

ASX ANNOUNCEMENT

30 APRIL 2022

MARCH 2022 QUARTERLY ACTIVITIES REPORT

Operations Highlights

El Palmar Copper-Gold Project, Ecuador (Sunstone 70%, to acquire 100%)

- Strong assays from holes EPDD004 and 006 include:
 - 97m at 0.43g/t gold and 0.11% copper from 194m in EPDD004
 - 124.35m at 0.41g/t gold and 0.16% copper from 10.65m in EPDD006, and
 - 50.0m at 0.43g/t gold and 0.24% copper from 314m in EPDD006
- Assays now show significant grades and widths of gold and copper porphyry mineralisation in several holes associated with specific intrusives within the 700m-diameter main El Palmar target
- Immense upside remaining, with drilling to date limited to the south-eastern portion; The western and northern portions remain largely untested
- Sunstone now holds 70% ownership of the project
- The El Palmar magnetic complex has a vertical extent exceeding 1.2km, and deep drilling is testing this complex below 500m depth from surface

Bramaderos Gold-Copper Project, Ecuador (Sunstone 87.5%)

- Drilling at the Alba target continues to deliver very encouraging gold-copper porphyry intersections, including:
 - 111m at 2.35g/t gold from 93m in BMDD012
 - 264.7m at 0.49g/t gold and 0.13% copper, from 95m to end of hole in BMDD020
 - 223.7m at 0.58g/t gold and 0.13% copper, from 107.6m in BMDD021
 - 345.5m at 0.37g/t gold and 0.13% copper from 82.5m in BMDD022
 - 222.4m at 0.37g/t gold and 0.13% copper from 76.4m in BMDD023
 - 397m at 0.30g/t gold and 0.10% copper from 102m in BMDD025
- All holes include higher grade gold-copper intervals, and locally very high-grade gold was intersected in BMDD012 over significant width
- Geophysical surveys indicate high-grade Alba gold-copper porphyry continues to 1km deep and identified several nearby Alba-style targets which Sunstone is now preparing to drill
- Sunstone has increased the number of rigs at Alba to three to accelerate drilling towards an initial Mineral Resource Estimate in late 2022

Corporate Highlights

- A\$9 million in cash at 31 March 2022
- A\$20 million capital raising was completed in April, with an SPP in progress to targeting a further A\$4 million
- ~A\$4.3 million cash received during the quarter from sales of a portion of Sunstone's shareholding in Copperstone Resources AB.

Sunstone Metals (ASX:STM) is an ASX listed mineral exploration company with high-quality gold and copper assets in Ecuador.

Sunstone's assets are the Bramaderos Gold-Copper Project and El Palmar Copper-Gold Project.

The Sunstone team has a track record of discovery and generating significant share price increase.

ASX Code: STM
 Issued Shares: 2.24bn
 Share Price: \$0.076 (31/03/22)
 Market Cap: \$170m
 Cash Balance: \$9.0m
 COPP B & other shares: \$2.5m
 Total funding: \$11.5m (prior to \$20m Placement undertaken in April 2022)

Directors

Graham Ascough - Chairman
 Malcolm Norris – CEO & MD
 Stephen Stroud – NED

Key Management

Ray Robinson – GM Technical Services
 Dr Bruce Rohrlach – GM Geology
 Gavin Leicht – CFO & Company Secretary

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EXPLORATION AND DEVELOPMENT ACTIVITIES

El Palmar Porphyry Copper-Gold Project

Sunstone has made a significant discovery at the highly prospective El Palmar copper-gold porphyry project, located in northern Ecuador, 60km north-west of Ecuador's capital Quito (Figure 12). Travel time to site from Quito is approximately 3 hours. The property sits on the regionally significant Toachi Fault Zone, in the vicinity of the 1Bt Llurimagua copper-molybdenum porphyry deposit, and in the same regional structural belt that hosts the 2.6Bt Alpala copper-gold porphyry deposit within the Cascabel project (Figure 7)(see ASX announcement dated 12th August 2020). Sunstone is acquiring 100% of the El Palmar project and currently holds 70% under the Staged Acquisition Agreement signed on 12th August 2020.

The El Palmar results reported during the quarter comprise all assays from drill holes EPDD004, 005 (abandoned), and 006 (Figure 1). Significant intercepts include (ASX Announcement 23rd Feb 2022):

- 97m at 0.43g/t gold and 0.11% copper from 194m in EPDD004
- 124.35m at 0.41g/t gold and 0.16% copper from 10.65m in EPDD006, and
- 50.0m at 0.43g/t gold and 0.24% copper from 314m in EPDD006

Drill hole EPDD004 targeted the central portion of the large circular magnetic zone that makes up the main El Palmar target. The hole drilled two intervals of gold-copper mineralisation within a large broad lower grade domain. The intervals of mineralisation are interpreted to relate to the upper portions of the very large El Palmar system.

Drill hole EPDD005 was stopped at 330m at the intersection with an aquifer which compromised the hole. The hole did not reach the main target zone. Consequently, the western target domain of the main 700m diameter El Palmar magnetic anomaly remains untested, despite a significant magnetic signature. This area has recently been tested with EPDD016 (assays pending).

Drill hole EPDD006 has further tested the southeast part of the El Palmar complex. Hole EPDD006 commenced from the collar of historical hole CED01 and drilled towards the SSW as a scissor hole to EPDD002 which was well mineralised.

Several well mineralised high-level intrusives (apophyses) have been defined in the south of the intrusive complex, and several narrower dyke-like apophyses in the northern (poorly tested) parts of the magnetic complex (Figures 2 – 4). It is at depth below these northern mineralised intrusions that the most significant magnetic target is defined (Figure 5). All holes to date have intersected various, and sometimes multiple, phases of syn-mineral intrusives which are associated with the higher-grade gold-copper intervals.

Whilst chalcopyrite is the dominant copper-sulphide mineral that is being observed in drilling, there is bornite, covellite and chalcocite associated with more strongly mineralised sections of drill core.

The exploration program beyond the main El Palmar target is moving quickly to test the potential scale of surrounding opportunities. Whilst deep drilling is testing the vertical extent of mineralisation at El Palmar, soil sampling, mapping and ongoing assessment of magnetic data are testing the broader El Palmar extent.

Hole EPDD013 was drilled to test the main El Palmar target and was extended to test the SE satellite target, which at surface exhibits stockwork veining, and rock chip samples over a strike length of 60m returning an average of 0.33g/t gold and 0.12% copper.

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The NE satellite target is being reviewed and drill targets are being defined. The 3-D magnetic data suggests this satellite porphyry target may be linked to the main El Palmar system (Figure 6) – delivering a combined target in excess of 1km diameter in the NE direction within the 2.5km x 1.5km cluster of exploration targets.

Drill holes EPDD007 – 016 have been completed and assays are pending.

In light of the positive results and the abundant evidence that El Palmar is a major discovery, Sunstone increased its interest in the project from 51% per cent to 70% during the quarter by paying US\$300,000 to the project vendor under the Staged Acquisition Agreement (see ASX announcement dated 12th August 2020).

Sunstone has recently completed a geophysical MT survey at El Palmar which, along with receipt of assay results, will assist with ongoing drill targeting. Multiple drill targets exist at El Palmar and are currently being scheduled based on drill hole assays, soil geochemical surveys (ongoing), and updates to the 3-D magnetic and MT models.

Bramaderos Gold-Copper Project

The Bramaderos Project is located in southern Ecuador (Figure 12) and is a joint venture with Cornerstone Capital Resources Inc. (“Cornerstone”, TSXV-CGP). Sunstone is manager of the joint venture and holds an 87.5% interest in the 4,959 hectare Bramaderos Project through its subsidiary La Plata Minerales S.A. (“PLAMIN”) (see ASX announcements dated 10th April 2017, 28th August 2019, and 7th January 2020).

The project area has easy access provided by the sealed Pan American Highway that crosses the western part of the concession, has nearby available hydro-power, and gentle topography with an average elevation of around 1,100m above sea level (Figure 11). Porphyry gold-copper and epithermal silver-gold mineralisation outcrops at surface.

