7 OCTOBER 2026

El Palmar Gold-Copper Project, Northern Ecuador

Exploration drilling restarts at El Palmar

Drilling focused on the large, deeper targets that form part of El Palmar's substantial Exploration Target

Key Points

- **Two drill rigs have been mobilised to the El Palmar Project in northern Ecuador, with the first rig now drilling and the second rig scheduled to commence in approximately one week.**
- **Drilling is focused on testing:**
  - **The northern and southwestern portions of the deep T3 porphyry gold-copper target, to assess the extent, grade and continuity of mineralisation.**
  - **Magnetic targets at T1 and south of the Toachi Fault, to test for additional mineralised intrusions and assess the potential to expand the known gold-copper mineralisation.**
- **El Palmar has a maiden Mineral Resource of 1.2Moz AuEq[5,6] that extends from surface**
- **Two deeper porphyry targets form a substantial part of the separate El Palmar JORC Exploration Target of 15 – 45Moz AuEq[5,6] (1.0 to 1.2Bt at a grade between 0.3 to 0.7g/t gold and 0.1 to 0.3% copper)**
- **The potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to estimate a Resource for the reported Exploration Target areas. It is uncertain if further exploration will result in the estimation of a Resource**
- **The El Palmar and nearby Verde Chico concessions sit adjacent to the Toachi Fault system in northern Ecuador, which hosts the world-class 3Bt Cascabel Copper Project (recently acquired by Jiangxi Copper for A$1.7bn) and the nearby 1Bt Llurimagua Copper Project (see Figure 5)**
- **Work is also progressing on an updated Mineral Resource Estimate for the Bramaderos Gold-Copper Project in southern Ecuador, which is on track for delivery in the December Quarter**

Sunstone Managing Director Patrick Duffy said: *"We are delighted to have drill rigs returning to El Palmar to test a series of high-conviction exploration targets, including the deep gold-copper porphyry target at T3.*

"The current campaign will test key components of the El Palmar JORC Exploration Target area, and success from this drilling is expected to strengthen our confidence in these targets and their significant potential to grow the El Palmar Mineral Resource."

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ASX ANNOUNCEMENT

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Sunstone Metals (ASX: STM) is pleased to announce that drilling has restarted at the El Palmar gold-copper project in northern Ecuador to test key targets within the JORC Exploration Target area.

The El Palmar Project hosts a current JORC Exploration Target of between 1.0 and 1.2 billion tonnes at grades between 0.3 – 0.7g/t gold and 0.1 – 0.3% copper for between 15 and 45 million ounces of contained gold-equivalent metal[5,6]. This is in addition to the Project's current Mineral Resource Estimate of 64 million tonnes grading 0.60g/t AuEq (0.41 g/t gold and 0.13% copper) for 1.2 million ounces of contained gold-equivalent metal.

The Exploration Target includes material from the T1, T2 and T3 targets and extends across an area of 1.6km by 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 of dominantly high conviction, geologically and/or geophysically robust domains consistent with porphyry gold-copper deposits. There is potential for copper content to increase in areas interpreted to be central to the porphyry systems.

