

ASX ANNOUNCEMENT

18 OCTOBER 2021

SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT

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

- Significant discovery of a gold-copper mineralised porphyry from surface at the El Palmar project
- Four drillholes completed to date with the assays received for hole EPDD001 and partial assays for EPDD002 (from 250m to 417.5m) including:
 - 163.55m at 0.71g/t gold and 0.20% copper (1.05g/t gold equivalent¹) from 52.35m in EPDD001
 - Within 480.85m at 0.41g/t gold and 0.15% copper (0.66g/t gold equivalent¹) from 11.3m
 - 167.50m at 0.58g/t gold and 0.26% copper (1.02g/t gold equivalent¹) from 250m in EPDD002
- Assays from the remainder of hole EPDD002 and from hole EPDD003 are expected in November
- Presence of bornite and other high-tenor copper sulphide minerals suggest higher copper grades can be expected within the system
- Sunstone can acquire 100% of the El Palmar project and has met all the obligations under the Staged Acquisition Agreement to move to 51% ownership, with the process to transfer the shares currently underway

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

- Strong assay results received from the Bramaderos Project in southern Ecuador for holes BMDD009, 010, and 011 at the Brama prospect:
 - BMDD009; 185.3m at 0.4g/t gold, 0.15% copper, (0.64g/t AuEq¹) from 116.8m
 - BMDD010; 170.65m at 0.46g/t gold and 0.15% copper. (0.7g/t AuEq¹) from 311.75m, including 69.6m at 0.65g/t gold, 0.2% copper, (0.97g/t AuEq¹) from 347m
 - BMDD011; 404.8m at 0.32g/t gold, 0.09% copper, (0.46g/t AuEq¹) from surface, including 51.3m at 0.54g/t gold, 0.07% copper (0.65g/t AuEq¹) from surface
- BMDD009 and 010 have further defined the gold-copper mineralised porphyry and intrusive breccia
- BMDD011 has extended the gold-copper mineralised domain to the northwest, below well mineralised trench sampling
- A detailed 3-D geological model has been completed for Brama and will underpin a Mineral Resource Estimate (MRE) to be undertaken in early 2022
- Drilling is ongoing with six more holes planned as part of the initial MRE drill program

Corporate Highlights

- A\$13.2 million in cash at 30 September 2021
- ~A\$4.5 million cash received during the quarter from sales of a portion of Sunstone's shareholding in Copperstone Resources AB
- Remaining 42,815,220 Copperstone shares valued at ~A\$8.7 million (1.28 SEK per share) at 30 September 2021

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¹ - AuEq is calculated on a gold and copper basis only using metals prices at 30th August 2021, being US\$1,814/oz gold, US\$4.36/lb copper using the formula: (gold grade in g/t) + 1.6 * (Cu grade in %) for Bramaderos; and at 28th September 2021, being US\$1,750/oz gold, US\$4.29/lb copper using the formula: (gold grade in g/t) + 1.68 * (Cu grade in %) for El Palmar.

No metallurgical recoveries have been applied to exploration results.

EXPLORATION AND DEVELOPMENT ACTIVITIES

El Palmar Porphyry Copper-Gold Project

Sunstone has made a significant discovery at El Palmar, intersecting 480m of gold-copper mineralised porphyry from surface in the first hole completed on the project. The Phase 1 drilling program commenced during the quarter at El Palmar, with a total of 2,168m drilled to 30 September 2021 targeting the upper portion of a significant circular magnetic anomaly interpreted to be a mineralised porphyry body.

The El Palmar results released to date (see ASX announcement dated 7 October 2021) comprise all assays from the first hole (EPDD001) and those from a portion of the second hole (EPDD002) (Table 1). Assays from the rest of hole EPDD002 and hole EPDD003, which has been completed, are expected in about six weeks. Drill hole EPDD004 is nearing completion (Table 2). All holes are mineralised.

The assay results include (Table 1):

- **163.55m at 0.71g/t gold and 0.20% copper (1.05g/t gold equivalent¹) from 52.35m**, within a broad interval of 480.85m at 0.41g/t gold and 0.15% copper (0.66g/t gold equivalent¹) from 11.3m in EPDD001
- **167.50m at 0.58g/t gold and 0.26% copper (1.02g/t gold equivalent¹) in EPDD002** – only 167.5m assayed to date from 250m to 417.5m
- Peak values are 1m at 1.34g/t gold and 0.41% copper (**2.03g/t gold equivalent¹**) in EPDD001 from 192.2-193.2m
- Peak values are 1m at 1.65g/t gold and 0.59% copper (**2.64g/t gold equivalent¹**) in porphyry mineralisation in EPDD002 from 266-267m
- Local epithermal overprint in EPDD002 delivering assay results of 9.25m at 1.22g/t gold and 6.92g/t silver from 388.75m

Sunstone is acquiring 100% of the El Palmar project under the Staged Acquisition Agreement signed on 12 August 2020 (see ASX announcement dated 12 August 2020). Sunstone has met all the obligations under the Staged Acquisition Agreement to move to 51% ownership, with the process to transfer the shares currently underway.

The highly prospective El Palmar copper-gold porphyry project is located in northern Ecuador 60km north-west of Ecuador's capital Quito and is well serviced by local roads. 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 (see ASX announcement dated 12 August 2020, Figures 1 and 2).

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Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)	AuEq (g/t)
EPDD001	11.30	492.15	480.85	0.41	0.15	3.40	0.74	0.66
<i>incl</i>	52.35	215.90	163.55	0.71	0.20	1.39	1.14	1.05
<i>incl</i>	66.90	96.80	29.90	0.73	0.20	0.70	1.06	1.07
<i>incl</i>	147.25	163.30	16.05	0.80	0.20	1.36	2.69	1.14
EPDD002	250.00	417.50	167.50	0.58	0.26	3.54	1.81	1.00
<i>incl</i>	252.00	274.00	22.00	1.06	0.33	3.87	1.49	1.59
<i>incl</i>	388.75	398.00	9.25	1.22	0.19	4.38	6.92	1.54
<i>incl (end of sampling to date)</i>	415.50	417.50	2.00	2.45	0.05	8.83	17.24	2.53

Table 1: Mineralised intervals in holes EPDD001 and part of EPDD002

Detailed logging of holes EPDD001 to 003 has identified an extensive porphyry system with multiple phases of intrusive rocks, potassic, sodic, phyllic and propylitic alteration domains, local areas of epithermal overprint with elevated gold-copper-lead-zinc-silver mineralisation, and within the porphyry system copper in chalcopyrite, bornite, chalcocite, and covellite – suggesting proximity to ‘hotter’ and higher-grade domains.

The degree of veining is variable and includes multiple phases of quartz and quartz-sulphide veins, and multiple populations of magnetite veins (Figure 5).