Sunstone’s high-grade Alba gold-copper porphyry discovery (Figure 8) at Bramaderos hosts high grades by porphyry standards and now it appears to have immense scale, with a geophysical survey indicating the system continues from surface to more than 1km deep. Drilling has only tested to about 350m below surface. The survey also identifies several Alba-style targets nearby, which we are already preparing to drill.

Wide and locally high-grade gold-copper intervals have been received for six drill holes to date (BMDD012, 020, 021, 022, 023, 025) and further drilling is underway (see ASX announcements dated 18th Nov 2021, 20th Jan 2022, and 7th Mar 2022).

Results include broad intervals of:

- 111m at 2.35g/t gold from 93m in BMDD012
- 264.7m at 0.49g/t gold and 0.13% copper, from 95m to end of hole in BMDD020
- 223.7m at 0.58g/t gold and 0.13% copper, from 107.6m in BMDD021
- 345.5m at 0.37g/t gold and 0.13% copper from 82.5m in BMDD022 222.4m at 0.37g/t gold and 0.13% copper from 76.4m in BMDD023
- 397m at 0.30g/t gold and 0.10% copper from 102m in BMDD025

But importantly also include high grade sub-intervals, close to surface of:

- 21.0m at 0.91g/t gold and 0.17% copper, from 203m in BMDD020
- 60.7m at 1.01g/t gold and 0.19% copper, from 136m in BMDD021
- 24m at 0.70g/t gold and 0.18% copper from 306m in BMDD022
- 22m at 0.61g/t gold and 0.14% copper from 159m

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Hole BMDD020 was drilled below the maiden hole BMDD012 at Alba, and also intersected the Upper Gold Zone returning 7.0m at 1.77g/t gold, while also returning a 193.7m porphyry intersection grading 0.5g/t gold and 0.16% copper from 164m. Mineralisation remains open at depth and along strike.

Holes BMDD021 and BMDD022 were drilled below and above holes BMDD012 and 020 (Figure 9). Hole BMDD023 was drilled to the south, with an approximate 50m step out from BMDD012, and hole BMDD025 was drilled below BMDD023.

Alba is a porphyry system partly overprinted by a lithocap, indicating much of the Alba system is likely preserved at depth with considerable vertical extent commencing from surface. This geological interpretation is supported by recently completed electrical geophysics (Spartan magneto-telluric survey) which maps a resistive domain that correlates well with the shallow high-grade gold-copper zone at Alba, and which extends to depths of greater than 1,000m (Figure 10).

Furthermore, conventional pole-dipole IP maps a chargeable domain in the shallow portions of the mineralised body, giving confidence that the system has a lateral extent of at least 250m.

These patterns repeat in nearby targets. Additional similarly resistive domains are seen in the Spartan MT dataset near or coincident with other magnetic targets that have potential to be Alba-type analogues.

The latest results from Alba are extremely significant for the Bramaderos project for several reasons:

- The currently known size of the high-grade porphyry is expected to grow as more holes are drilled
- Alba delivers a high-grade domain that could play a critically important role in a development scenario at Bramaderos, particularly given its potential to provide high-grade feed at the start of an operation
- The Alba results have significant flow-on effects for the potential value of the directly adjacent Brama system
- Plans for the maiden Mineral Resource Estimate for Brama will be expanded to incorporate Alba
- Other Alba-style exploration targets are now being defined within the broader Bramaderos concession including at Limon where porphyry targets remain below the gold-bearing lithocap

Sunstone has the flexibility across two projects, Bramaderos and El Palmar, to manage drill rig deployment to deliver optimal results. Given the recent results from Alba and the desire to rapidly expand drilling coverage Sunstone has elected to second one drill rig from El Palmar to Alba for a 2-month period. This 2-month period corresponds to the period for completion of a geophysical MT survey at El Palmar and to allow time for assay results from El Palmar to be returned to assist with ongoing drill targeting. Multiple drill targets exist at El Palmar and are currently being scheduled based on drill hole assays, soil geochemical surveys (ongoing), and updates to the 3-D magnetic and MT models.

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Equity position in Copperstone Resources AB

During the March quarter, Sunstone has sold 25,109,186 shares at an average price of 1.2 SEK per share for ~A\$4.3 million.

Sunstone held 12,486,692 shares in Copperstone Resources at 31 March 2022, valued at ~A\$2.1 million (1.176 SEK per share).

Southern Finland Lithium Portfolio

During the quarter consideration was received by Sunstone under the agreement to divest its Finland Lithium project of C\$420,000 cash and C\$420,000 worth of shares in United Lithium, which converts to approximately A\$940,000 (see ASX announcement dated 15 February 2022).

As at 31 March 2022, the 871,803 shares received in Canadian Securities Exchange-listed United Lithium Corp. (CSE: ULTH), were valued at approximately A\$430,000.

Tenements

As referred to in this report Sunstone increased its ownership of the El Palmar project in Ecuador to 70% and disposed of its interest in the Finland Lithium concessions.

There were no other changes in tenements during the quarter.

Corporate

Financial Commentary

The Company's unaudited cash position for 31 March 2022 was A\$9 million. The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 March 2022 provides an overview of the Company's financial activities.

After the end of the quarter, as announced on 13 April 2022, Sunstone completed a Placement to raise \$20 million at a price of \$0.067 with 298,507,463 ordinary shares being issued. In addition, an SPP is underway intending to raise \$4 million at the same issue price with a maximum 60 million shares to be issued. The SPP is scheduled to close on 6 May 2022.

Exploration expenditure for the reporting period was \$4.2 million primarily related to the El Palmar and Bramaderos Projects with three drill rigs now operating.

Corporate and other expenditure (including property, plant, and equipment) amounted to \$574,000. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$123,000 and includes salary, superannuation, and directors' fees.

During the quarter \$4.3 million was received from the sale of a portion of the shares held in Copperstone.

Sunstone held 12,486,692 shares in Copperstone Resources at 31 March 2022, valued at ~A\$2.1 million (1.176 SEK per share).

As the Company is an exploration entity there is not yet any sales revenue being generated from sale of products. To date Sunstone has primarily funded its activities through issuance of equity securities and it is expected that the Company will be able to fund its future activities through further issuances of equity securities, in addition to the potential sale of Copperstone shares as referred to above.

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Shareholder Information

As at 31 March 2022, the Company had 2,239,520,979 fully paid ordinary shares on issue and 3,934 shareholders.

Following the end of the quarter Sunstone completed a Placement to raise \$20 million at a price of \$0.067 with 298,507,463 ordinary shares being issued. In addition, an SPP is underway intending to raise \$4 million at the same issue price with a maximum 60 million shares to be issued. The SPP is scheduled to close on 6 May 2022.

Notes Specific – March 2022 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:

Strong assays expand Alba gold-copper porphyry discovery	27/04/2022
Completion of Placement	22/04/2022
Successful Placement and Intention to Offer SPP	13/04/2022
Investor Presentation - Brisbane Mining Energy & Minerals	23/03/2022
Geophysics maps Alba discovery to 1km deep	17/03/2022
Half Yearly Report and Accounts	09/03/2022
Alba high grade gold-copper porphyry drilling results	07/03/2022
Assays from El Palmar confirm large gold-copper porphyry	23/02/2022
Cash and shares received for Finnish lithium transaction	15/02/2022
Gold-copper porphyry at Alba below gold zone	20/01/2022

