

ASX ANNOUNCEMENT

24 JANUARY 2020

DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

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

- The terms of the Earn-in Joint Venture with TSX-V listed Cornerstone Capital Resources (TSXV:CGP) amended to provide Sunstone with an immediate 87.5% interest and Cornerstone with a 12.5% loan carried interest
- Assays from drill holes BMDD004, BMDD005, and BMDD006 extend the Bramaderos Main gold-copper deposit. Significant intervals include;
 - 127m at 0.57g/t gold and 0.1% copper from 216.8m in BMDD005, including;
 - 39m at 0.72g/t gold and 0.13% copper from 295m
 - 46.2m at 0.45g/t gold and 0.18% copper from 15m, and 72.5m at 0.42g/t gold and 0.12% copper from 319.15m in BMDD006
- BMDD005 extends mineralisation 150m northwest of BMDD001 which intersected 172m at 0.52g/t gold and 0.16% copper from surface
- BMDD006 extends mineralisation a further 360m to the north-west of BMDD005
- BMDD007 was completed at 543m and assays are expected towards the end of February. Zones of quartz veining and visible chalcopyrite were intersected in the upper parts of the hole.
- The strike extent of mineralisation outlined from BMDD002 to BMDD006 is 650m and reflects the longitudinal surface trench, which intersected 615m at 0.52g/t gold and 0.11% copper. The total strike extent of the mineralisation from BMDD002 to BMDD007 is now more than 1km
- Assay results from drill hole LMDD004 include 40m at 0.1g/t gold, 0.12% copper and 19ppm molybdenum, from 863m down hole, indicating that drilling is within the outer halo of a mineralised porphyry gold-copper system of significant scale. These results strengthen the potential of the Limon target
- The West Zone drilling program was completed during the quarter after the second drill rig was mobilised, and has resulted in improved interpretation and target generation within the epithermal gold corridor
- The epithermal gold corridor is an extension of the producing Dynasty Goldfield ~5km to the south-west, and within the Bramaderos concession includes multiple targets representing significant exploration potential

Viscaria Copper Project, Sweden (Sunstone holds ~30% of shares in Copperstone Resources AB)

- Copperstone continued with diamond drilling at Viscaria with holes at A and D Zones

Corporate Highlights

- A\$2.4 million in cash at 31 December 2019
- Sunstone received the remaining cash balance owed from Copperstone, plus accrued interest, of 5.2 million SEK (~A\$0.78 million) in early October 2019
- Sale of 3.3 million Copperstone shares on market during the quarter at an average price of 0.4762SEK for cash of 1.6 million SEK (~A\$0.25 million). Further 928,190 shares sold in January for ~A\$75,000. Value of remaining shares held ~A\$13.5 million.

ASX ANNOUNCEMENT

EXPLORATION AND DEVELOPMENT ACTIVITIES

Bramaderos Gold-Copper Project

The Bramaderos Project is located in southern Ecuador and is the subject of an earn-in JV with Cornerstone Capital Resources Inc. (“Cornerstone”) (TSXV-CGP) through its subsidiary La Plata Minerales S.A. (“PLAMIN”). Sunstone has earned an 87.5% interest in the 4,949 hectare Bramaderos concession (Figure 1) (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. 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.

Bramaderos Main:

Assay results from drill holes BMDD004, BMDD005, and BMDD006 have been received. All holes have intersected intervals of gold and copper and include grades of up to 0.93g/t gold over a 12.15m interval, 0.57g/t gold and 0.1% copper over a 127m interval, and 0.45g/t gold and 0.18% copper over a 46m interval. And BMDD007 recently completed has intersected zones of quartz veining and visible chalcopyrite in the upper parts of the hole (see ASX announcement dated 21st January 2020) with assays expected in late February 2020.