Statistical analysis of drill core assay results has shown strong correlation between copper, gold, silver, and magnetic susceptibility.

Drill hole EPDD002 was targeted at the same broad and vertically extensive magnetic anomaly that was drilled in EPDD001. It was drilled below the better copper and gold mineralised zones in historical hole CED01 (drilled by Codelco in 2012) which intersected 204m @ 0.32 g/t Au and 0.16% Cu.

Drill hole EPDD004 has recently been completed to 796m and has also intersected porphyry mineralisation in its upper intervals. The preliminary results from EPDD004, together with EPDD001 on the same section, deliver a mineralised porphyry system of at least 500m diameter (Figures 3 and 4). This is very encouraging and provides an early indication of the potential scale of this discovery.

The El Palmar auger soil sampling program has resumed and is covering several additional targets to the southeast and east of the main El Palmar target to bring these to the drill testing stage (Figure 6). The southeast area has had some historical rock chip sampling and 25 samples over a strike length of 60m, on the margin of a coincident bullseye magnetic anomaly, returned an average of 0.33g/t gold and 0.12% copper.

Drill Hole Number	Easting (m)	Northing (m)	Dip (degrees)	Azimuth (UTM/Mag) (PSAD56 Grid) (degrees)	EOH (m)
EPDD001	746,737	10,030,181	-70	348/352	708.5
EPDD002	746,737	10,030,181	-60	018/022	595.05
EPDD003	746,737	10,030,181	-70	290/294	605.3
EPDD004	746,650	10,030,749	-55	175/179	

Table 2: Drill hole details for the El Palmar Project.

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Planned exploration for the next quarter at El Palmar includes ongoing drilling within the main El Palmar target and comprising holes 5 and 6 further testing the shallower mineralisation identified in holes 1-4, and holes 7 and 8 which will test the 1.2km vertical extent of the 3-D magnetic model. Drill meters expected in Q4 is approximately 4,000m.

The soil sampling program has resumed and will cover some of the other porphyry targets within the concession. Reconnaissance geological mapping will also continue as we build our understanding of the geology of the porphyry and epithermal environments within the concession.

Bramaderos Gold-Copper Project

The Bramaderos Project is located in southern Ecuador 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 (Figures 1 and 7) 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. Porphyry gold-copper and epithermal silver-gold mineralisation outcrops at surface. The Sunstone team has worked previously with Cornerstone on other projects in Ecuador which have led to significant discoveries and shareholder value growth, and the Sunstone team will work towards repeating that success at Bramaderos.

Brama target:

Drilling continued at the Brama gold-copper porphyry target during the quarter.

Assay results from holes BMDD009, 010 and 011 were received during the quarter and further highlight the potential for Brama to host a substantial gold-copper porphyry system (Figure 7) (Refer to ASX Announcement dated 16 September 2021).

Drill hole BMDD009 was drilled in the east and central parts of the main Brama porphyry system (Figures 9 & 10) and intersected a veined porphyry system hosted by diorite. The drill hole further strengthened the interpretation of geology and mineralisation between holes BMDD001 and 002.

Drill hole BMDD010 (Figures 9 & 10) intersected the main Brama porphyry stockwork style mineralisation and the deeper northern part of the intrusive breccia intersected in BMDD008. The hole drilled orthogonal to previously drilled holes BMDD001, 002 and 005 and has better defined the higher-grade mineralisation reported from BMDD001 and historical hole CURI-03, and from the intrusive breccia in hole BMDD005. Hole BMDD010 was drilled at a shallow dip of -30° and therefore the intersections are between 200m and 300m below surface.

Drill hole BMDD011 was drilled towards the northwest from the collar of hole BMDD008 (Figures 9 & 10) and was sited to test the northwest up-dip continuation of the mineralised intrusive breccia body that was intersected at depth in BMDD008, and to test below well mineralised trench intervals of 70m at 0.68g/t gold and 0.16% copper, and 63m at 0.77g/t gold and minor copper.

Assays are pending for holes BMDD012, 013, 014 and 015. Holes BMDD012 and 013 have tested magnetic anomalies to the northwest of the Brama area and have intersected mineralisation. Holes BMDD014 and 015 are testing areas of limited drilling within the higher-grade intrusive breccia.

A detailed 3-D geological model has been completed for Brama and will underpin a Mineral Resource Estimate (MRE) to be undertaken in early 2022 (Figure 8).

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Exploration Program at Brama for the Remainder of 2021

Drilling will continue at the Brama target with 1 drill rig through to December 2021. During that period an additional 6 holes for 2,300m will be completed.

This drilling program will form the basis for an initial Mineral Resource Estimate to be undertaken in early 2022. The goal of this MRE is to establish an initial near surface resource estimate that can then be expanded as exploration continues at Brama and the other nearby targets such as Limon and Melonal. At Brama the >0.4g/t gold equivalent domain is shown in Figure 8 extending from surface to a depth of ~500m as currently modelled and is open at depth. The domain is a plunging ovoid shape with dimensions of 460m (plunge) x 350m (long) x 220m (width).

Planning is also underway for an electrical geophysical survey over the Limon target in late 2021 to early 2022. It is expected that this program will define anomalies for further drill testing in areas where alteration has compromised the magnetic signature of the porphyry systems. The drill targets to be defined will be followed up in 2022. If the results of the survey are promising, then additional surveys may be undertaken at Brama Hill and other targets (Figure 7).

Equity position in Copperstone Resources AB

During the September quarter, Sunstone has sold 18,823,432 shares on-market at an average price of 1.522 SEK per share for ~A\$4.5 million.

Sunstone held 42,815,220 shares in Copperstone Resources as at 30 September 2021, currently valued at ~A\$8.7 million (1.28 SEK per share).

Southern Finland Lithium Portfolio (Sunstone 83.6%)

During the June quarter Sunstone signed a Letter of Intent to divest its Finland Lithium project, including the Kietyönmäki lithium occurrence, to Canadian Securities Exchange-listed United Lithium Corp ('CSE:ULTH').

The Finland Lithium project is a joint venture between Sunstone, which has an 83.6% interest, and TSXV-listed Nortec Minerals, which holds a 16.4% interest. ULTH will acquire both joint venture parties' interests.

Due diligence is ongoing and a definitive agreement is to be negotiated.

Consideration payable to Sunstone under the LOI is C\$420,000 cash and 420,000 shares in United Lithium, currently valued at C\$315,000 (C\$0.75 per share as at 14 October 2021), which converts to approximately A\$800,000, subject to closing and signing of the Definitive Agreement.

The Letter of Intent is non-binding and if a definitive agreement is not reached Sunstone will retain its 83.6% ownership in the project unencumbered.

Tenements

There were no changes in tenements during the quarter.