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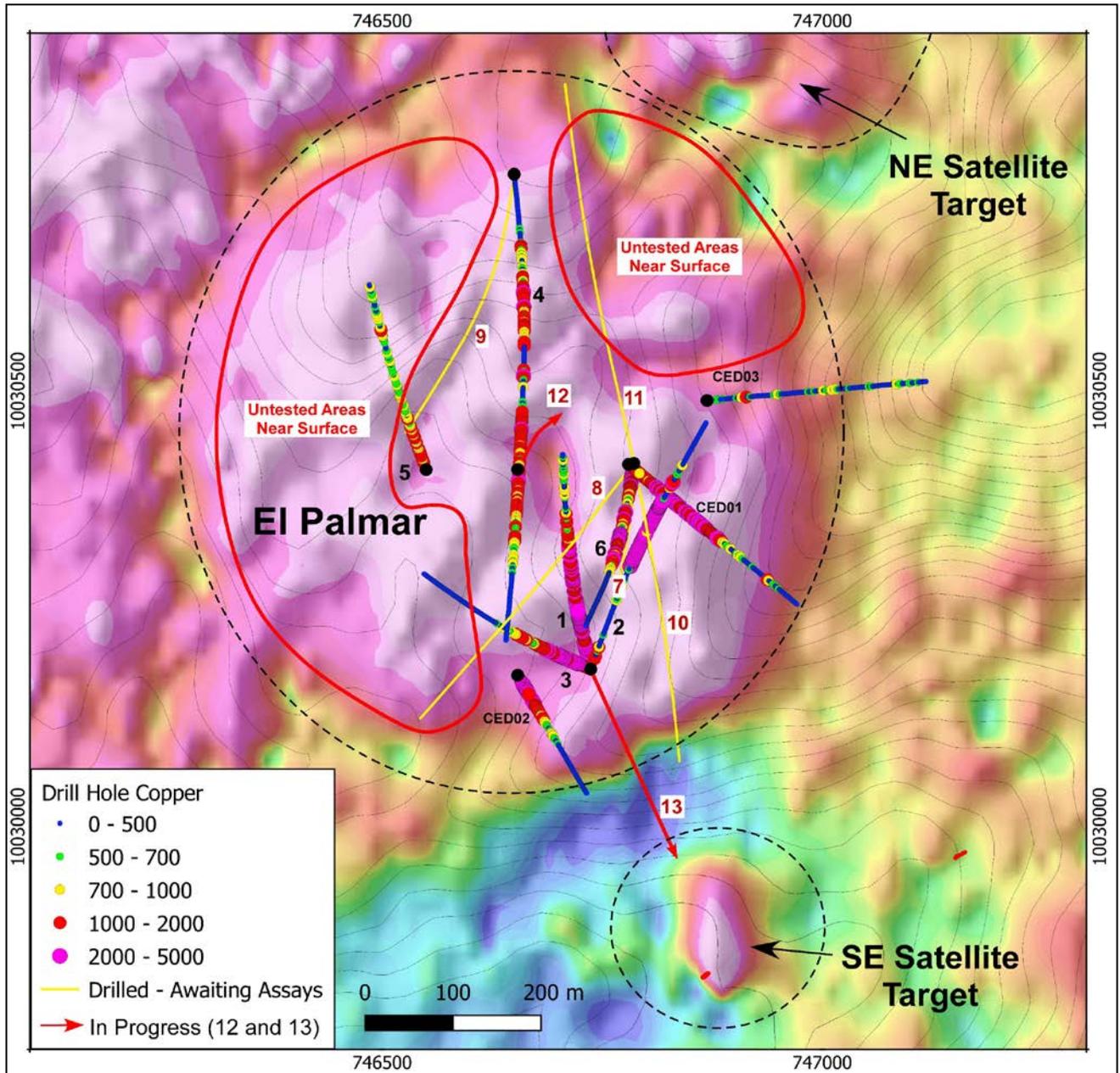


Figure 1: Distribution of copper in drillholes at El Palmar. Assays are awaited for holes 7 - 16

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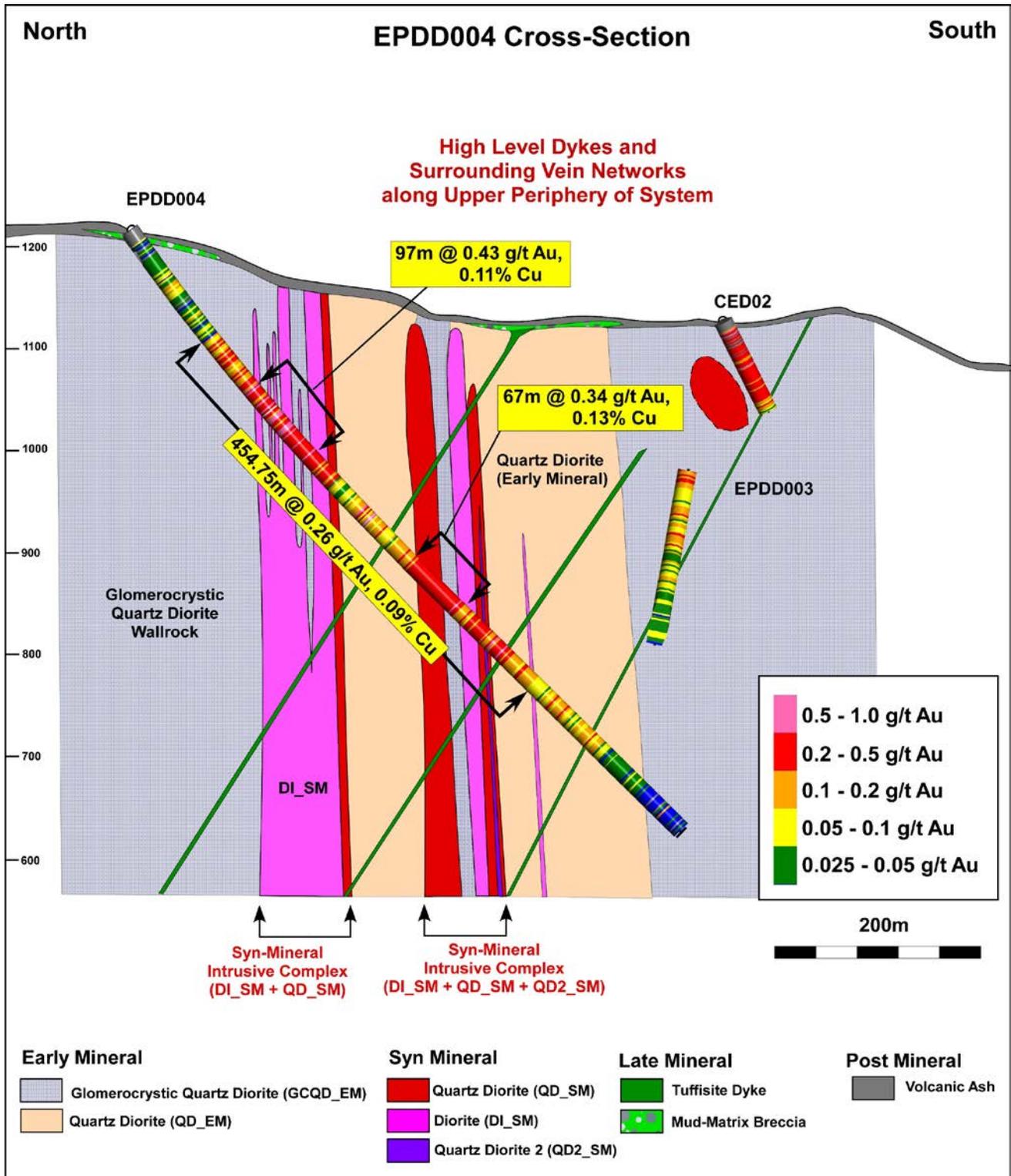


Figure 2: North-South section along EPDD004. Two clusters of mineralising dyke-like intrusions were intersected by hole EPDD004 around 130m to 180m below surface, and which coincide with stronger Au and Cu grades relative to surrounding wall-rock. These are interpreted as high-level mineralised dykes emanating from a deeper parental target.