Table 1: Significant Assays from Bramaderos Main holes BMDD004. 005 and 006

Hole Number	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)	Molybdenum (ppm)
BMDD004	4.8	262.55	257.75	0.25	0.1	13.9
<i>includes</i>	4.8	45.25	40.45	0.3	0.13	23.7
	73.1	95.85	22.75	0.35	0.12	12.5
	131.2	160	28.8	0.34	0.11	9.8
	217.35	258	40.65	0.21	0.12	8.2
BMDD005	4.6	47.8	43.2	0.34	0.03	14.6
<i>includes</i>	9.1	21.25	12.15	0.93	0.07	7.5
	84	464	380	0.33	0.08	28.5
<i>includes</i>	216.8	344	127.2	0.57	0.1	34.1
<i>includes</i>	295	334	39	0.72	0.13	42.3
BMDD006	7.4	391.64 (EOH)	384.24	0.27	0.13	9.8
<i>includes</i>	15	61.2	46.2	0.45	0.18	10.4
<i>includes</i>	15	32.15	17.15	0.56	0.14	16.5
	171	263.6	92.6	0.25	0.13	3.3
	319.15	391.64	72.49	0.42	0.12	25.1

ASX ANNOUNCEMENT

These new drilling results suggest that the area is host to a large gold-copper porphyry system. Mineralisation has a strike extent of over 1km. Follow-on exploration is aimed at defining the geometry of the higher-grade domains within that 1km long envelope, and further extending mineralisation along strike and at depth.

Mineralised intervals from trenches of 615m at 0.52g/t gold and 0.11% copper and drill holes of 248m at 0.56g/t gold and 0.14% copper (CURI-03) and 172m at 0.52g/t gold and 0.16% copper (BMDD001) within 200m of surface, clearly demonstrate that the system is capable of delivering an orebody. Our ongoing work with magnetics data and structural interpretation will further assist in unlocking the geometry.

During the early stages of exploration at Bramaderos, the decision was made to understand and further test the Bramaderos Main system prior to embarking on a drilling program at the Porotillo target. Sunstone is now advancing the Porotillo exploration program so that drilling can commence over the next couple of months. The Porotillo magnetic anomaly is significantly larger than Bramaderos Main and is mineralised based on surface sampling and historic drillings, that intersected 26m at 1.1g/t gold and 0.16% copper from 6m downhole in CURI-05.

Limon:

The Limon target is part of the package of multiple gold-copper porphyry systems identified at the Bramaderos Project (see ASX announcement dated 27th August 2019). At Limon only 3 effective completed holes have been drilled to date, and all have intersected alteration and weak copper-gold-molybdenum mineralisation consistent with being in close proximity to a large porphyry system.

Significantly, LMDD004 (refer ASX announcement dated 15th October 2019) intersected a 'high sulphidation' epithermal system in a shallow position that could develop into an exploration target in its own right. Geologically, 'high sulphidation' systems can develop in a variety of styles, and are related to porphyry systems. Examples include Tampakan and Lepanto in the Philippines, the Tujuh Bukit gold-silver oxide system in Indonesia, and the Yanacocha deposits in Peru.

Assay results from drill hole LMDD004 at Limon have delivered a long interval of porphyry related highly anomalous copper and gold values over 360m from 703m down hole, to the end of hole (refer to ASX announcement dated 3 December 2019). Low grade mineralisation is open at depth.

These results are very significant and strengthen our belief that this drill hole, LMDD004, and previously reported drill hole LMDD002, have drilled in close proximity to, and within the outer halo of, a mineralised porphyry gold-copper system of significant scale. The long mineralised intervals in both holes are approximately 250m apart. These results strongly reinforce the significant exploration potential at Limon. The juxtaposed epithermal high sulphidation copper blanket, with hydrothermal breccias sourcing a porphyry system, in the vicinity of outcropping stockwork B-veins returning 97.6m at 0.71g/t gold and 0.23% copper (ASX announcement dated 29th May 2019) supports the strong optimism for discovery.

3-D modelling of recently collected detailed ground magnetic data has identified a target located beneath the central parts of holes LMDD002 and LMDD004. This area is being targeted by drill hole LMDD006 (drill hole LMDD005 was commenced to drill this target but was abandoned due to drill string failure at 289.65m). LMDD006 is expected to be completed in February 2020.