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Corporate

Financial Commentary

The Company's unaudited cash position for 30 September 2021 was A\$13.2 million. The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 September 2021 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was \$2.8 million primarily related to the El Palmar and Bramaderos Projects.

Corporate and other expenditure (including property, plant, and equipment) amounted to \$721,000. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$183,000 and includes salary, superannuation, and directors' fees.

During the quarter \$4.5 million was received from the sale of a portion of the shares held in Copperstone.

Sunstone held 42,815,220 shares in Copperstone Resources valued at approximately \$8.7 million (1.28 SEK per share) as at 30 September 2021.

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 30 September 2021, the Company had 2,209,987,646 fully paid ordinary shares on issue and 2,320 shareholders.

AGM to be held 28 October 2021.

Notes Specific – September 2021 Quarter ASX Announcements

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

El Palmar Gold-Copper Porphyry Discovery	07/10/2021
Bramaderos Drilling Results and Plans for 2021	16/09/2021
Copper porphyry intersected in second hole at El Palmar	06/09/2021
El Palmar first hole completed	23/08/2021
Copper porphyry intersected in first hole at El Palmar	12/08/2021
Drilling underway at El Palmar	04/08/2021
Presentation – Noosa Mining & Exploration Conference	14/07/2021
Drilling about to commence at El Palmar	13/07/2021

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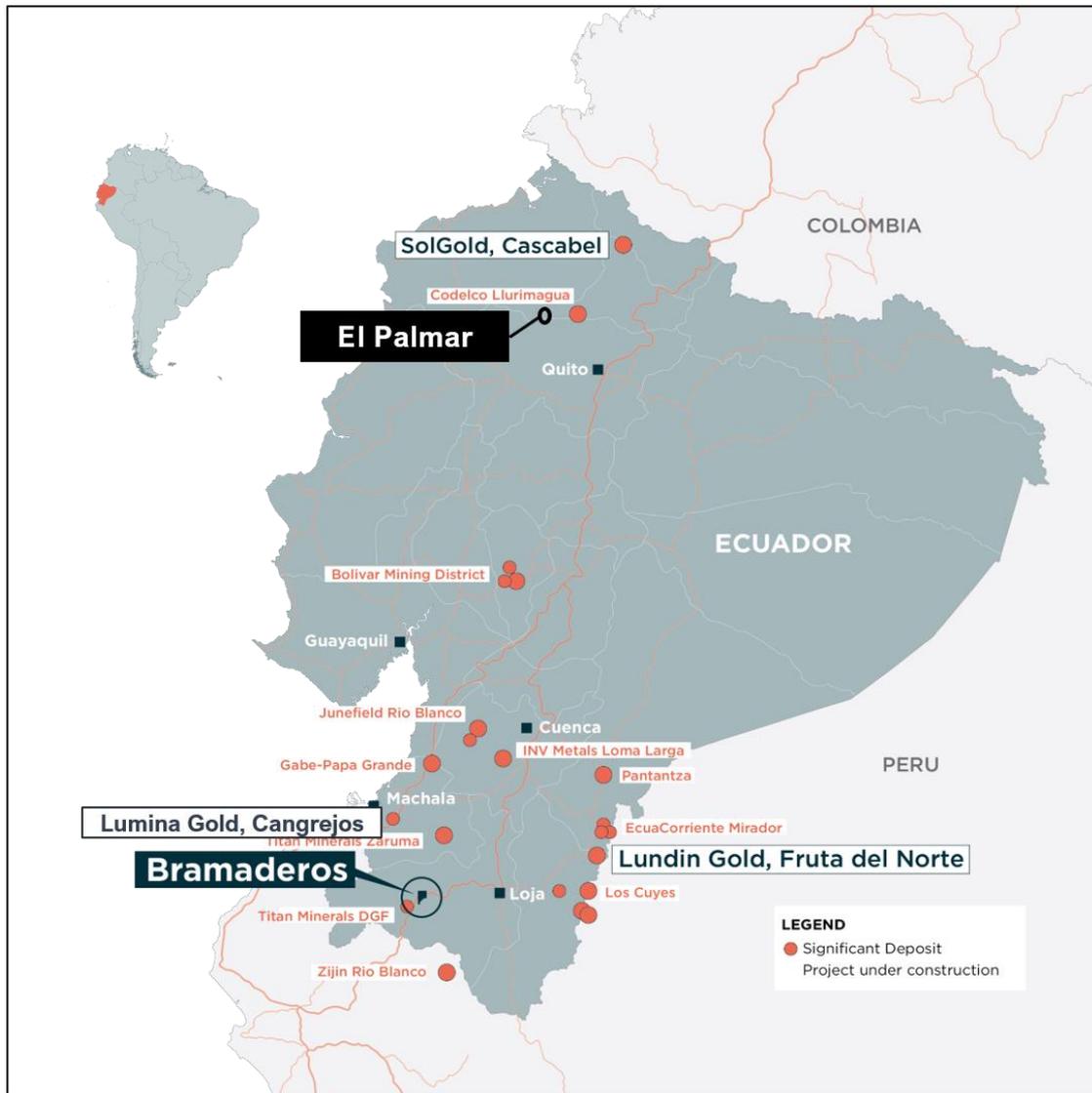