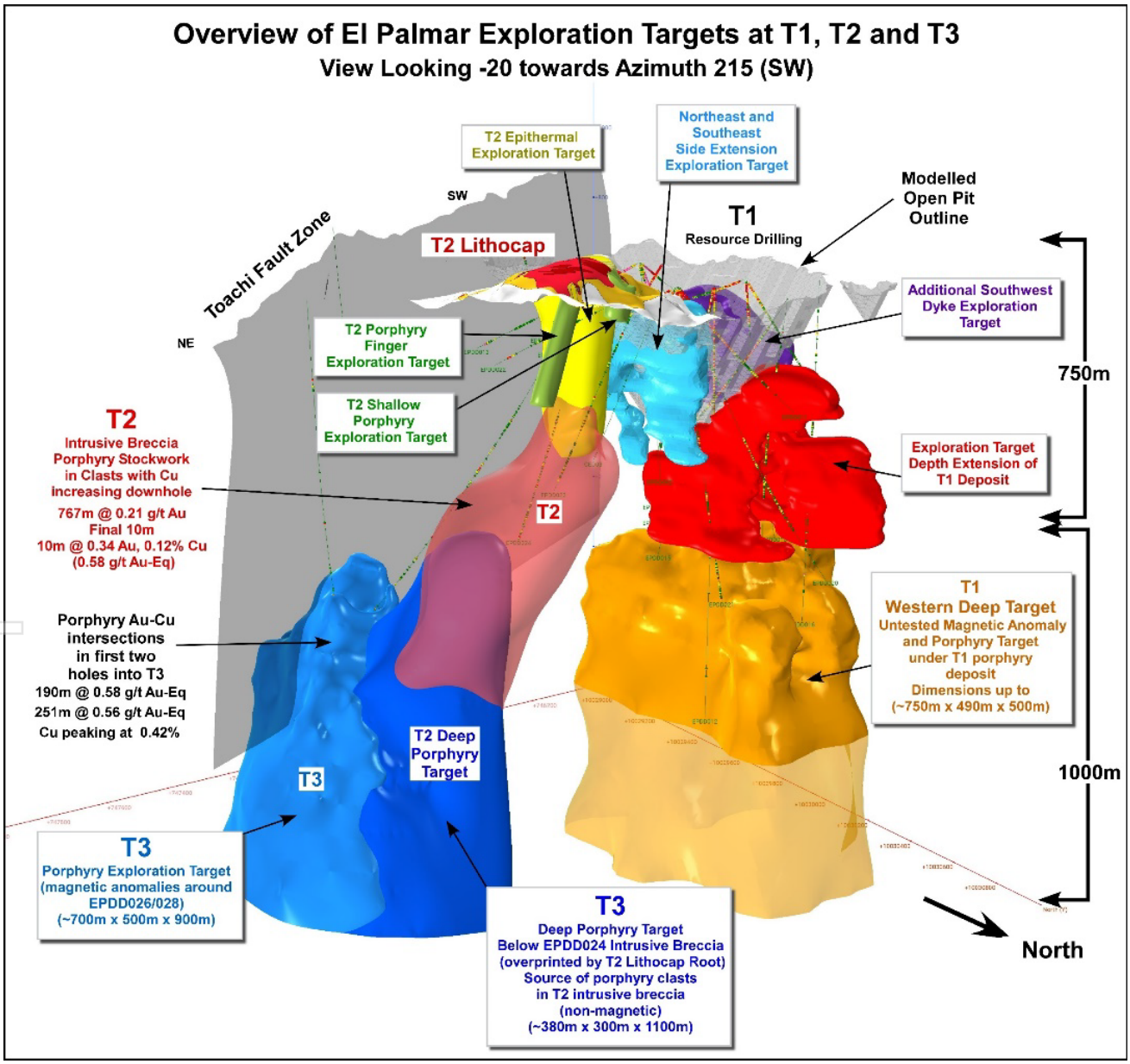


Figure 1: *Oblique view of nine of the ten exploration targets defined on the El Palmar concession, looking southwest (azimuth 215°) at a viewing inclination of –20°.*

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Four diamond drillholes totalling approximately 3,650m are planned for the next stage of drilling at El Palmar. Drill holes EPDD029 and EPDD031, each approximately 1,400m in length, will test the southwestern and northern sides of the deep T3 porphyry target, respectively. EPDD030, approximately 400m in length, will test a strong magnetic anomaly within the Malaute Formation south of the Toachi Fault Zone. A fourth hole, EPDD032, approximately 450m in length, will test a strong magnetic high anomaly behind the southwestern wall of the modelled T1 pit to assess the potential for gold-copper mineralisation to extend beyond the current pit shell.

