

MARCH 2023 QUARTERLY ACTIVITIES REPORT

Operations Highlights

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

- **Discovery of a new gold-silver epithermal system at the Limon target from surface outside the current Mineral Resource estimate. Significant assays include: 176.7m at 1.1g/t AuEq* (0.97g/t gold and 10.1g/t silver), from 6.8m in LMDD017, including**
 - 15.0m at 4.0g/t AuEq* (3.9g/t gold, 7.7g/t silver), from 81.2m, and
 - 26.0m at 2.3g/t AuEq* (2.0g/t gold, 36.2g/t silver), from 157.5m
- **In addition to the epithermal mineralisation, the Limon gold-copper porphyry discovery delivers 79m at 0.9g/t AuEq* from 90m in LMDD010, down plunge from a surface trench that returned 97.6m at 1.08g/t AuEq* (0.71g/t gold, 0.23% copper, 1.1g/t silver)**
- **Both discoveries reinforce the concept of multiple gold-copper porphyry and related gold-silver epithermal systems and highlight the potential for significant growth of Mineral Resources at higher grades, and an expanded Exploration Target (see ASX release dated December 13, 2022)**

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

- **First three holes drilled at the new T2 target at El Palmar have returned broad gold and copper intersections from the top and the edge of the target; The results include 767m at 0.21g/t gold and 0.04% copper from 24m in EPDD024, including shallow intervals of 2m at 3.2g/t gold from 72m, and 13.5m at 1.1g/t gold from 97.5m**
- **Drill hole EPDD021 at the T1 target returned 867m at 0.26g/t gold and 0.1% copper from surface, including**
 - 24m at 0.39g/t gold and 0.19% copper from 45.5m; and
 - 11.3m at 0.81g/t gold and 0.2% copper from 501m
- **The definition of vertically extensive mineralisation at T1 and the increased confidence in the geometry of higher-grade domains is significant for the next drill program at T1**
- **At the T5 target, drilling has intersected porphyry mineralisation, including 60m at 0.25g/t gold and 0.13% copper from 100m (EPD025).**
- **The results from T1, T2 and T5 are considered highly promising as they support the current interpretation of the El Palmar geology and the potential for a significant porphyry discovery, reinforcing the concept of a cluster of porphyry systems near the regionally significant Toachi fault, which is a control on the mineralisation at the giant Cascabel copper-gold deposit 65km away**
- **Assay results from three of the 11 planned holes at the Tituana epithermal target confirm the presence of an epithermal gold-silver-base metal system in multiple veins that remain open.**

EXPLORATION AND DEVELOPMENT ACTIVITIES

Bramaderos Gold-Copper Project

The Bramaderos Project is ideally located immediately adjacent to the Pan American highway in southern Ecuador (Figures 1 and 2), and within reasonable distance of available hydroelectric power, supporting the economics of potential development opportunities. The project has gentle topography with an average

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elevation of around 1,100m above sea level and is also supported by nearby commercial airports and significant population centres such as the city of Loja, and the project has strong community support.

During the March quarter Sunstone announced the discovery of a well mineralised gold-silver-base metal epithermal system at the Limon target, in addition to outstanding results from the Limon gold-copper porphyry discovery. Both areas have delivered mineralisation from surface at grades that are greater than the December 2022 Mineral Resource Estimate (MRE) at Brama-Alba.

The Limon target is located 2.7km north-east of the Brama-Alba gold-copper deposit which hosts a MRE of 2.7Moz AuEq in a gold-copper-silver outcropping porphyry system (see ASX announcement dated 13 December 2022, and qualifying statements on page 3 of this announcement).

At Limon, mineralisation in LMDD017 comprises epithermal gold-silver-base metal intervals. Locally there is visible gold (Figure 3), and this is associated with sphalerite (zinc sulphide) and locally copper as chalcopyrite and chalcocite (copper sulphides). The geometry and the lateral and vertical extent, of this epithermal system will be tested with follow-up drilling.

Significant assays from LMDD017 include:

- 176.7m at 1.1g/t AuEq* (0.97g/t gold and 10.1g/t silver), from 6.8m in LMDD017, including
 - 15.0m at 4.0g/t AuEq* (3.9g/t gold, 7.7g/t silver), from 81.2m, including
 - 1.7m at 22.3g/t AuEq* (22.2g/t gold, 6.8g/t silver), from 81.2m
 - 26.0m at 2.3g/t AuEq* (2.0g/t gold, 36.2g/t silver), from 157.5m

Also at Limon, drilling undertaken in December 2022 led to the discovery of a well mineralised gold-copper porphyry system. Significant results include:

- 79m at 0.90g/t AuEq* (0.52g/t gold, 0.19% copper, 9.4g/t silver), from 90m in LMDD010, including
 - 34.7m at 1.26g/t AuEq* (0.77g/t gold, 0.24% copper, 14.1g/t silver), from 94m

The porphyry drilling results from LMDD010 are down plunge from a surface trench that delivered 97.6m at 1.08g/t AuEq* (0.71g/t gold, 0.23% copper, 1.1g/t silver) (Figure 5).

The results from Limon are very positive and could have a substantial impact on the total resource, the overall grade and the upfront development options at Bramaderos. They deliver ore-grade porphyry mineralisation in drilling that extends from surface over substantial widths. In addition, the widths of gold and silver mineralisation from surface, the high grades and the visible gold show that the gold-silver-base metal epithermal system is highly prospective. The shallow and higher grades allow consideration of development options that may include higher grade starter pits and supports our view that Bramaderos has every potential to be a 10Moz district with multiple deposits within 4km of one another.