Figure 1: Location of Sunstone’s Bramaderos and El Palmar projects, Ecuador

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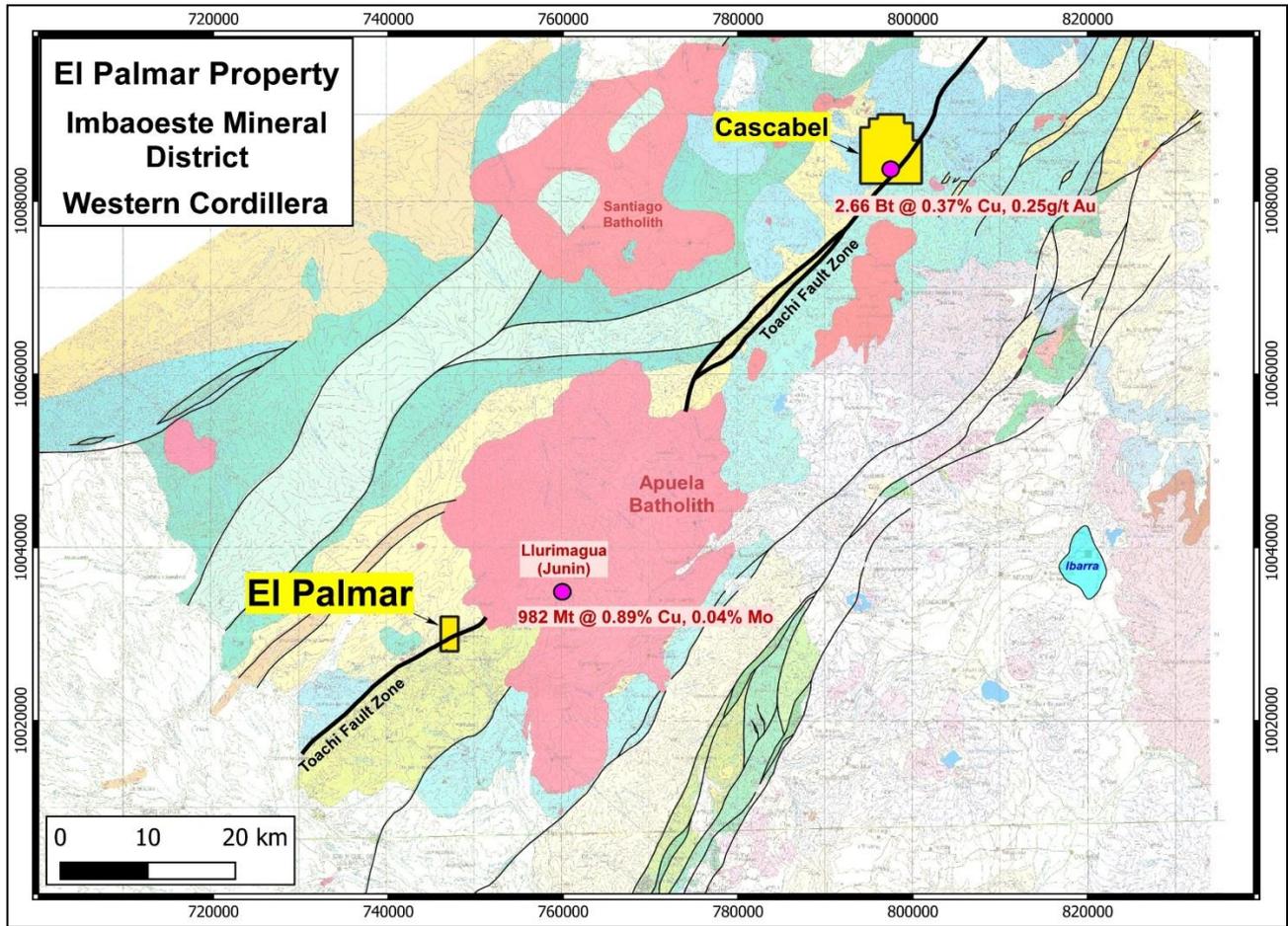


Figure 2: Location of the El Palmar project relative to the Llurimagua and Alpala (Cascabel) deposits, and the Toachi fault system.

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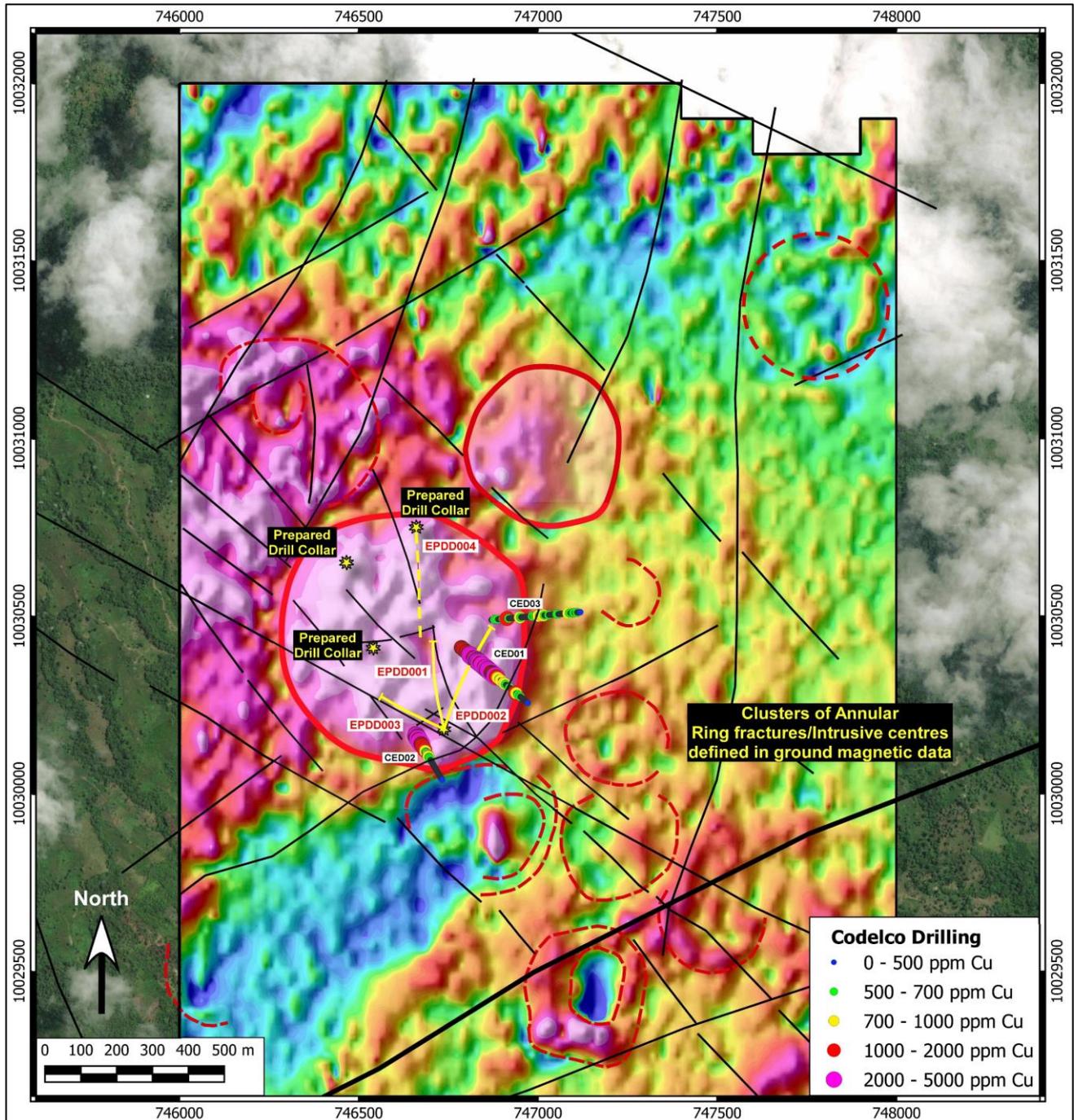


Figure 3: RTP magnetics image showing the circular magnetic anomaly being targeted with drilling by Sunstone. Holes EPDD001, EPDD002 and EPDD003 have been completed, and hole EPDD004 is in progress. Prepared drill collars to allow for future drilling are shown as yellow stars. Also shown are three historical drill holes (EPD01-03, drilled by Codelco), which drilled away from the Sunstone defined target area (see ASX announcement dated 12th August 2020 for details of historical drilling results).