The T3 target is one of two deep targets on the property. It comprises a 750m x 400m magnetic anomaly that straddles the NE-trending Toachi Fault Zone and intersecting NW structural lineaments. Two previous holes drilled by Sunstone Metals in 2023 into the upper part of this magnetic body intersected porphyry Au-Cu mineralisation associated with stockwork veining and secondary magnetite over substantial intervals (see ASX releases dated 20 June 2023 and 11 September 2023):

- EPDD026: 190m @ 0.40g/t Au, 0.11% Cu, 0.58g/t AuEq[6] from 1,171m down-hole
- EPDD028: 251m @ 0.37g/t Au, 0.12% Cu, 0.56g/t AuEq[6] from 936m down-hole

The T3 magnetic body has been modelled over a vertical interval of approximately 1,300m, but likely extends below the base of the geophysical magnetic inversion model. The upper part of the magnetic model, around 900m below surface, transitions upward and northward into a magnetotelluric-defined conductivity anomaly associated with extensive altered magmatic-hydrothermal breccias comprising upward-mobilised clasts of underlying porphyry mineralisation. The plume of breccias extends up towards the base of the T2 lithocap where it is overprinted by epithermal mineralisation. The current drill program includes two 1,400m deep holes planned to test the northern and southwestern sides of the T3 target (see Figures 2 and 3).