These discoveries reinforce the concept of multiple mineral deposits within the 50km² Bramaderos concession and highlight the potential for significant growth of mineral resources at higher grades. Sunstone is delivering on its undertaking to build the gold-copper inventory towards our Exploration Target of between 3.3Mozs and 8.6Mozs AuEq. The Exploration Target is in addition to the recently announced Mineral Resource estimate of 2.7Mozs of gold equivalent.

Two drilling rigs are now operating at Limon with both following up the gold-silver-base metal epithermal system discovery in LMDD017 and visible gold in LMDD020.

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The Brama-Alba deposit, within the Bramaderos concession contains an initial Mineral Resource estimate of 156Mt at 0.53g/t AuEq for 2.7Moz gold-equivalent*. In addition to this is the Bramaderos project Exploration Target of between 3.3Moz and 8.6Moz AuEq within 255 to 360Mt at a grade between 0.40 and 0.74g/t AuEq (see ASX release dated December 13, 2022).

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	AuEq (Mozs)
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	156	0.35	0.11	1.3	0.53	2.7

- Due to the effect of rounding, the total may not represent the sum of all components

-- A reporting cut-off grade of 0.3 g/t AuEq was adopted.

--- Metal equivalent recovery assumptions are supported by metallurgical test work.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement for the Mineral Resource estimate and Exploration Target referred to above and, that all material assumptions and technical parameters underpinning the estimates 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 have not been materially modified from the original market announcement.

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 gold equivalent calculation formula is $AuEq(g/t) = (Au\ grade \times Au\ price \times Au\ recov / 31.1035) + (Ag\ grade \times Ag\ price \times Ag\ recov / 31.1035) + (Cu\ grade \times Cu\ price \times Cu\ recov / 100) / (Au\ price \times Au\ recov / 31.1035)$. The prices used were US\$1,800/oz gold and US\$9,500/t copper and US\$22/oz silver. Recoveries are estimated at 89% 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.

El Palmar Porphyry Copper-Gold Project

El Palmar is located in northern Ecuador, 60km north-west of Ecuador's capital Quito (Figures 1 and 6). The property sits in the vicinity of the regionally prospective Toachi Fault Zone - the same regional structural belt that hosts the 2.66Bt Alpala copper-gold deposit grading 0.25g/t gold and 0.37% copper, and the 0.53Bt Tandayama-America deposit grading 0.19g/t gold and 0.24% copper, within the Cascabel project (see also www.solgold.com.au for details), and in the vicinity of the 1Bt Llurimagua copper-molybdenum porphyry deposit grading 0.89% copper and 0.04% molybdenum. Sunstone is acquiring 100% of the El Palmar project and currently holds 70% under the Staged Acquisition Agreement signed on 12th August 2020.

During the March Quarter Sunstone commenced drilling EPDD026 at the large T2 geophysical anomaly, located east of the El Palmar T1 porphyry discovery. It is part of a cluster of at least five porphyry systems that measures 2.6 x 1km (Figures 7 and 8). Drilling has already established that the T1, T2 and T5 porphyry targets are mineralised. T3 and T4 are yet to be drill tested.

Three drill holes have been completed into T2 and assays received during the quarter contain gold grades of 2m at 3.2g/t from 72m, and 13.5m at 1.1g/t from 97.5m in EPDD024. The drilling results reinforce the concept of an upper-level porphyry/epithermal system with significant gold mineralisation grading down to a copper-

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gold system with porphyry B veins in the lower parts of EPDD024. These results confirm that the T2 target is mineralised, is very prospective and is very large.

The T2 target has been defined at surface through rock chip and soil sampling delivering a coherent gold-copper-molybdenum anomaly coincident with an extensive alteration cap and some stockwork veining. Surface rock chip sampling defined an area of at least 220m x 50m averaging 0.4g/t gold and 0.1% copper in a strong porphyry stockwork underlying a silica-clay altered cap. The rock chip samples were consistently mineralised and included six samples which returned assays of greater than 1 g/t gold, which is encouragingly very high for porphyry systems. The geological interpretation is that this outcrop is part of the upper zones of a large porphyry system. Soil sampling at T2 defined a significant and coherent gold-copper-molybdenum anomaly coincident with an extensive alteration cap (Figure 8). Geophysical surveying defined a conductive body coincident with the surface metal anomalism and recent drilling results (Figure 8).

The target now being tested is a geophysical anomaly that plunges to the south from the surface mineralisation, where it expands and intensifies southward for a further 800m. The T2 target is bound to the south by the regionally-significant Toachi Fault zone and is associated with orthogonal structures – a scenario strongly similar to the 2.66 billion-tonne Alpala copper-gold porphyry deposit, within SolGold's Cascabel project, located 65km to the north-east. Age dating of the rocks associated with mineralisation at El Palmar T1 has confirmed that they are the same geological age as Alpala.

Additional porphyry targets for testing at El Palmar

Drill hole EPDD021 (Figure 8) was drilled into the T1 target. It intersected 866.6m at 0.26g/t gold and 0.1% copper from surface, including 24m at 0.39g/t gold and 0.19% copper from 45.5m, and 11.25m at 0.81g/t gold and 0.2% copper from 501m. This result confirms the significant vertical extent of mineralisation at T1 which requires follow-up drilling.

3-D geological modelling is being undertaken at T1 based on the 21 drill holes completed to date and follow-up drilling has been planned to target mineralisation in the down plunge and lateral extent of interpreted NNW trending mineralised domains.

Hole EPDD025 confirmed porphyry gold-copper mineralisation at the T5 target with assay results returning 60m at 0.25g/t gold and 0.13% copper, within a broader 133m mineralised interval from 69m of 0.19g/t gold and 0.11% copper.