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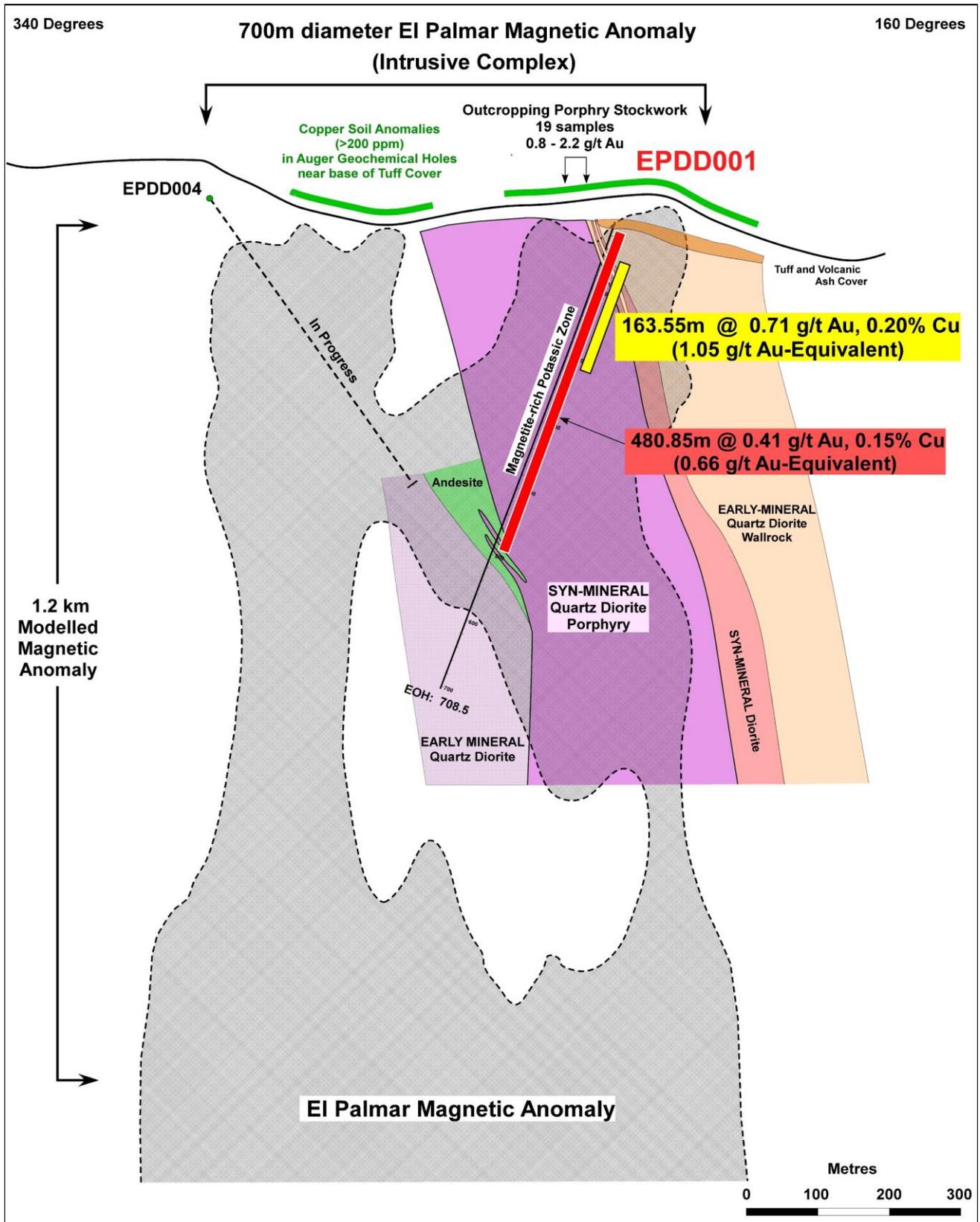


Figure 4: Cross section through EPDD001 at El Palmar. The 480.85m long intersection of porphyry gold and copper mineralisation is hosted by a quartz diorite porphyry intrusion that coincides with the southeast section of a 700m diameter magnetic intrusive complex. Surface copper and gold responses in auger soil samples (Figure 4) suggest significant portions of this magnetic complex may be mineralised.

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Figure 5: Photograph of drill core from EPDD001 from 152.5m to 159.5m showing sampling intervals and gold and copper assay results.

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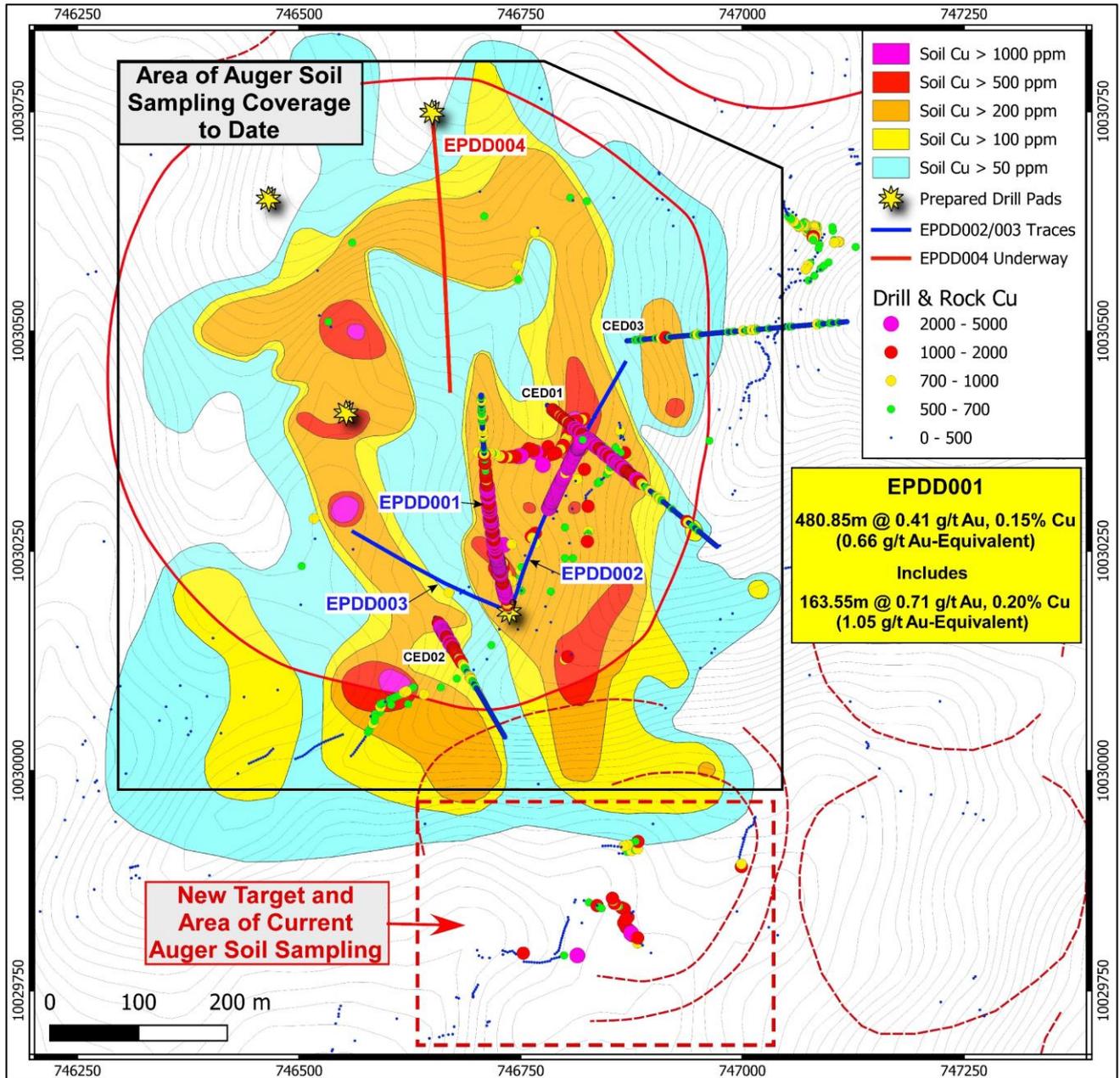