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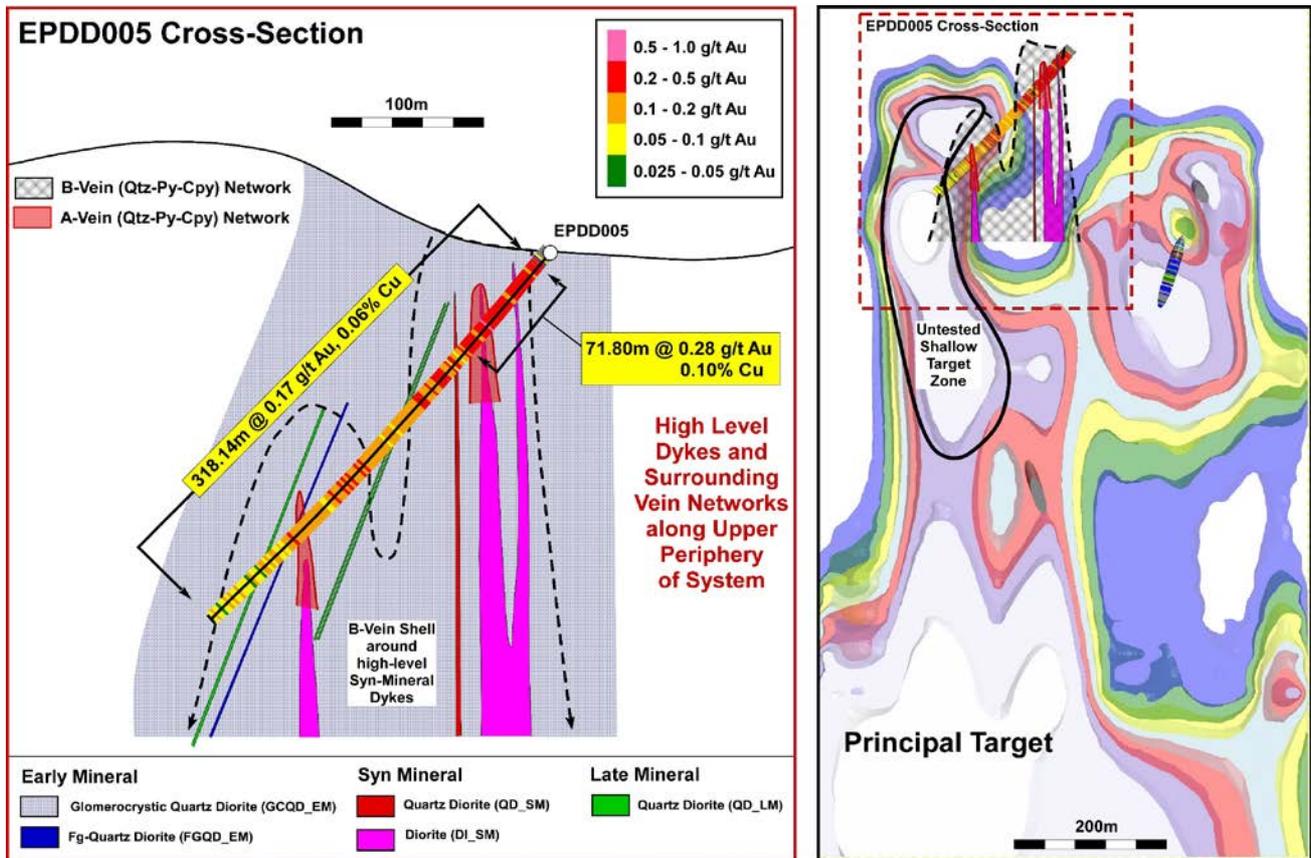


Figure 3: (Left) NNW-SSE section along EPDD005. The most magnetic part of this section lies beyond end-of-hole and was not reached due to an aquifer that caused the hole to be abandoned. Better grades are associated with vein networks that are concentrated around narrow high-level, dyke-like intrusions emplaced into Quartz Diorite wall rocks. (Right) Scale of the EPDD005 drill hole relative to the El Palmar magnetic complex, suggesting that only a minor and shallow part of the magnetic target has been tested in the north and west side of the El Palmar magnetic complex. The shallow target zone remains to be tested.

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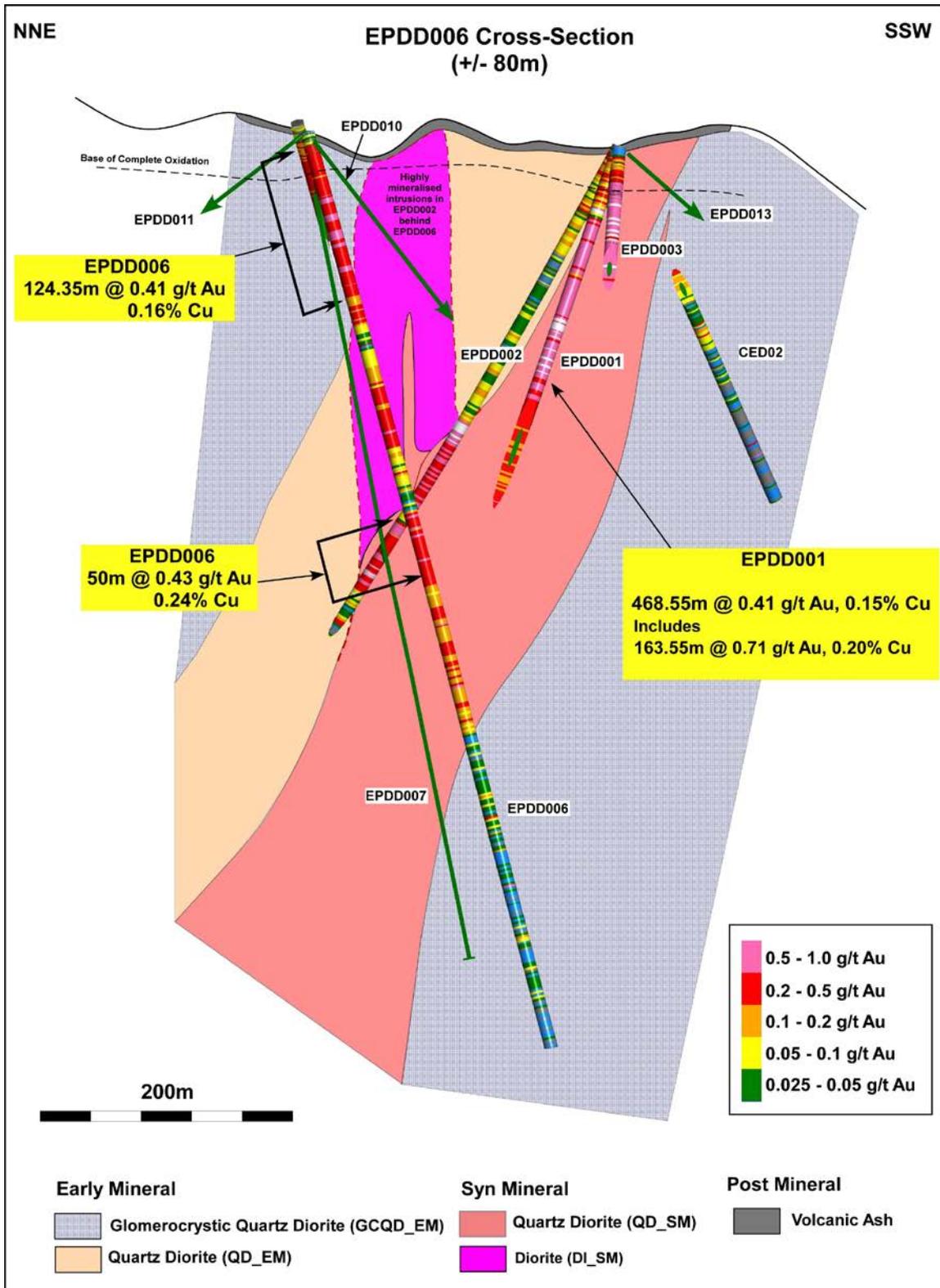


Figure 4: Cross section through BMDD006, as scissor hole to BMDD002. Note holes BMDD001 and 003 are directed off the section. Mineralisation is associated with the syn-mineral intrusives, and with the wall rock adjacent to the syn-mineral intrusives.