This is the first hole into this target (previous hole EPDD013 skimmed the underside of the target) and follow-up drilling will test the area below this drill hole.

Tituana Epithermal Gold Targets preliminary results

Drilling at the Tituana epithermal gold target in the northern part of the El Palmar concession (Figure 7) has intersected an epithermal system with mineralisation in multiple veins. Assays have been received from the first three holes of an 11-hole program. The results confirm the presence of an epithermal gold-silver-base metal system in multiple veins.

Visual assessment of holes 6 and 7 suggest improving mineralisation to the north based on the presence of galena and sphalerite which are often associated with gold and silver in these epithermal systems. Visual results from recently completed holes suggests that mineralisation extends over 200m of strike but is open to the north and south. Assays are pending.

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The Tituana target is located on a NNE-trending structure, which may link to the south to the main El Palmar porphyry system – a common scenario in porphyry and epithermal systems (Figure 7). The target exhibits coincident path-finder elements zinc and arsenic anomalies in soil sampling. Trenching has returned results of up to 6.7g/t gold. Rock chip sampling has yielded a >85m-long (and open) zone from which 101 surface samples averaged 1.2 g/t Au, 25 g/t Ag and 0.16% Cu, with peak values for these elements being 6.47 g/t Au, 225g/t Ag and 0.78% Cu.

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 in northern Ecuador, and quadruples Sunstone's land position in this prospective belt in northern Ecuador to 3,672ha (Figures 1 and 6).

Initial exploration at Verde Chico includes a program of rock chip sampling and stream sediment sampling (completed in December), along with formal community agreements and environmental baseline surveys in January and February. Further soil sampling, geological mapping and rock chip sampling, and ground magnetics to establish drill targets are also planned.

Corporate

Financial Commentary

The Company's unaudited cash position for 31 March 2023 was approximately A\$5 million. The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 March 2023 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was \$5.3 million (\$6.8 million previous quarter) with three drill rigs operating across both the Bramaderos and El Palmar Projects for a combined 5,584m.

Corporate and other expenditure (including property, plant, and equipment) amounted to \$0.6 million. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$130,410 and includes salary, superannuation, and directors' fees.

Sunstone sold the remaining balance of 5,153,744 shares in Copperstone Resources during the March quarter at an average price of 1.2864 SEK, to raise ~A\$920,000.

As at 31 March 2023, the 871,803 shares held in Canadian Securities Exchange-listed United Lithium Corp. (CSE: ULTH), were valued at approximately A\$269,416 (CAD 0.28 per share), while the 81,690,362 shares held in ASX listed NewPeak Metals Ltd were valued at approximately A\$81,690 (A\$0.001 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.

Shareholder Information

As at 31 March 2023, the Company had 2,620,446,418 fully paid ordinary shares on issue and 3,894 shareholders.

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Notes Specific – March 2023 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:

Limon delivers porphyry Discovery	18 Jan 2023
Bramaderos Video Update	8 Feb 2023
Large mineralised T2 porphyry target at El Palmar	15 Feb 2023
Half Year Accounts	13 Mar 2023
Drilling commences at T2 porphyry target El Palmar	16 Mar 2023
Amended Drilling commences at T2 porphyry target El Palmar	21 Mar 2023
Corporate Presentation	22 Mar 2023
Limon gold-silver discovery	29 Mar 2023

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Figure 1: Location of the El Palmar project in northern Ecuador, the Verde Chico project nearby, and the Bramaderos Project in southern Ecuador.

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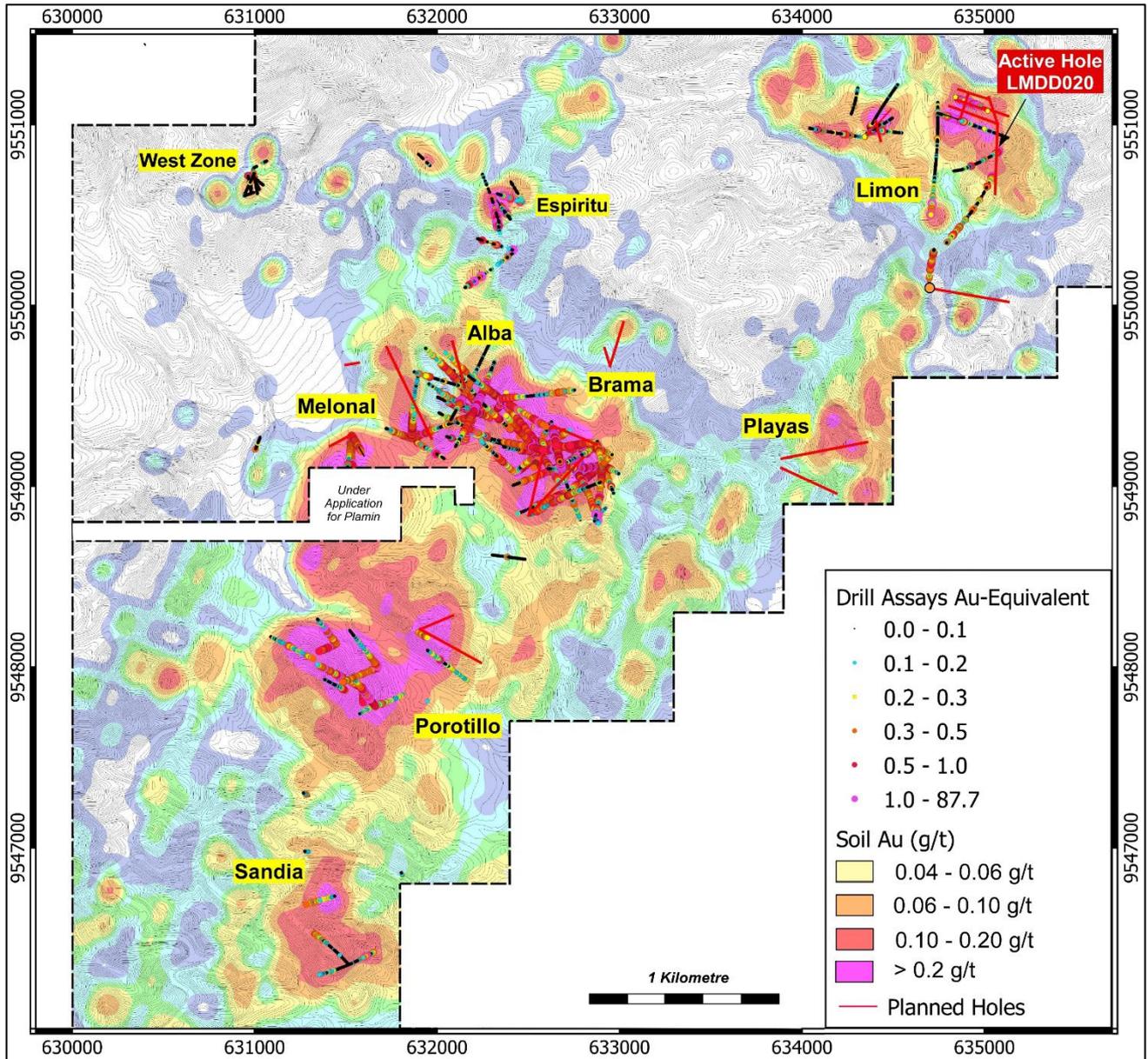