Figure 6: Auger soil sampling image showing the coverage area of soil sampling to date and the current area of sampling to the southeast where copper and gold anomalous rock chip results are associated with a magnetic bullseye anomaly. Note – only the middle portion of hole EPDD002 has been assayed – full assays are expected in early November. CED prefixed drill holes are historical (2012) drilling by Codelco.

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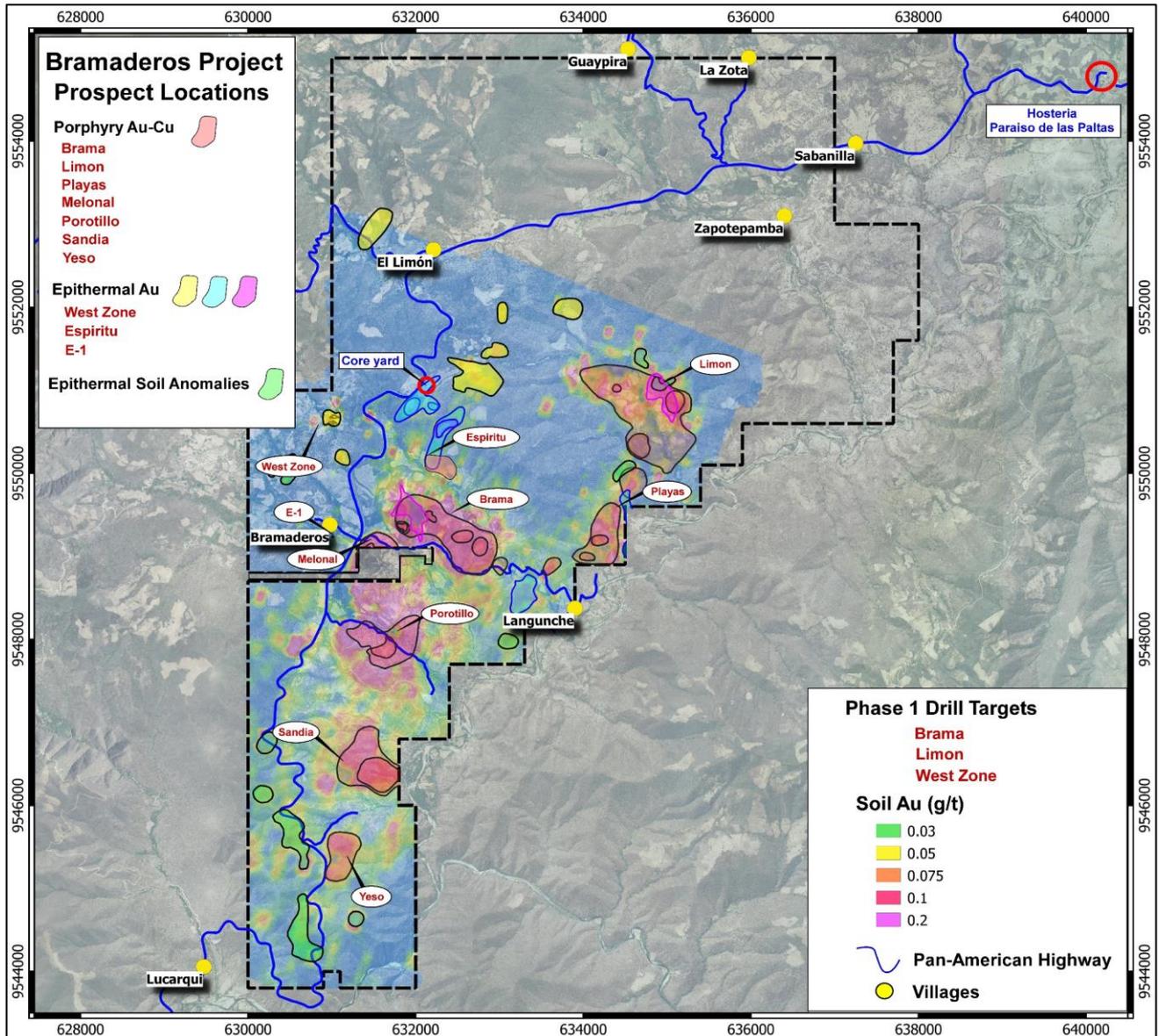


Figure 7: Location of the Brama target and the multiple gold-copper porphyry systems within the Bramaderos concession.