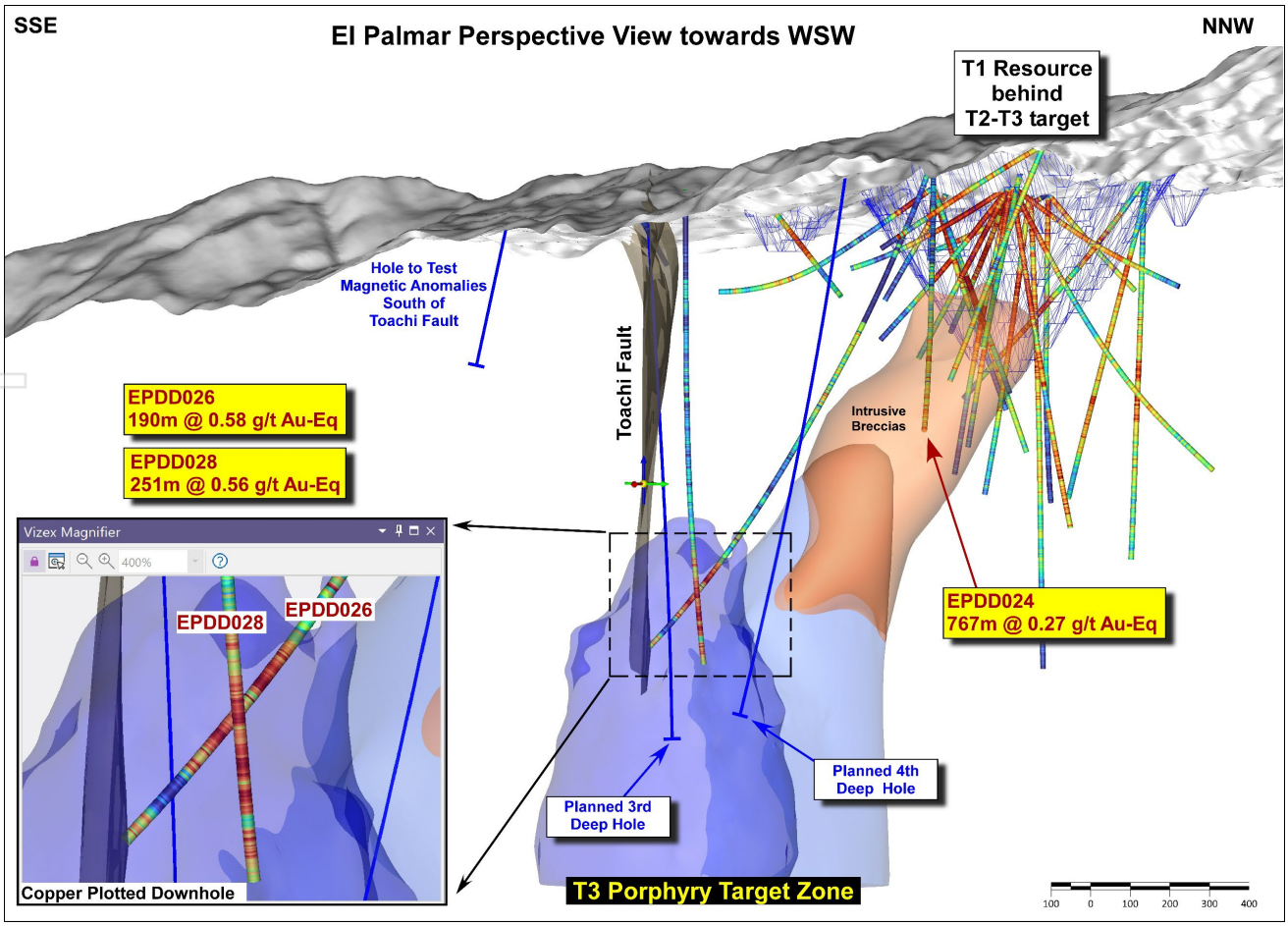


Figure 2: *View looking WSW towards the T1 and T3 porphyry targets at El Palmar. Two deep holes to 1,400m depth (blue hole traces) are planned to test the large T3 target that lies at depth along the Toachi Fault Zone.*

A 400m hole is planned to test a strong magnetic anomaly within the Cretaceous-age Malaute Formation, 400 metres SSE of the Toachi Fault Zone, and below a structurally-bound graben filled with volcanic breccias. A fourth hole of approximately 400 metres will test the T1 shallow target environment.