Figure 2: Bramaderos concession showing the location of Limon and other gold-copper porphyry targets in yellow. The background image is gold-in-soil highlighting the potential scale increase to be delivered with more drilling at Bramaderos across multiple porphyry centres. Drilling is now underway at Limon.

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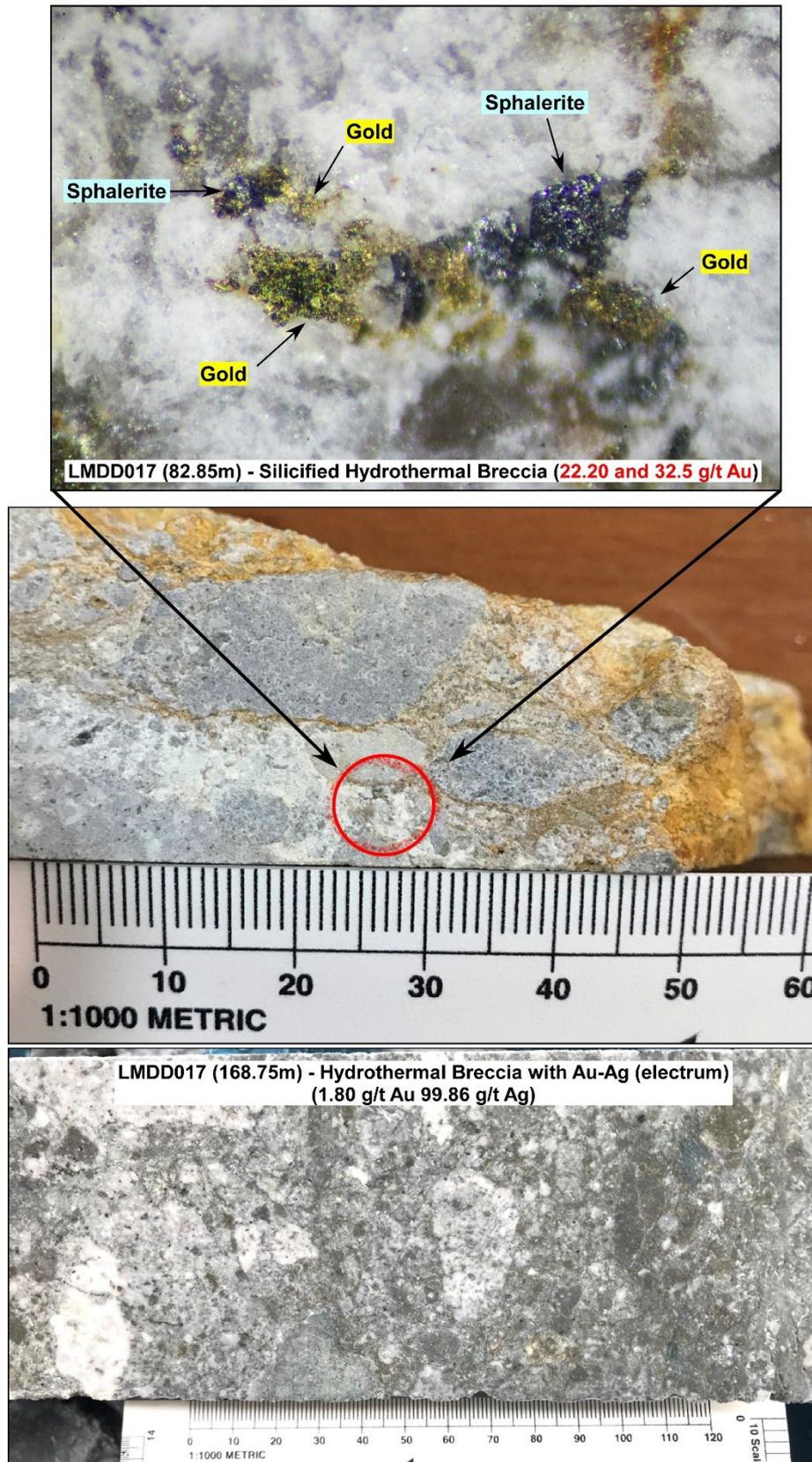