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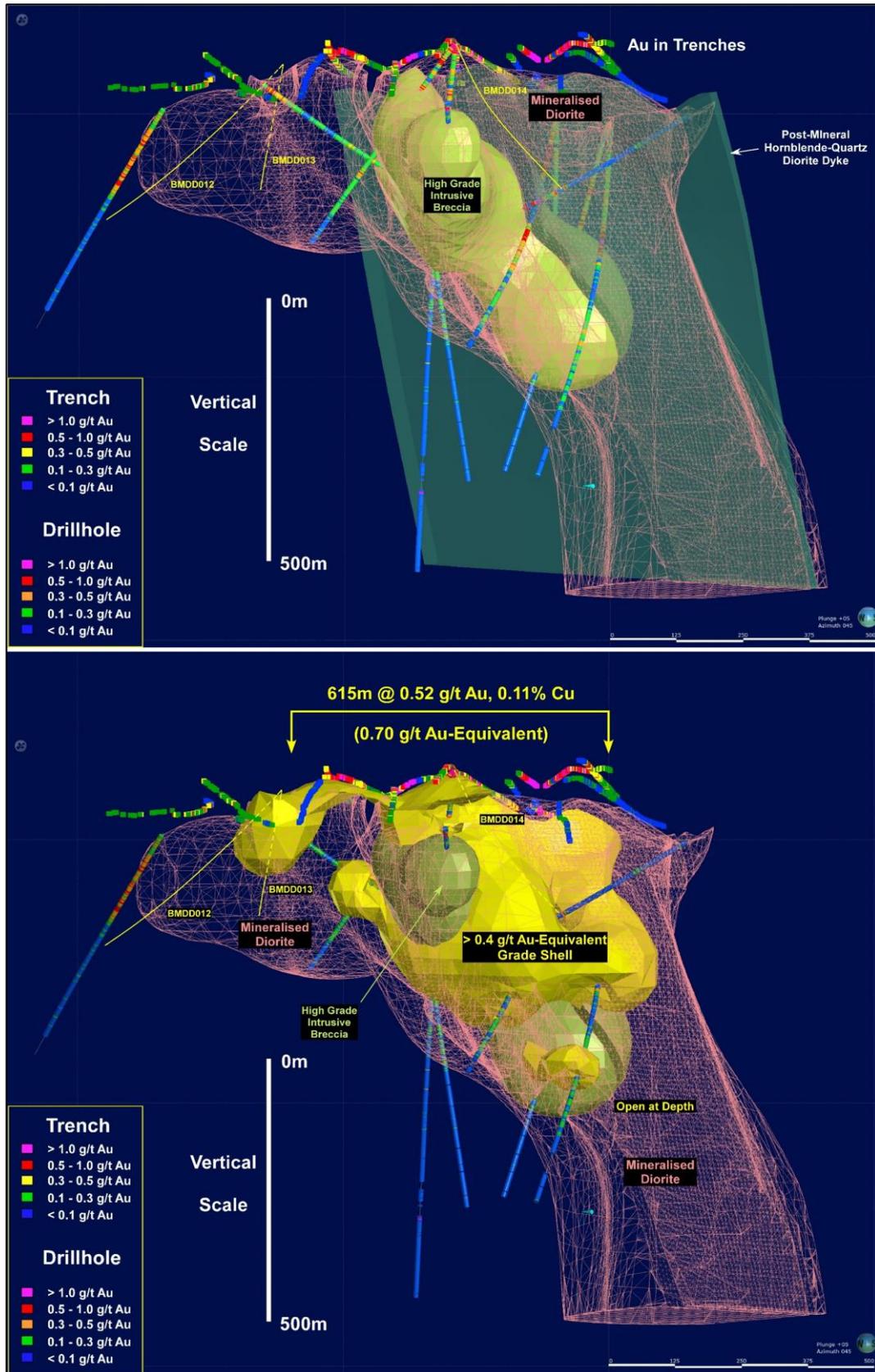


Figure 8: Brama 3-D geological model developed using Leapfrog software. The >0.4g/t gold equivalent domain is shown extending from surface to a depth of ~500m. No drilling has been undertaken to explore this domain below this depth at this stage.

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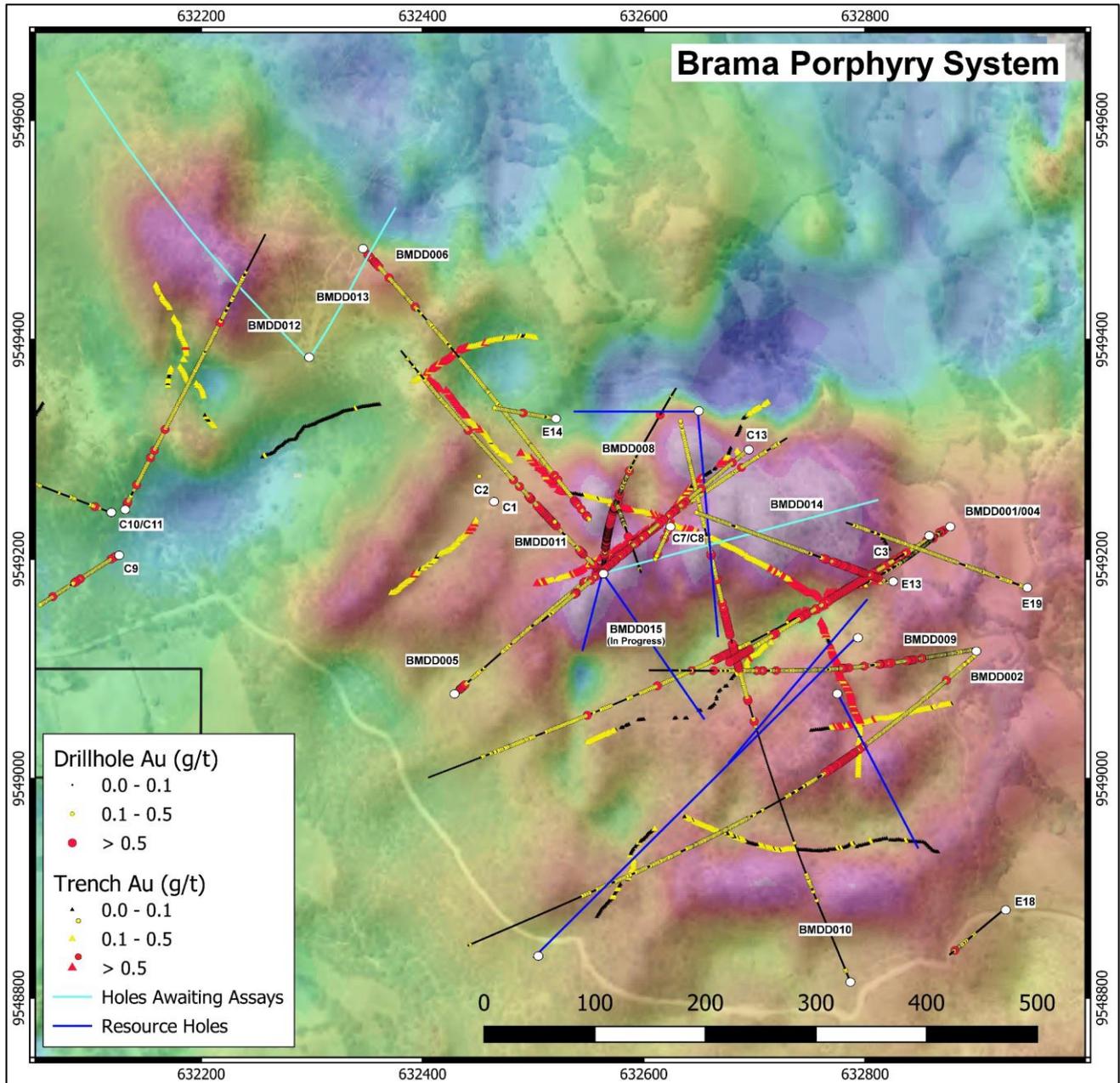


Figure 9: Brama gold-copper porphyry plan view showing the RTP magnetics as a backdrop and the circular magnetic response that is attributed to an outer and shallow mineralised intrusive breccia, and an inner and vertically extensive stockwork porphyry domain. Locations of holes BMDD009 – 015 are shown. Proposed 2021 drilling is shown as blue drill traces.