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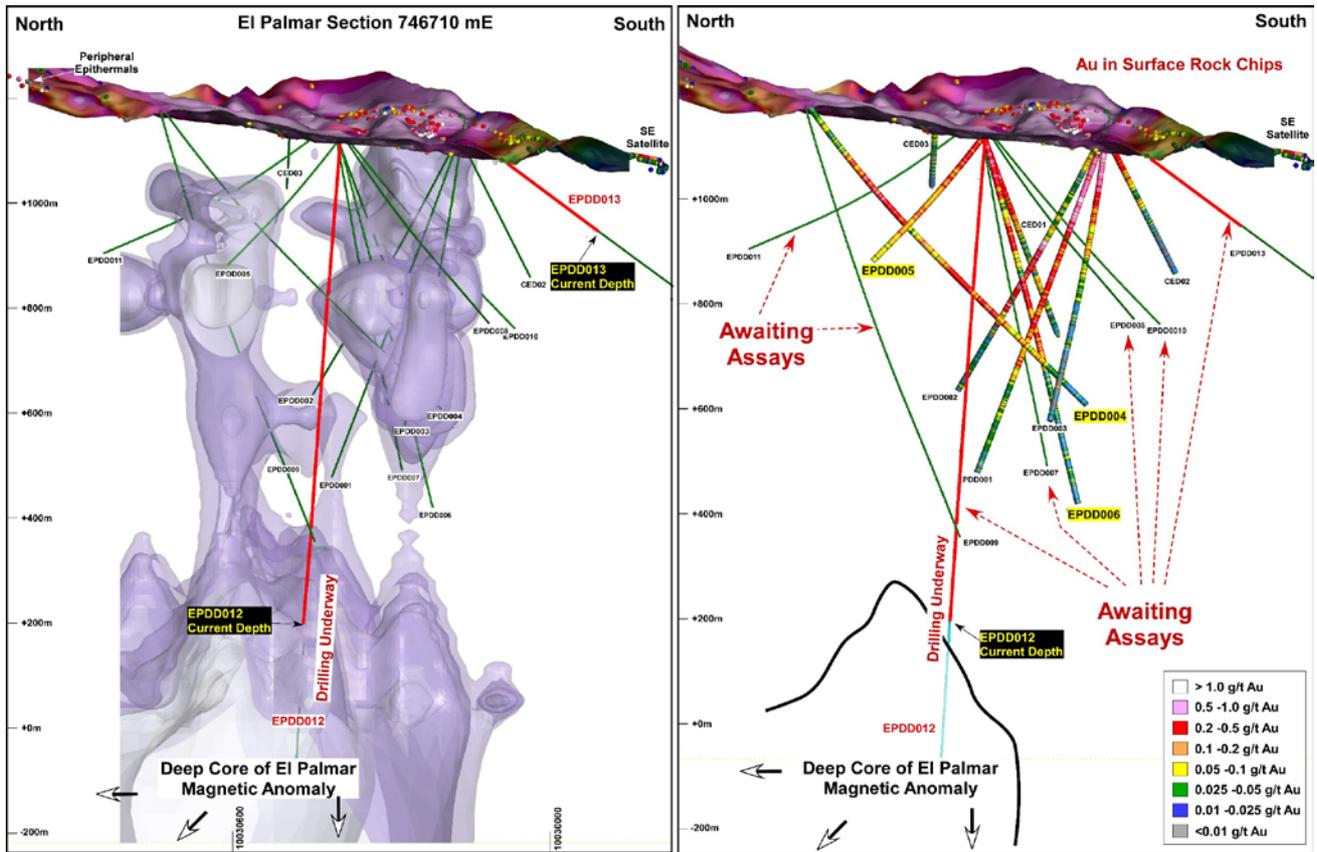


Figure 5: North-south section through El Palmar with the majority of drillholes projected onto section. (Left) – The deep northern magnetic target has been partially tested with holes EPDD012 and 016 (assays pending). (Right) – Gold (Au) in drill holes and surface rock chips. Core processing and assays for 10 holes yet to be received (EPDD007 to EPDD016).

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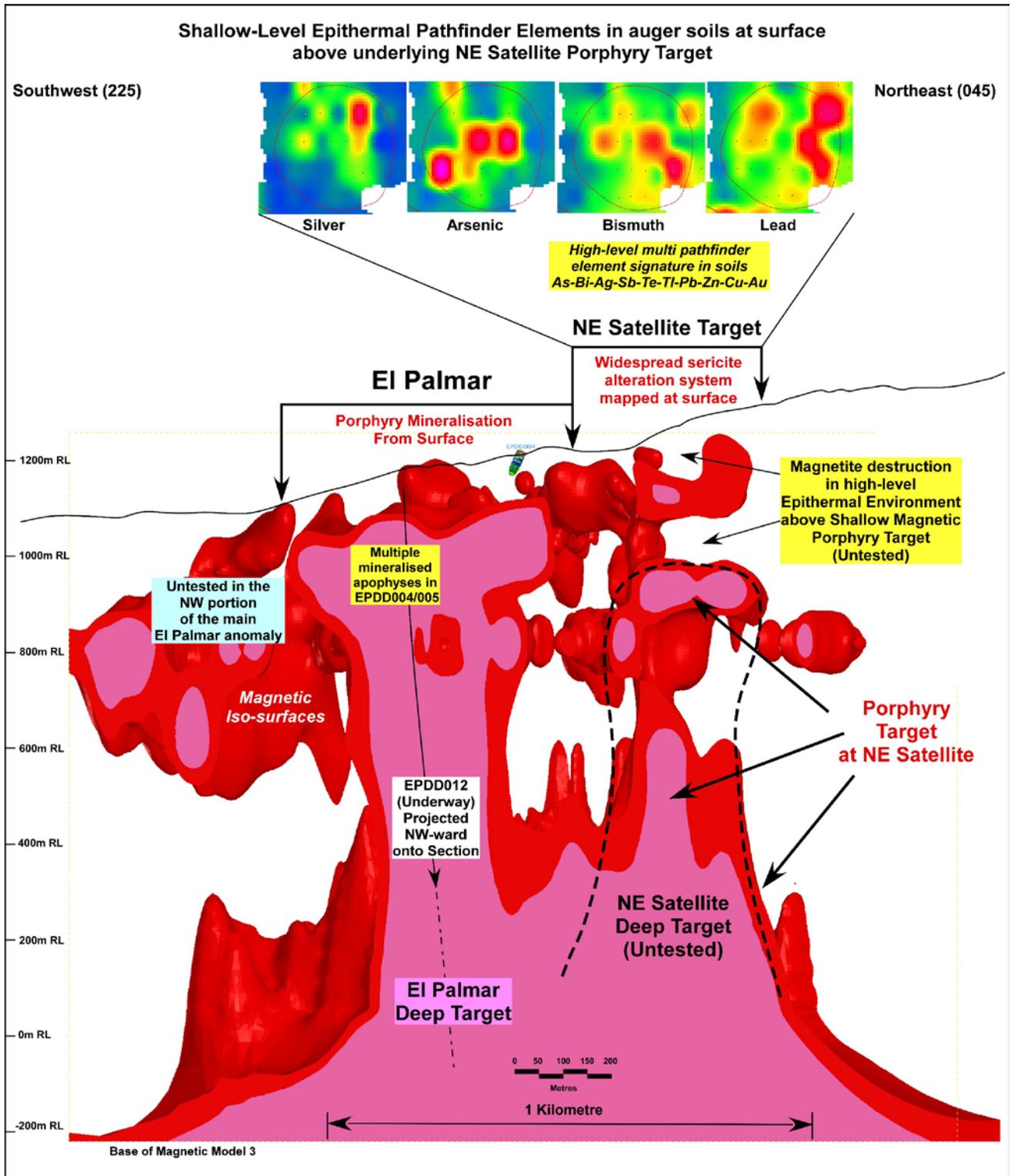


Figure 6: Cross section through the El palmar 3-D magnetic model showing the main area of El Palmar drilling to date, and the NW satellite anomaly which is being prepared for drill testing.