Figure 3: Photographs of drill core from LMDD017 showing high gold and silver samples in hydrothermal breccias at 82.85m and 168.75m

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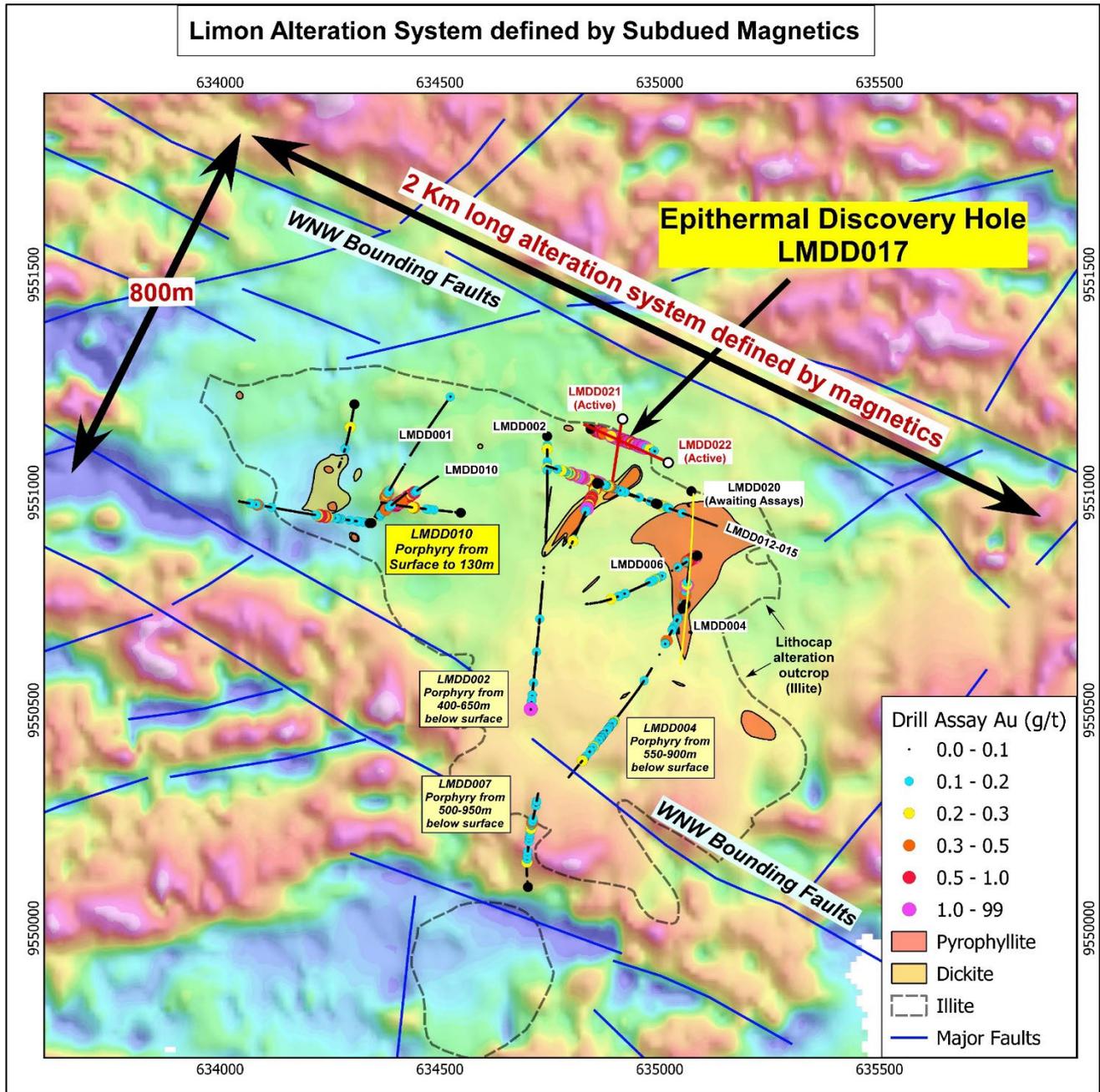


Figure 4: Limon drill status plan showing the status of drilling on backdrop of RTP magnetics.