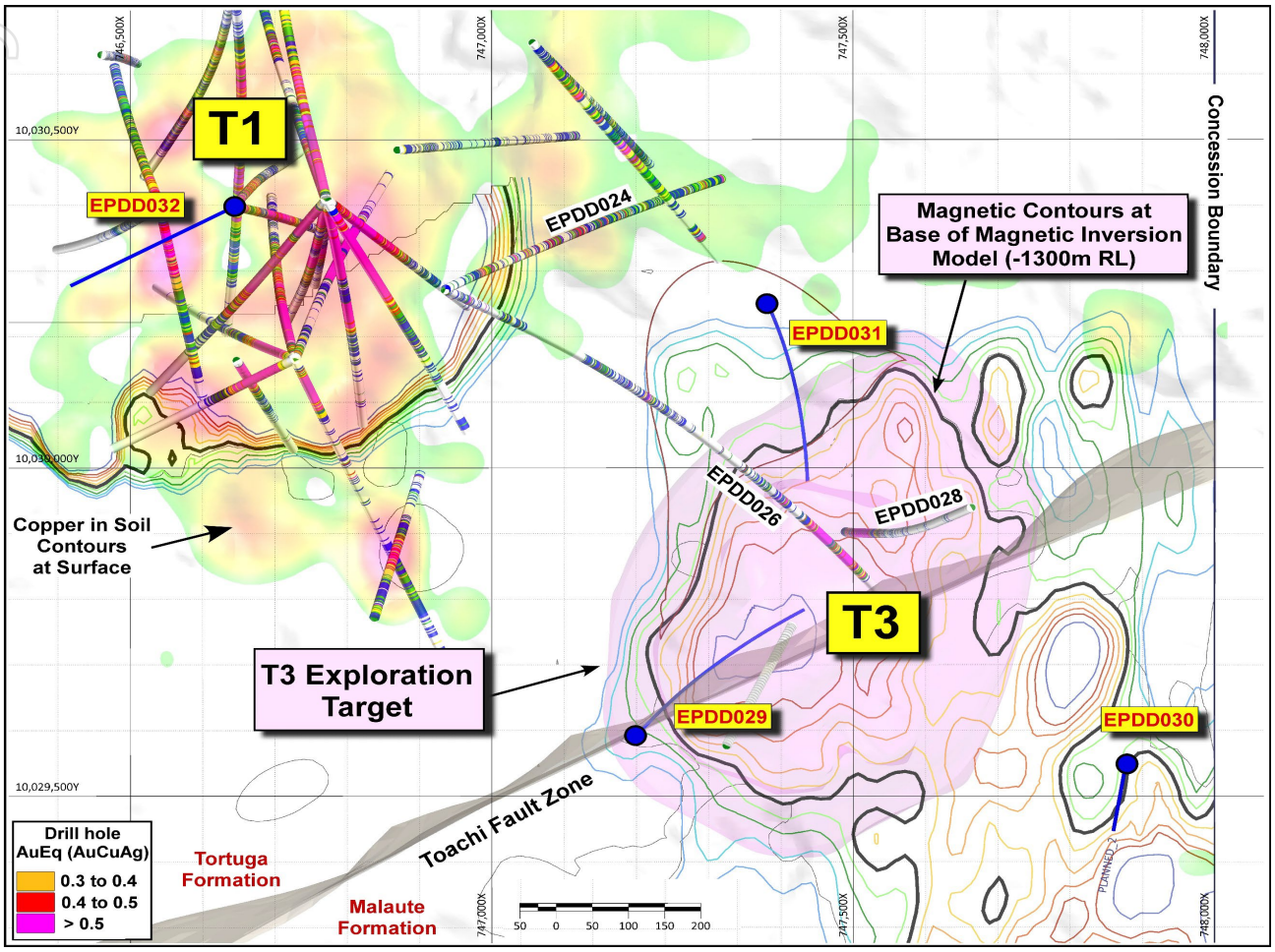


Figure 3: *Plan view of the deep T3 porphyry gold-copper target centred on the Toachi Fault Zone, showing planned drillholes (blue trace) and previous holes EPDD026 and EPDD028, which intersected 190m at 0.58g/t AuEq and 251m at 0.56g/t AuEq, respectively, within the deeper porphyry environment.*

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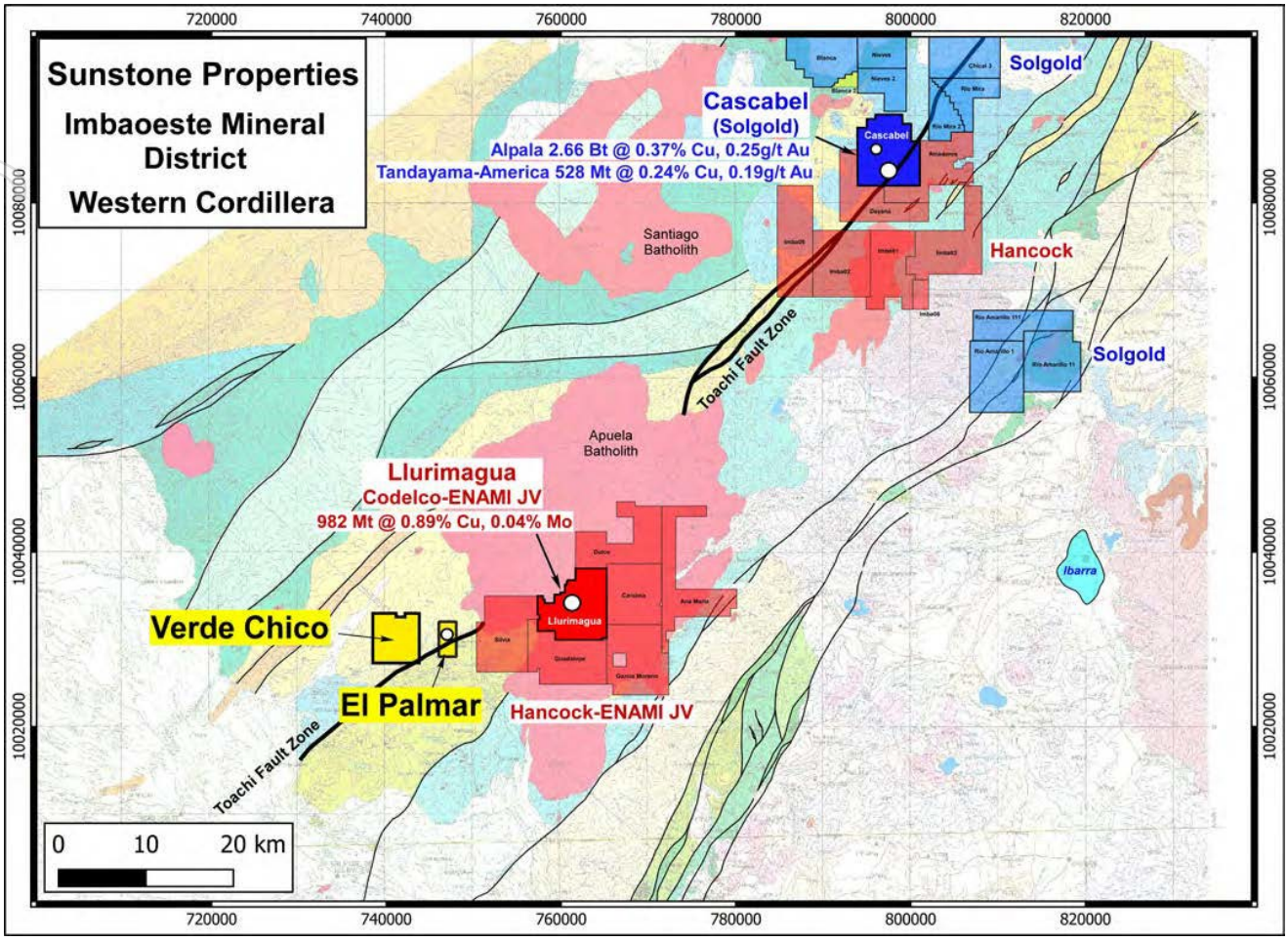