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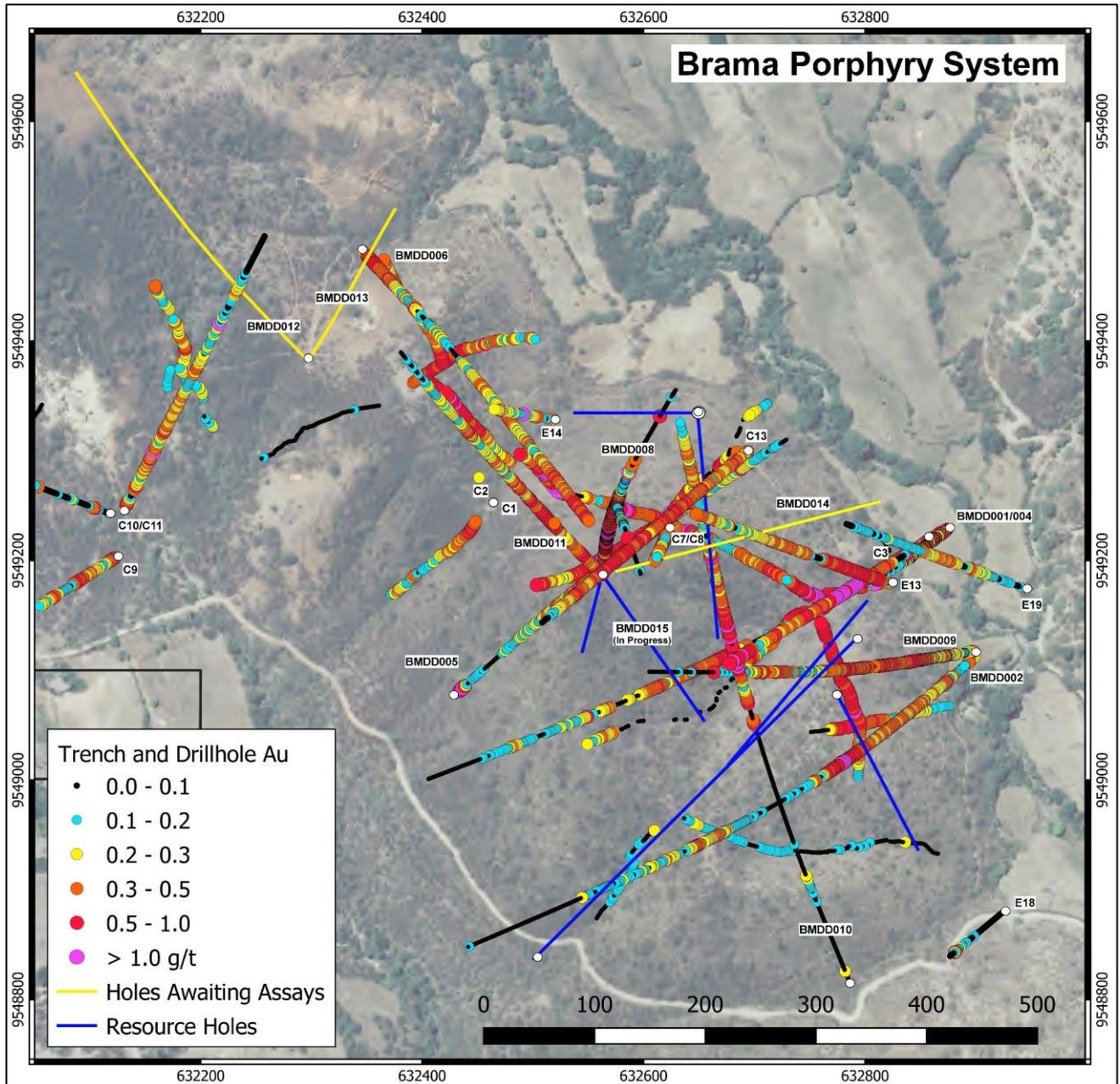


Figure 10: Same image as Figure 4 showing gold grade distribution within drill holes and surface trenching. Locations of holes BMDD009 – 015 are shown. Proposed 2021 drilling is shown as blue drill traces.

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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	0%

Lithium Tenements – Finland

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Litiumloydos Oy	Tammela*	Somero, Finland	Granted	83.6%
Litiumloydos Oy	Ojalankulma*	Somero, Finland	Application	83.6%

[^]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 51% ownership, with the process to transfer the shares currently underway.

*Subject to earn-in joint venture with Nortec Minerals Corp. Sunstone signed an LOI during the June 2021 quarter to divest its interest in the Finland Lithium project.

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

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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: 2,209,987,646 (STM)
(at 30 September 2021)

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")

30 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs	(519)	(519)
(e) administration and corporate costs	(202)	(202)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
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	(719)	(719)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements	(207)	(207)
(c) property, plant and equipment	(1)	(1)
(d) exploration & evaluation (if capitalised)	(2,620)	(2,620)
(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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments	4,538	4,538
	(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	1,710	1,710

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	12,171	12,171
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(719)	(719)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,710	1,710
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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	13,160	13,160

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	2,305	2,134
5.2	Call deposits	10,855	10,037
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)	13,160	12,171

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

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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

Director fees and Managing Director salary.

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. 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)	8,665	0
7.4 Total financing facilities	8,665	0
7.5 Unused financing facilities available at quarter end		8,665
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.	
Shares in Copperstone Resources AB listed on Nasdaq First North Sweden (COPP B). 42,815,220 shares at 1.28 SEK per share (remaining shares and closing share price as at 30 September 2021) valued at 8.7 million.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(719)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(2,620)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(3,339)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	13,160
8.5 Unused finance facilities available at quarter end (Item 7.5)	8,665
8.6 Total available funding (Item 8.4 + Item 8.5)	21,825
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.5

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

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: N/A

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: N/A

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: N/A

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:18 October 2021.....

Authorised by:Gavin Leicht – Company Secretary.....
(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.