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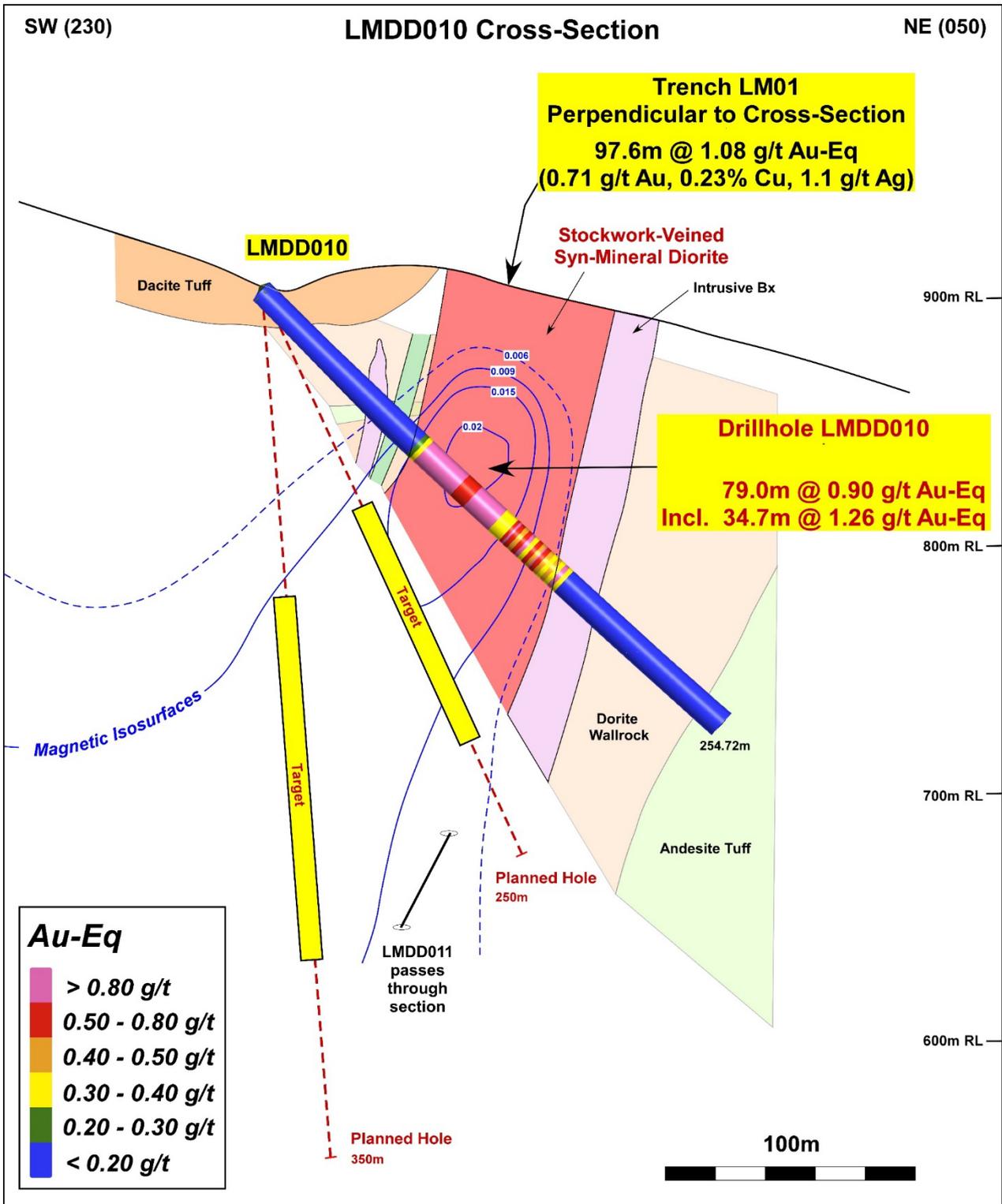


Figure 5: LMDD010 cross section showing surface trench and other nearby drill holes and interpreted target zone based on geological and geophysical (magnetics) interpretation.

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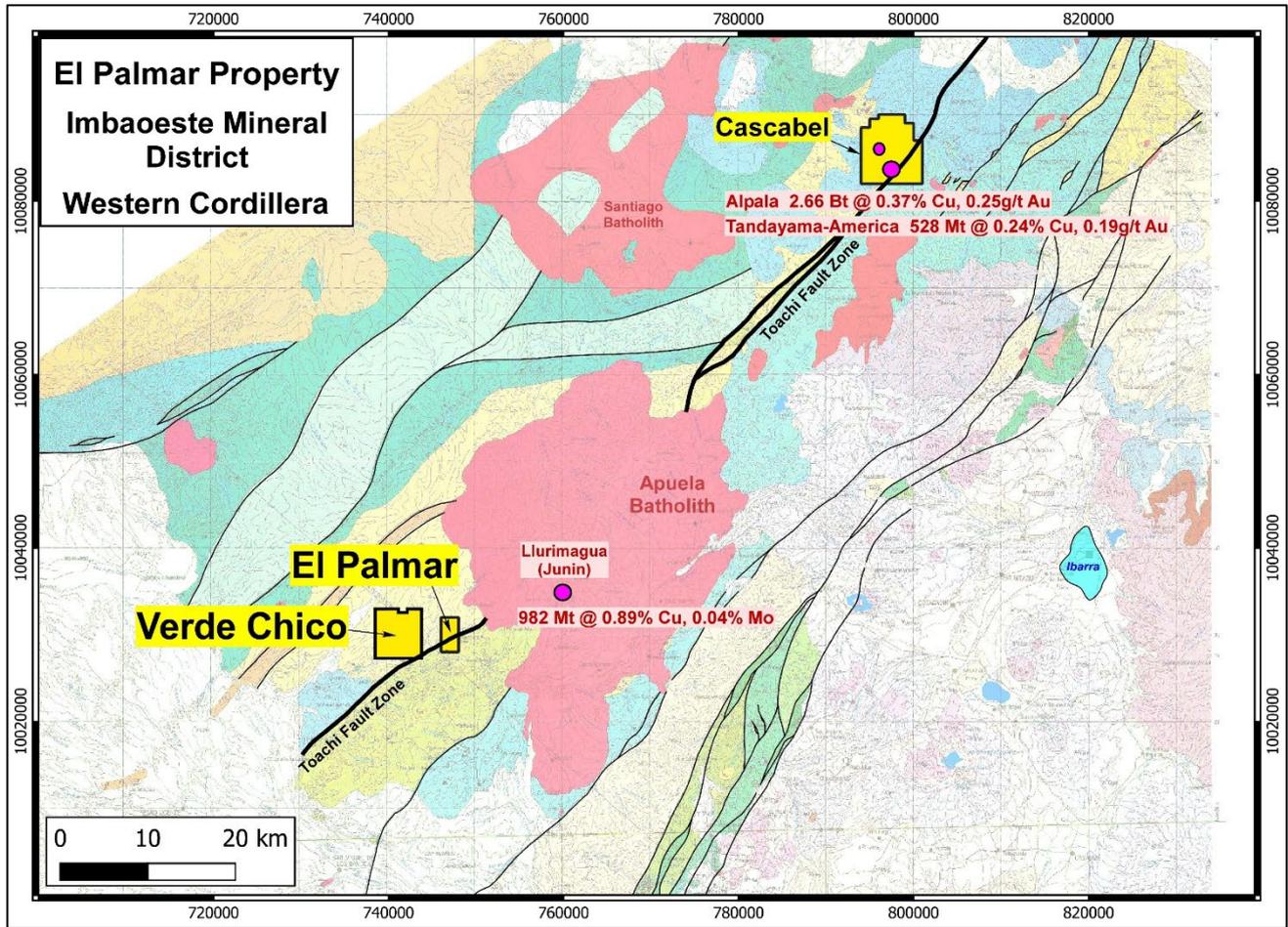