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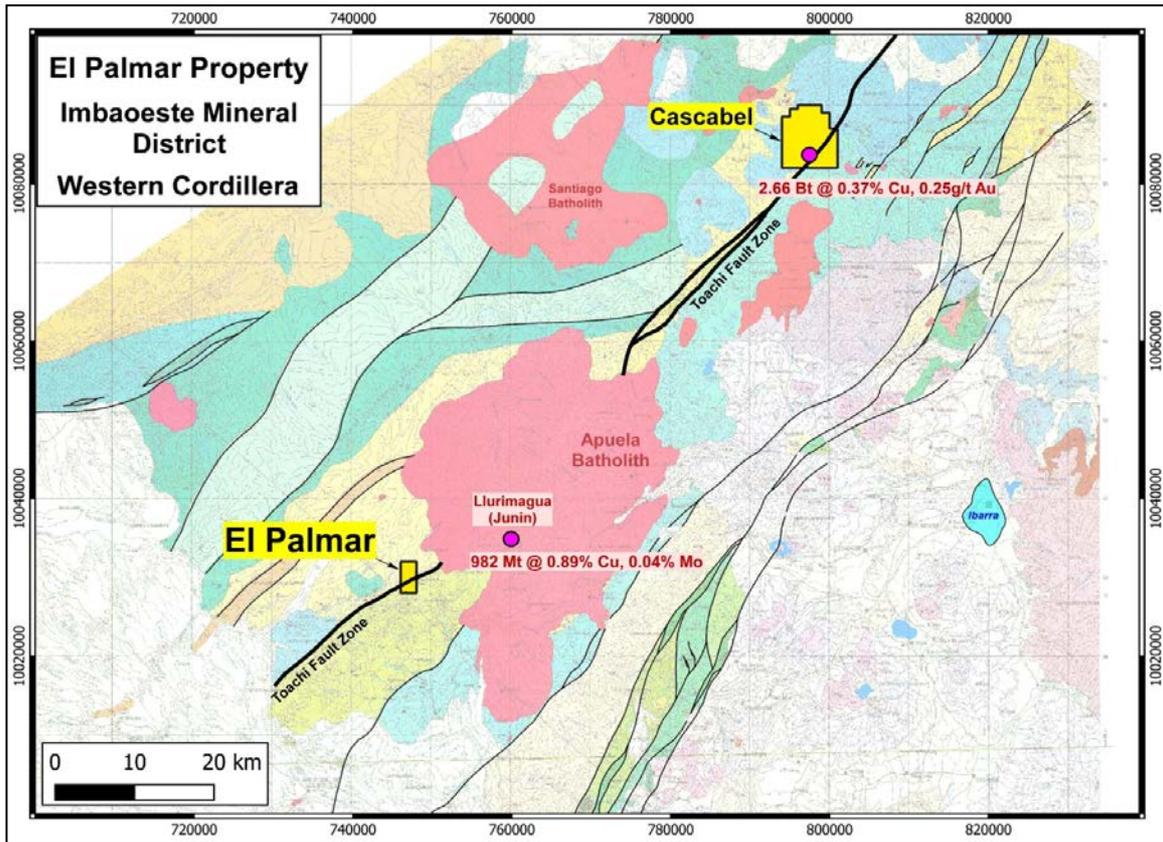


Figure 7: Location of the El Palmar project relative to the giant Llurimagua and Alpala (Cascabel) porphyry deposits, and the Toachi fault system.

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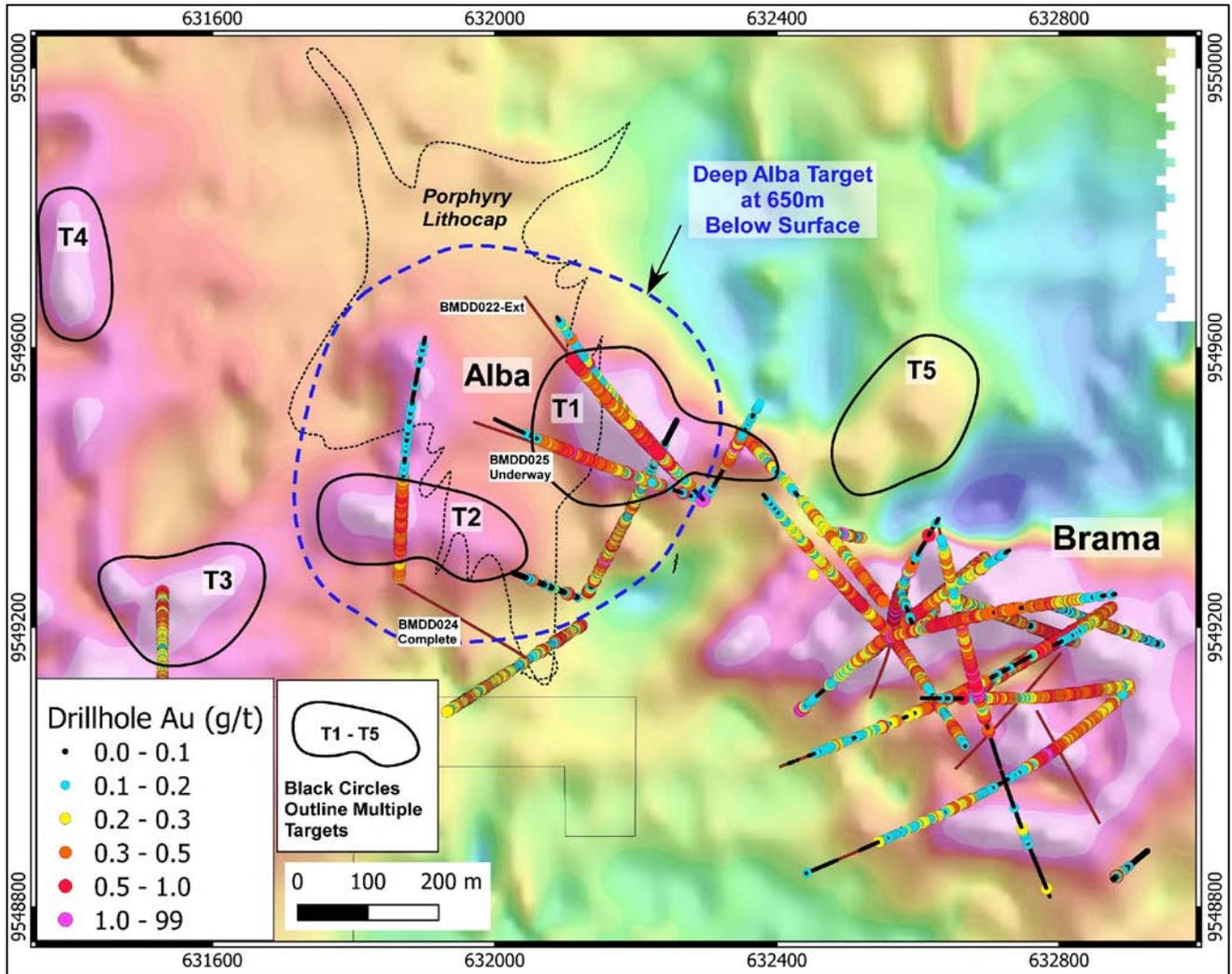


Figure 8: Alba target drill status plan showing the interpreted porphyry gold-copper target zones, T1 to T5, a possible deep magnetic target, and the adjacent Brama porphyry gold-copper system. Drill planning includes testing all targets within the next 3 months.