ASX ANNOUNCEMENT

Epithermal Gold Corridor and West Zone Target:

The initial drilling program at West Zone comprised 8 shallow diamond drill holes for 1200m and was completed during the December quarter. From drilling it is clear that the geometry of the breccia bodies is complex. Ongoing exploration within the western epithermal gold corridor has defined ten targets for follow-up. Drilling at West Zone identified anomalous epithermal gold values, but on re-interpretation did not test the revised target zones (refer ASX announcement dated 22nd January 2020).

The main target zone at West Zone is now interpreted to be smaller than originally interpreted and is likely limited to the North Breccia Pod area as a structurally constrained zone plunging to the east or north-east. QAQC (quality assurance/quality control) review and petrography have been completed. The petrography confirms that some of the very high-grade surface gold values in trenches in the breccias is due to supergene enrichment.

Multiple other epithermal gold targets have been defined within the belt (Figures 7 and 8), which is the north-east extension of the producing Dynasty Goldfield located 5 km to the southwest. These include the Bramaderos Vein where recent trenching returned results of up to 2.1g/t gold and 7.7g/t silver over 0.9m and where historical sampling returned up to 32.5g/t gold from a rock chip sample.

Other areas of gold mineralisation in rock chip samples include El Espiritu where there is extensive pathfinder element signature in soil samples. Gold values include 11.63 g/t, 3.70 g/t, 1.80 g/t and 1.615 g/t whilst silver values include 38.62 g/t, 26.67 g/t, 15.68 g/t and 10.84 g/t. These mineralised samples were collected from barite-bearing ferruginous quartz veins in gullies located approximately 700m northeast of Bramaderos hill, within defined targets along the epithermal gold corridor. A trenching program is being designed to test this area in a more systematic fashion. A rockchip-sampling program is also being designed to cover 5 of the epithermal targets that have strong pathfinder element signatures in soils but are yet to be surface sampled by rock-chipping.

Joint Venture:

On 7 January 2020, Sunstone announced 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. The modification of terms removed the requirements of Sunstone to meet various milestones under the original agreement (refer to ASX announcement dated 10 April 2017) such as funding and completing a feasibility study within 5 years to achieve a greater than 51% interest. The 51% interest was achieved in August 2019 after meeting expenditure requirements of US\$3.4 million.

The amendment was agreed as a result of the Joint Venture Agreement Phase 2 decision whereby Sunstone could progress to a 70% interest by funding expenditures through to completion of a feasibility study, and making a cash payment based on resources defined, or Sunstone to remain at 51% (and Cornerstone at 49%) with both parties funding the ongoing exploration. Sunstone and Cornerstone agreed that the preferred approach would be to move the JV structure forward and allow Sunstone, as the majority owner, to focus on the delivery of discoveries across several targets and not be constrained by the path taken through feasibility studies.

Cornerstone's interest is to be loan-carried by Sunstone through to the start of commercial production and repayable, including interest at LIBOR (London Inter-bank Offered Rate) plus 2%, out of 90% of Cornerstone's share of future Bramaderos Project earnings or dividends.

ASX ANNOUNCEMENT

Viscaria Copper Project

The transaction for the sale of Sunstone's 100% owned subsidiary Avalon Minerals Viscaria AB, which owns 100% of the Viscaria Copper Project (Viscaria) in northern Sweden, to Swedish listed Copperstone Resources AB (Nasdaq First North (Stockholm) COPP B) was completed on 8 March 2019, with receipt of cash of 20 million Swedish Kronor (SEK) (approximately A\$3 million) and 160 million Copperstone B-shares at closing, and a further 20 million SEK cash receivable by 8 July 2019 (as per the amendment to the SPA as announced on 25 February 2019).

Copperstone paid to Sunstone 10 million SEK (~A\$1.5 million) cash in July with 5 million SEK of the balance owed plus accrued interest and a one-off fee of ~300,000 SEK being converted to Copperstone shares, equating to an additional 12.5 million shares at 0.46 SEK per share. The final 5 million SEK of the remaining cash amount plus accrued interest of 232,500 SEK was received on 9 October 2019 (~A\$0.78 million).

The second phase of the transaction, which is subject to receipt of the Environmental Permit for Viscaria, comprises a cash payment to Sunstone of 20 million SEK and the issue of 46 million Copperstone B-shares.