Figure 6: Location of the El Palmar and Verde Chico projects relative to the giant Lurimagua, Alpa and Tandayama-America (Cascabel project) porphyry deposits, and the Toachi fault system.

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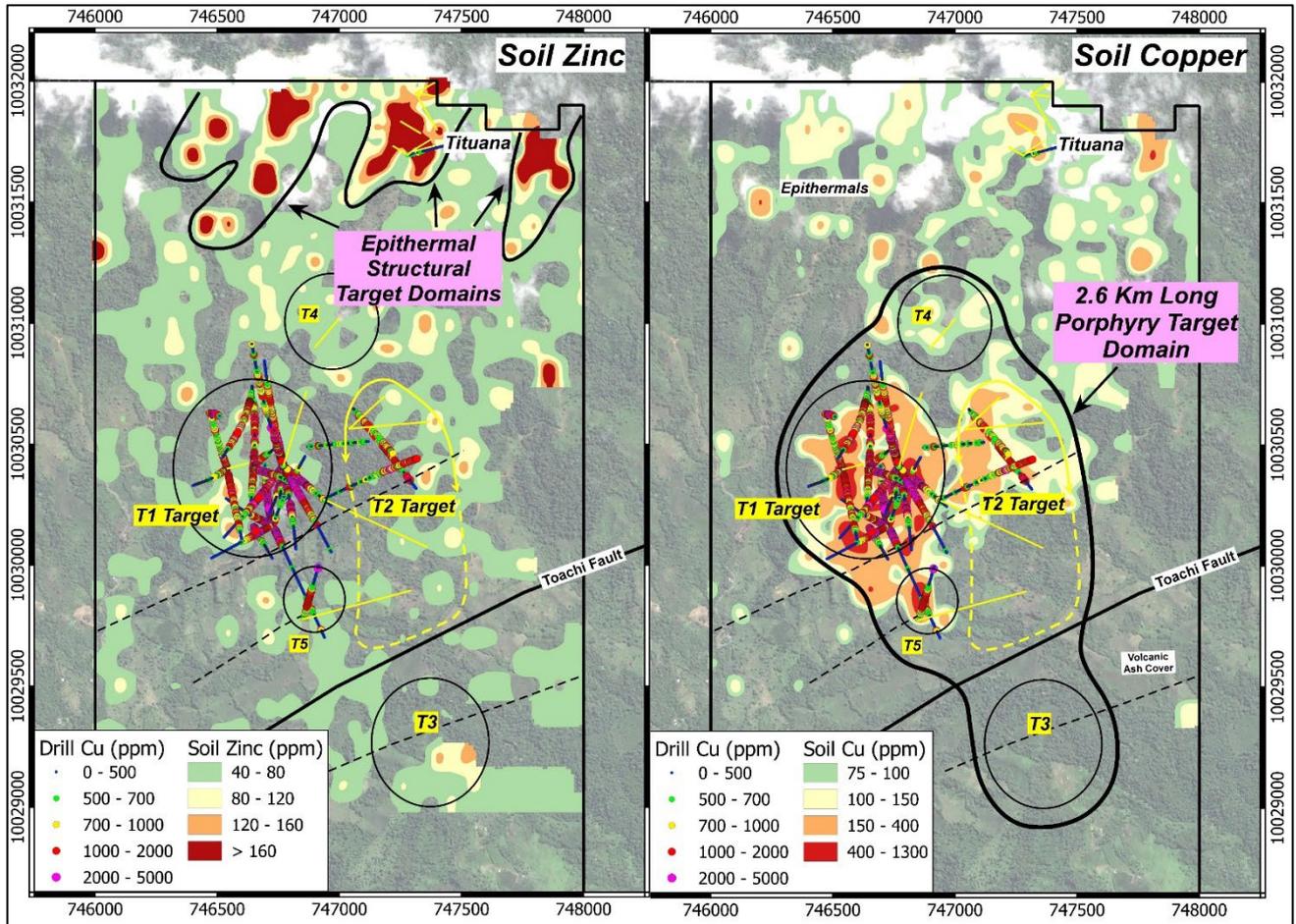


Figure 7: Cluster of porphyry targets T1 (El Palmar), the large T2 target currently being drilled, plus porphyry targets T4 and T5. To date T1, T2, and T5 are mineralised. Epithermal target areas in the north, of which only Tituana has been drilled to date.