Figure 4: *Location of the El Palmar project and the Verde Chico property relative to the Llurimagua deposit and the Cascabel project (Alpala and Tandayama-America deposits), and the Toachi fault system which is considered important for the localisation of porphyry copper-gold-molybdenum mineralisation in northern Ecuador.*

About Sunstone Metals

Sunstone Metals Limited ("Sunstone" or "Company") is an ASX-listed mineral exploration company with two world-class gold and copper projects in Ecuador:

1. The **Bramaderos Project** in Southern Ecuador, which hosts a Mineral Resource Estimate of 220Mt at 0.50g/t AuEq for 3.6Moz AuEq[1,2].

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq[1] (g/t)	AuEq[1] (Moz)
Indicated	40	0.38	0.10	1.26	0.56	0.6
Inferred	190	0.32	0.10	1.14	0.49	2.9
Total	**220**	**0.33**	**0.10**	**1.16**	**0.50**	**3.6**

Additionally, the Bramaderos Project has a Porphyry Exploration Target of between 4.1Moz and 11.2Moz AuEq[1,2] within 315 to 505Mt at a grade between 0.41 and 0.68g/t, and the Limon epithermal gold-silver Exploration Target of between 0.9 and 1.7Moz AuEq[3,4] within 30 to 44Mt at a grade between 0.9 and 1.2g/t.

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

2. The **El Palmar Project** is located in northern Ecuador, 60km north-west of Ecuador's capital Quito. The property sits on the regionally significant Toachi Fault Zone, which hosts several world-class copper porphyry systems. The Project has both at-surface and deeper porphyry gold-copper systems and an initial Mineral Resource estimate of 64Mt at 0.60g/t AuEq for 1.2Moz AuEq[5,6].

JORC Classification	Tonnage Mt	Average Grade					Material Content			
		AuEq[6] (g/t)	Au (g/t)	Ag (g/t)	Cu (ppm)	Cu (%)	AuEq[6] (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**

Additionally, the El Palmar Project has a porphyry Exploration Target of between 15Moz and 45Moz AuEq[5,6] within 1.0 to 1.2Bt at grades ranging from 0.3 to 0.7g/t gold and 0.1 to 0.3% copper".

A flyover video of the two Projects can be viewed here: CLICK LINK

Strategy

The porphyry projects at Bramaderos and El Palmar have the potential to evolve into multi-decade gold-copper mining centres. At Bramaderos, a Scoping Study has been completed which indicated project viability and large growth potential. Sunstone plans to further grow the Bramaderos resource while continuing to advance the project studies towards development. At El Palmar, Sunstone is currently testing the deep gold-copper targets.

Sunstone has an ongoing strategic process to determine a preferred long-term funding model to unlock the substantial value of its two world-class projects. The Company also continues to monitor and evaluate potential opportunities to continue to grow its business in Ecuador, where clear shareholder value can be demonstrated.

Track Record

The team at Sunstone has been involved in significant discoveries of porphyry and epithermal copper-gold mineralisation at Tujuh Bukit in Indonesia and Cascabel in Ecuador, and the successful development of the King of the Hills Gold Mine in Western Australia and Koniambo Nickel Mine and Smelter in New Caledonia.

Excellent infrastructure

All projects are supported by established infrastructure close to power, road and port infrastructure.