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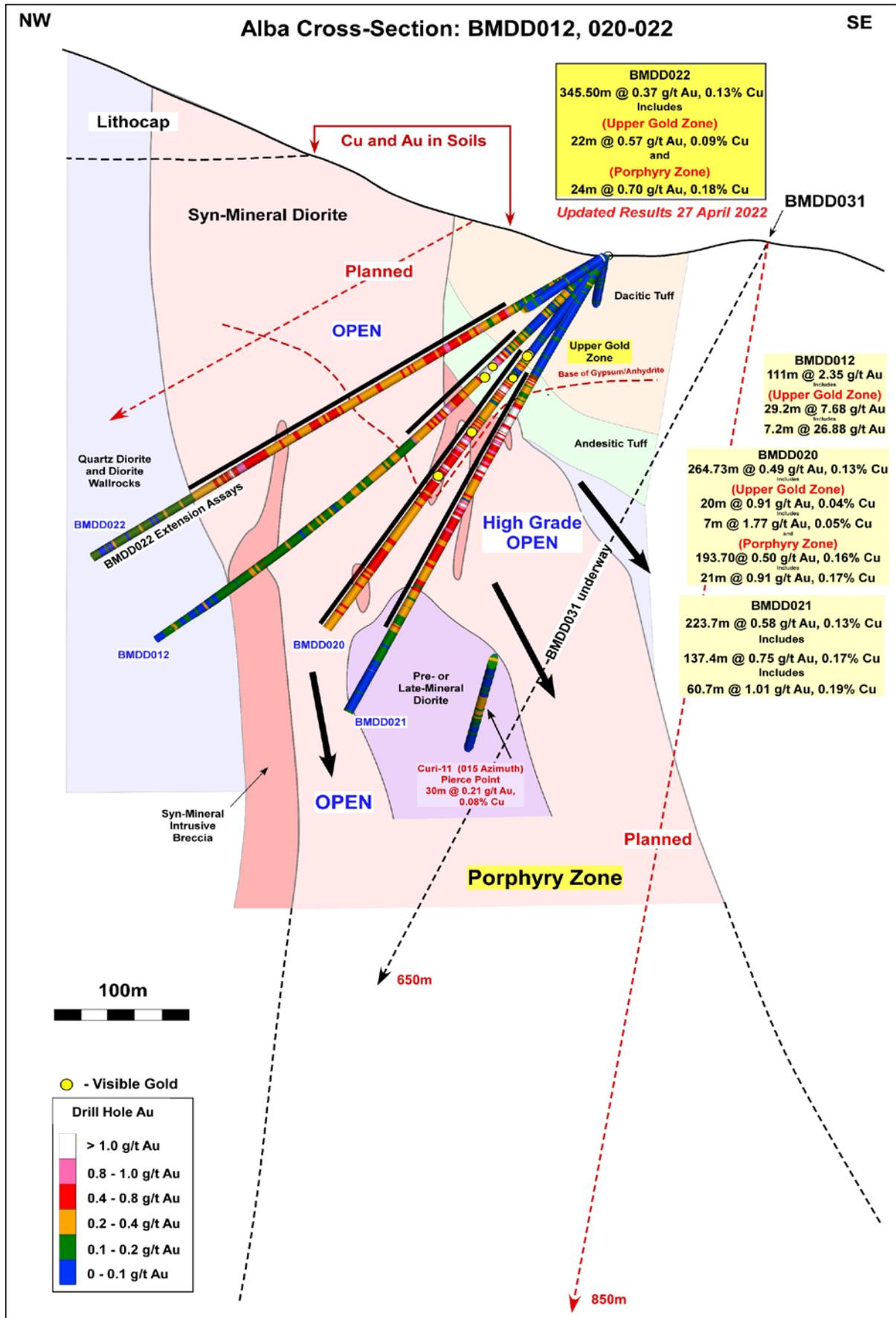


Figure 9: Alba cross section showing drill holes BMDD012, 20, 21, and 22. Hole

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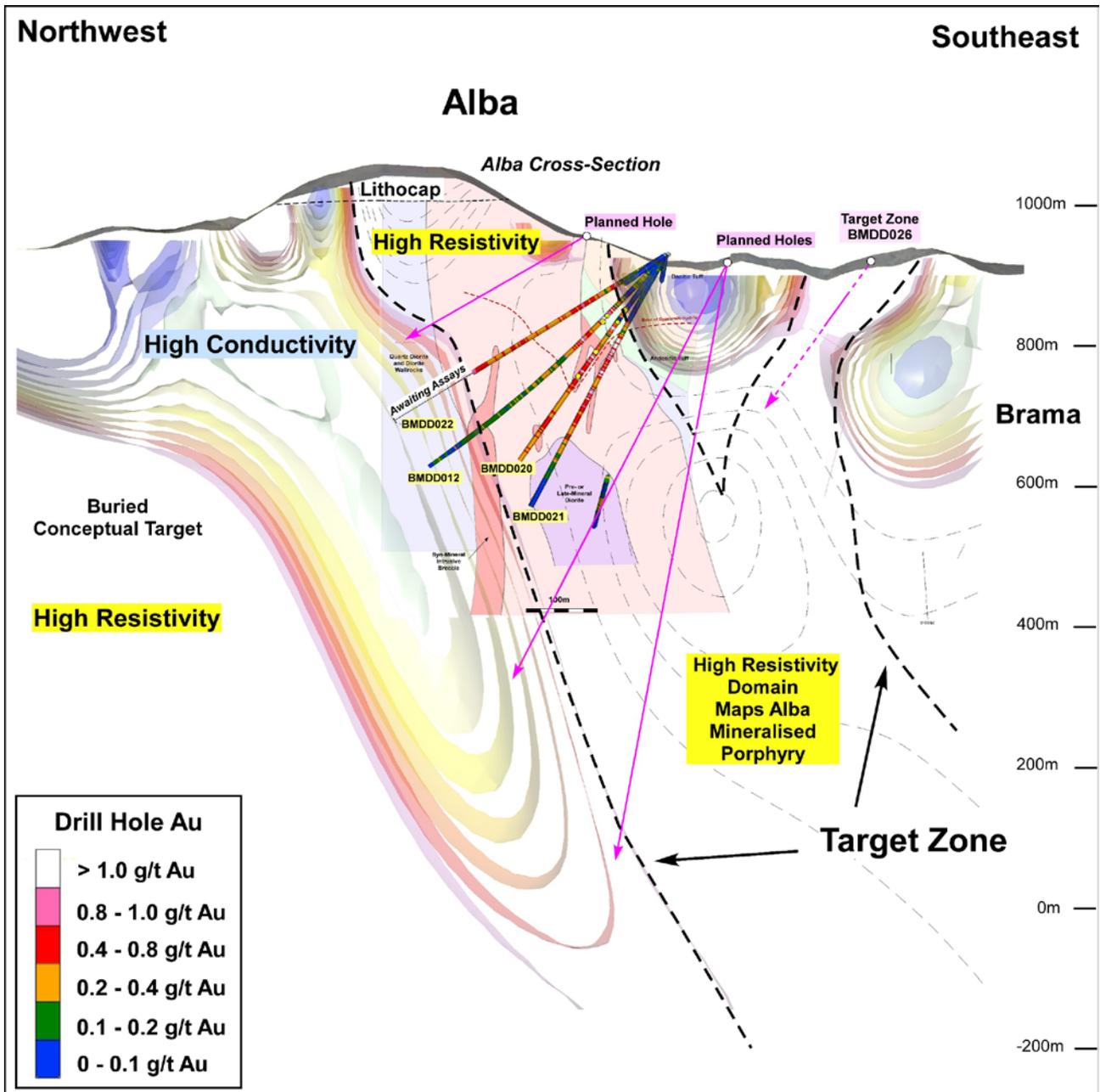


Figure 10: Alba cross section comprising a slice through the MT model and completed drill holes BMDD012, 20-22. The section clearly shows strong correlation between the distribution of gold-copper mineralisation at Alba and a high resistivity domain. That domain extends to considerable depth. Other high resistivity domains to the west and southwest of the Alba drilling will also be drill tested.