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T1 and T2 - Inclined view looking at -28 degrees to 021 (NNE)

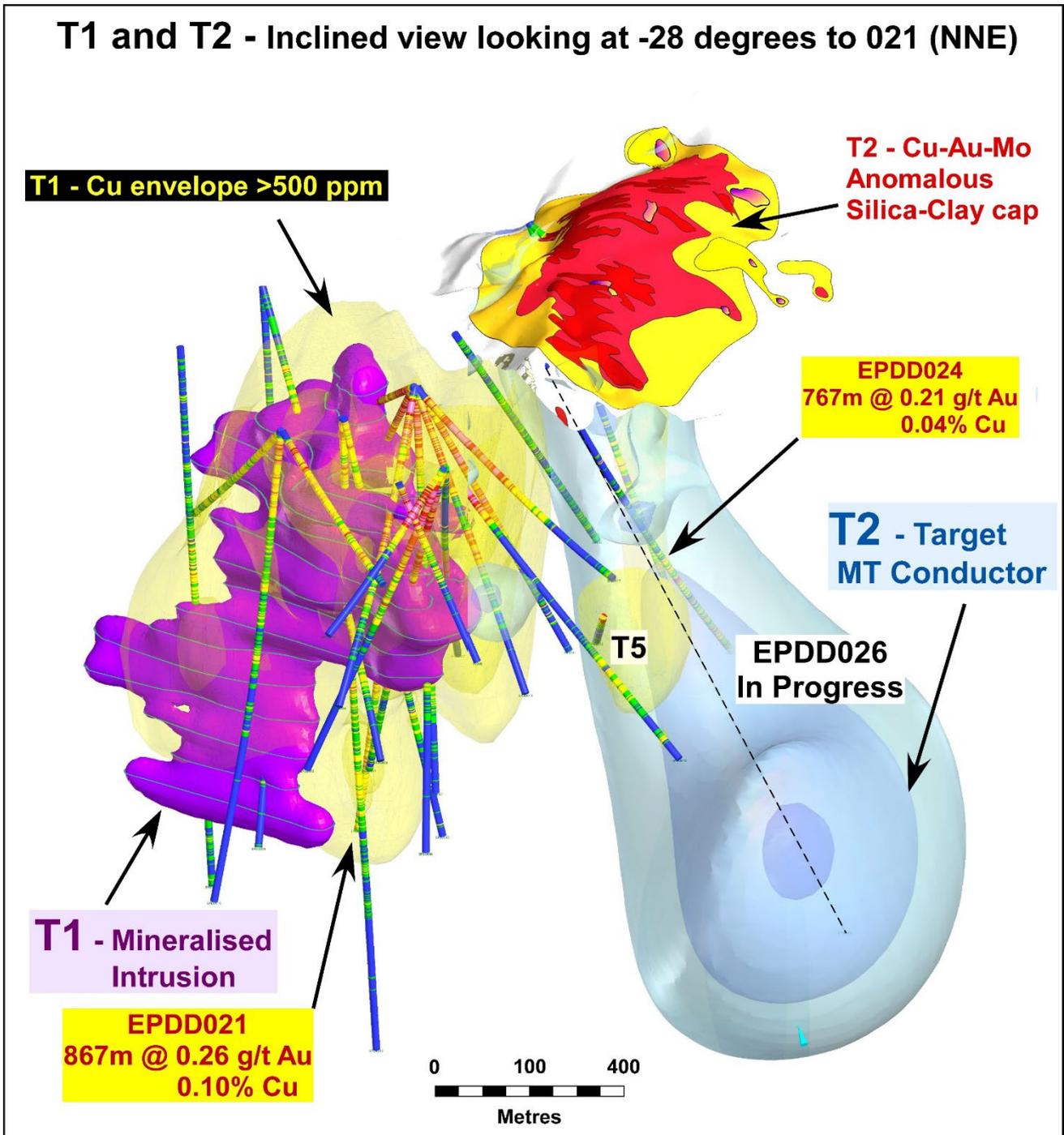


Figure 8: 3-D inclined view of targets T1 and T2 showing areas of mineralisation from 21 drill holes in T1 and specifically in EPDD021, the close spatial relationship between T1 and T2, and the modelled extension of T2 to depth currently being tested with hole EPDD026. Target T5 is also shown in the foreground.

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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%
Compania Minera Verde Chico CIA Ltda	Verde Chico [#]	Imbabura, Ecuador	Granted	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 100% of the El Palmar project.

[#] 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 from the Verde Chico Group. The concession is currently being transferred to the Verde Chico Group and the final Staged Acquisition Agreement was signed 23 September 2022.

Competent Persons Statement

The information in this report that relates to exploration targets and 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

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Stock Exchange Listing

Australian Stock Exchange ASX Code: STM

Investor Information Contacts:

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Sunstone Metals Limited
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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:

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

Issued capital:

Ordinary shares: 2,620,446,418 (STM)
Unlisted Performance Rights 28,000,000 (STMAS)
Unlisted Options 12,000,000 (STMAL)
(at 31 March 2023)

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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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 2023

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	(483)	(1,934)
(e) administration and corporate costs	(178)	(625)
1.3 Dividends received (see note 3)		
1.4 Interest received	28	187
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	(633)	(2,372)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	0	0
(c) property, plant and equipment	0	0
(d) exploration & evaluation	(5,278)	(18,438)
(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	0	0
	(c) property, plant and equipment		
	(d) investments	920	1,914
	(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	(4,358)	(16,524)
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	(0)	(11)
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)	(11)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,042	23,997
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(633)	(2,372)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,398)	(16,564)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(0)	(11)

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	(14)	(53)
4.6	Cash and cash equivalents at end of period	5,037	5,037

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	2,735	2,150
5.2	Call deposits	2,302	7,892
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)	5,037	10,042

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	130
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 <i>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.</i>	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.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(633)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(5,278)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(5,911)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,037
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	5,037
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.85
<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 – As a junior explorer the Company is at all times considering opportunities for raising new funds. 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 this 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 through the issuances of equity securities as Sunstone has primarily funded its activities to date.	
<i>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.</i>	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

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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.