Community support

The Board and Management Team take their responsibilities towards the host communities seriously and have endeavoured to uphold the highest ESG standards across our business. Sunstone published its inaugural Sustainability Report in 2023, outlining the level of support and engagement with local communities and project stakeholders.

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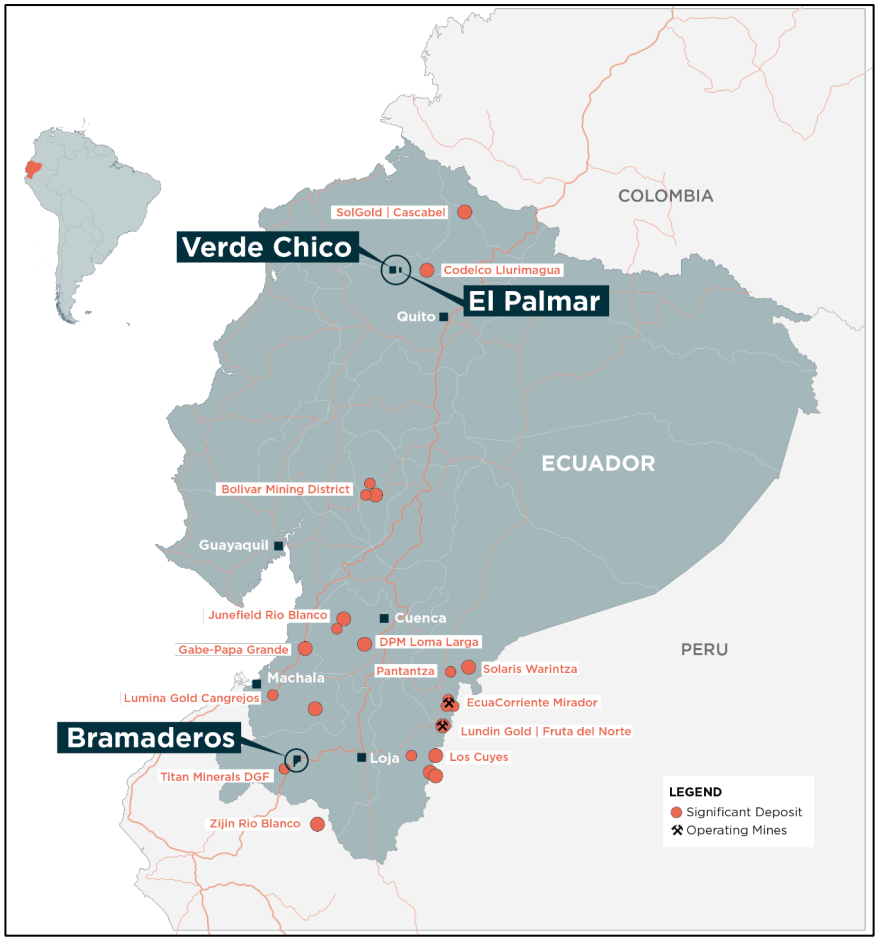


Figure 5: *Location of Sunstone's Bramaderos and El Palmar projects, Ecuador.*

Mr Patrick Duffy, Managing Director of Sunstone Metals Ltd., has authorised this announcement to be lodged with the ASX.

For further information, please visit www.sunstonemetals.com.au

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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.

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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.

Information on Exploration Targets

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

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 mineralised areas extend beyond the current MRE. The MRE includes material with sufficient drilling coverage to support resource classification and located within an economically modelled pit shell. Drilling demonstrates continuity of mineralisation in some additional areas within and outside the pit shell, but further drilling is required to support their inclusion in a Mineral Resource estimate. Applying the requirement for reasonable prospects of eventual economic extraction also excluded approximately 31% of the modelled mineralised material from the MRE. This excluded material has been included 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.

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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 LM_TR_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 rock chip sampling of surface mineralisation, channel sampling in ravines and an extensive mineralised trench ML-01 at Copete that assayed 214m @ 0.50 g/t $AuEq^2$ (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.

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 $AuEq^4$ (including 31m @ 12.93 g/t $AuEq^4$) in LMDD026, and 269m @ 1.05 g/t $AuEq^4$ (including 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.

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