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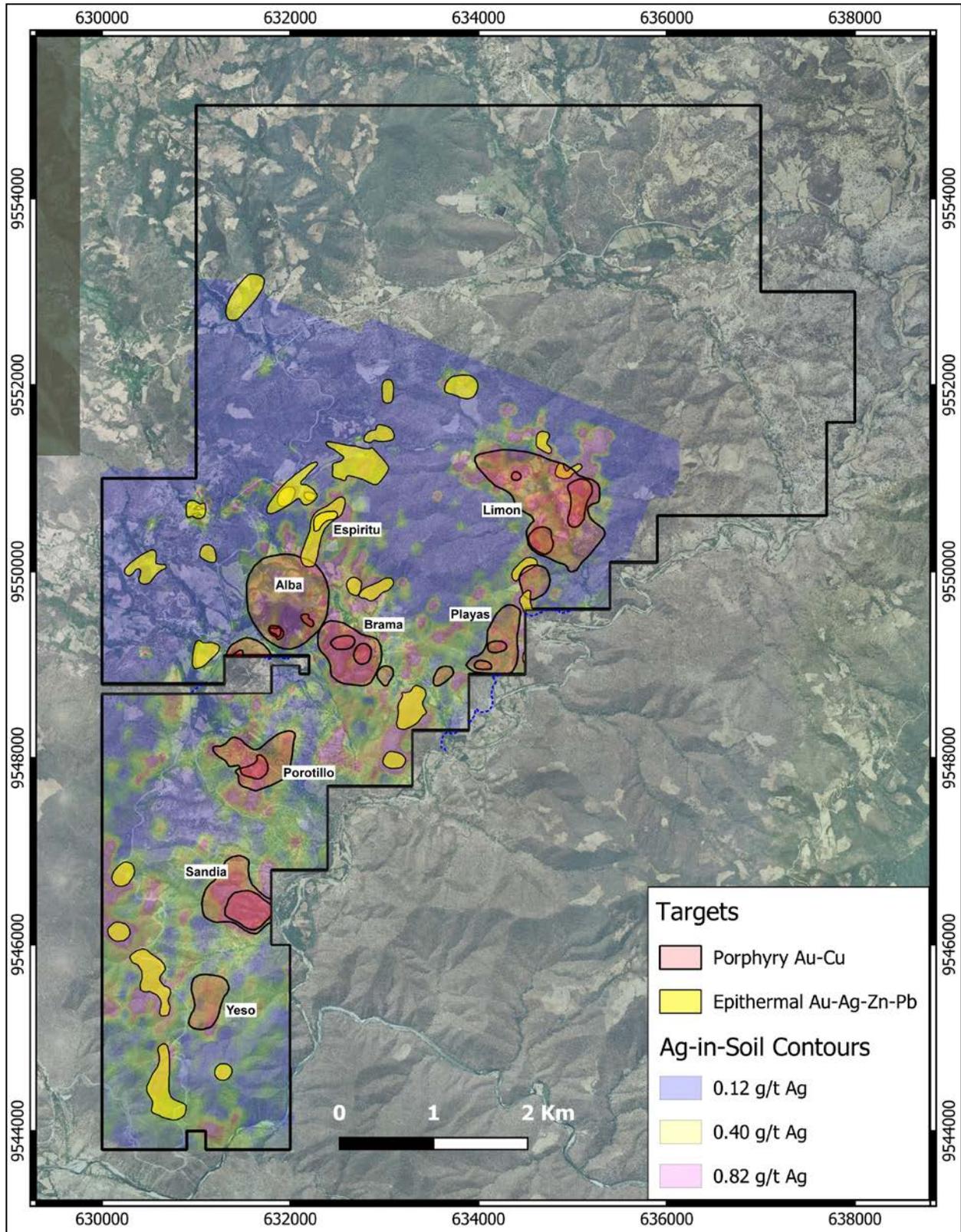


Figure 11: Bramaderos project and Alba epithermal gold and gold-copper porphyry target location. Other porphyry gold-copper targets are also labelled.

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Figure 12: Location of Sunstone’s Bramaderos and El Palmar projects, Ecuador

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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
La Plata Minerales S.A.	Bramaderos [^]	Loja, Ecuador	Granted	87.5%
Golden Exploration Ecuador S.A.	Los Mandariyacus (El Palmar) [@]	Imbabura, Ecuador	Granted	70%

Lithium Tenements – Finland

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Litiumloydos Oy	Tammela [*]	Somero, Finland	Granted	0%
Litiumloydos Oy	Ojalankulma [*]	Somero, Finland	Application	0%

[^]Sunstone announced on 7 January 2020 that the terms of the Earn-in Joint Venture with TSX-V listed Cornerstone Capital Resources (TSXV:CGP) had been amended to provide Sunstone with an immediate 87.5% interest and Cornerstone with a loan carried 12.5% interest in La Plata Minerales S.A. (PLAMIN) the holder of the Bramaderos concession.

[@] Sunstone announcement 12 August 2020 regarding a Staged Acquisition Agreement for the El Palmar project. Sunstone has met all the obligations under the Staged Acquisition Agreement to move to 70% ownership, with the transfer of shares occurring during the quarter.

^{*} Sunstone signed a definitive agreement during the December 2021 quarter to divest its interest in the Finland Lithium project, with completion of the transaction occurring in February 2022.

Competent Persons Statement

The information in this report that relates to exploration results 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.

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DIRECTORY

SUNSTONE METALS LIMITED
ABN 68 123 184 412

Web site: www.sunstonemetals.com.au
Email: info@sunstonemetals.com.au

Stock Exchange Listing

Australian Stock Exchange ASX Code: STM

Investor Information Contacts:

Mr Gavin Leicht - Company Secretary
Sunstone Metals Limited
Tel: 07 3368 9888
Email: gleicht@sunstonemetals.com.au

Shareholder Enquiries:

Share registry matters should be directed to:

Computershare Investor Services
Phone: 1300 850 505
Website: www.computershare.com.au

Registered Office:

9 Gardner Close
Milton Queensland 4064
Phone: 07 3368 9888
Fax: 07 3368 9899

Issued capital:

Ordinary shares: 2,239,520,979 (STM)
Unlisted Performance Rights 51,200,000 (STMAS)
Unlisted Options 20,000,000 (STMAL)
(at 31 March 2022)

Directors:

Graham Ascough – Non-Executive Chairman
Malcolm Norris – CEO/Managing Director
Stephen Stroud - Non-Executive Director

Company Secretary:

Gavin Leicht

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

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www.sunstonemetals.com.au

Appendix 5B

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

Name of entity

SUNSTONE METALS LIMITED

ABN

68 123 184 412

Quarter ended ("current quarter")

31 MARCH 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(358)	(1,285)
(e) administration and corporate costs	(216)	(576)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	17
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)		
1.9 Net cash from / (used in) operating activities	(563)	(1,844)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	(417)	(1,037)
(c) property, plant and equipment	(24)	(36)
(d) exploration & evaluation	(4,241)	(10,609)
(e) investments		
(f) other non-current assets		

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements	460	460
	(c) property, plant and equipment		
	(d) investments	4,284	9,883
	(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	62	(1,339)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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	0	0
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,493	12,171
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(563)	(1,844)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	62	(1,339)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	9	13
4.6	Cash and cash equivalents at end of period	9,001	9,001

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	7,049	2,237
5.2	Call deposits	1,952	7,256
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)	9,001	9,493

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	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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.	

8. Estimated cash available for future operating activities	\$A'000
8.1	(563)
8.2	(4,242)
8.3	(4,805)
8.4	9,001
8.5	0
8.6	9,001
8.7	1.9
<i>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.</i>	
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: Yes. The Company raised \$20 million (before costs) via a Placement during April (ASX announcement dated 22 April 2022) and an SPP to raise an additional \$4 million is currently underway. The Company expects that the SPP will be fully subscribed. Additionally, the Company has sold 1,890,814 shares in Copperstone Resources AB subsequent to the end of the quarter for \$0.3 million.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow 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 – as described in 8.8.2, a total of \$24 million is being raised. In addition to the shares in Copperstone Resources AB sold subsequent to the end of the quarter, the Company still holds 10.6 million shares valued at ~\$1.7 million as at 30 April 2022.

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: 30 April 2022

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Authorised by: Gavin Leicht – Company Secretary

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

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.