi-element rock chip and channel sampling, multi-element trench sampling and deep magnetic inversion anomalies modelled from ground magnetic data.

Wireframes of domains within the Exploration Target areas were created in Leapfrog software using data interpreted from the Mineral Resource block model, iso-surface contours of modelled magnetic intensities, and grade ranges in available diamond drill holes. The volumes were multiplied by a specific gravity of 2.72g/cc (the average density of the T1 resource) to determine the tonnage range of the target. Grade ranges were determined with reference to drill intersections and surface rock chip assays.

The next step in testing these targets is primarily diamond drill testing. The targets have been adequately defined, but drill programs still require further detailed planning regarding the number of drill holes, their azimuths, dips, and final depths. Drilling of these targets will be undertaken over the next two years, subject to the company's funding availability.

Directory

Sunstone Metals Limited
ABN 68 123 184 412

Website www.sunstonemetals.com.au

Email info@sunstonemetals.com.au

Stock exchange listing
Australian Stock Exchange — ASX Code: STM

Investor Information Contacts
Lucas Welsh – Company Secretary
Sunstone Metals Limited
Phone: 03 7044 2627
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Shareholder Enquiries
Share registry matters should be directed to:
Computershare Investor Services
Phone: 1300 850 505
Website: www.computershare.com.au

Registered office
Level 50, 120 Collins St
Melbourne Victoria 3000
Phone: 03 7044 2627

Issued capital
At 30 June 2026:

Ordinary shares:	227,213,514	(STM)
Unlisted Performance Rights:	8,812,047	(STMAS)
Unlisted Options:	8,336,942	(STMAL)

Directors
Malcolm Norris – Non-Executive Chairman
Patrick Duffy – CEO & Managing Director
Neal O'Connor – Non-Executive Director
Stephen Stroud – Non-Executive Director

Company Secretary
Lucas Welsh

For further information, please visit www.sunstonemetals.com.au or contact:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SUNSTONE METALS LIMITED

ABN	Quarter ended ("current quarter")
68 123 184 412	30 JUNE 2026

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(299)	(943)
	(e) administration and corporate costs	(98)	(990)
1.3	Dividends received (see note 3)		
1.4	Interest received	42	107
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	-	9
1.9	**Net cash from / (used in) operating activities**	**(355)**	**(1,817)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	(34)
	(d) exploration & evaluation	(2,731)	(8,812)
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(2,731)**	**(6,115)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		8,000
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	93	2,332
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(595)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**91**	**9,737**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,659	2,675
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(355)	(1,817)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,731)	(8,846)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	91	9,737

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	4	(81)
4.6	**Cash and cash equivalents at end of period**	**1,668**	**1,668**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,668	2,659
5.2	Call deposits		2,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,668**	**4,659**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	151
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		
7.5	**Unused financing facilities available at quarter end**		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(355)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,731)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,086)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,668
8.5	Unused finance facilities available at quarter end (item 7.5)	0
8.6	Total available funding (item 8.4 + item 8.5)	1,668
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.5

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company announced a capital raise of A$9.9 million on 29 June 2026, with the funds received on 7 July 2026, providing sufficient funding to fund ongoing exploration activities. As a junior explorer the Company is at all times considering opportunities for funding its business, including corporate investment opportunities. The Company has a track record of successfully raising funds to deliver discoveries and expects to be able to fund the planned activities outlined in the Quarterly Report.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – it is expected that the Company will be able to fund its future activities following the capital raise announced on 29 June 2026, further issuances of equity securities, and consideration of project and asset-level strategic partnerships/investments.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2026

.....

Authorised by: Lucas Welsh – Company Secretary

.....
(Name of body or officer authorising release – see note 4)

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Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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