Sunstone holds approximately 169.2 million shares or ~30% of Copperstone's issued shares as at 31 December 2019 (160 million of these shares subject to a voluntary escrow ("lock-up") agreement for a period of 18 months from closing, i.e. until 9 September 2020).

Sunstone sold 3.3 million shares during the December quarter at an average price of 0.4762SEK, for cash of 1.6 million SEK (~A\$0.25 million). A further 928,190 shares have been sold in January up to the date of this report for approximately A\$75,000. The value of the remaining shares held as at the date of this report is approximately A\$13.5 million (168.2 million shares at 0.52 SEK).

As the largest shareholder of Copperstone, Sunstone will retain significant exposure to Viscaria as well as to Copperstone's existing copper exploration projects in Sweden, with potential synergies across the projects.

Copperstone raised a total of 16.24 million SEK in cash during the quarter, and also settled the first tranche of the Yorkville facility. Drilling at Viscaria progressed well during the quarter at both A Zone and D Zone. Announcements of assay results can be found at www.copperstone.se.

Southern Finland Gold Portfolio

Tammela Gold Project, Finland (Sunstone 80%)

The Nortec earn-in agreement includes two known gold opportunities, Satulinmäki and Riukka, held within the claim areas.

No significant activities were undertaken during the quarter.

Other Gold Opportunities (Sunstone 100%)

Based on Sunstone's regional assessment of gold prospectivity in southern Finland, areas of interest are held under approved Exploration Permits, and applications have been lodged for Exploration Permits covering known gold occurrences and will be explored systematically.

Lithium Portfolio (Sunstone 80% and 100%)

The Nortec earn-in agreement area includes the Kietyönmäki lithium occurrence which was discovered by the Finnish Geological Survey (GTK) in the mid-1980's. There was no significant activity during the quarter.

ASX ANNOUNCEMENT

Tenements

Subsequent to the end of the quarter, the terms of the Earn-in Joint Venture with TSX-V listed Cornerstone Capital Resources (TSXV:CGP) were amended to provide Sunstone with an immediate 87.5% interest and Cornerstone with a loan carried 12.5% interest in the Bramaderos Project.

Corporate

Cash Resources - The Company's unaudited cash position for 31 December 2019 was A\$2.4 million.

During the quarter 5.2 million SEK (~A\$0.78 million) cash was received from Copperstone for the final balance of funds owing. Sale of 3.3 million Copperstone shares resulted in further cash of 1.6 million SEK (~A\$0.25 million). A further 928,190 shares have been sold in January up to the date of this report for approximately A\$75,000. The value of the remaining shares held as at the date of this report is approximately A\$13.5 million (168.2 million shares at 0.52 SEK).

With the completion of drill hole BMDD007, the second drill rig is waiting for redirection while assay results and detailed magnetic interpretations are received. It is possible that the other drill rig will also be temporarily stopped following the completion of drill hole LMDD006 while assay results are received and the Sunstone team undertake a detailed review of all data in order to appropriately plan the next drill program. Forecast exploration expenditure for the March and June quarters is therefore expected to be considerably less.

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 potential sale of Copperstone shares as referred to above.

Shareholder Information

As at 31 December 2019, the Company had 1,384,387,646 fully paid ordinary shares on issue and 1,626 shareholders. The Company issued 12,000,000 unlisted options at an exercise price of \$0.042, and 9,000,000 Performance Rights, following approval received at the AGM on 31 October 2019.

Notes Specific – December 2019 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:

Bramaderos - Ten priority epithermal gold targets identified	22/01/2020
Bramaderos Main Assays extend strike length significantly	21/01/2020
Sunstone increases stake in Bramaderos to 87.5%	07/01/2020
Bramaderos Drilling Update – Limon closing in on porphyry	03/12/2019
Fully funded exploration program underway	01/11/2019
Appendix 3B and 3Y Options and Performance Rights	31/10/2019
Response to ASX 5B Query	29/10/2019
Bramaderos Project – Phase 2 drilling commenced	29/10/2019
Limon Drilling Returns Mineralisation, and Project Update	15/10/2019
Final Stage 1 Cash Payment Received for Viscaria	11/10/2019

ASX ANNOUNCEMENT

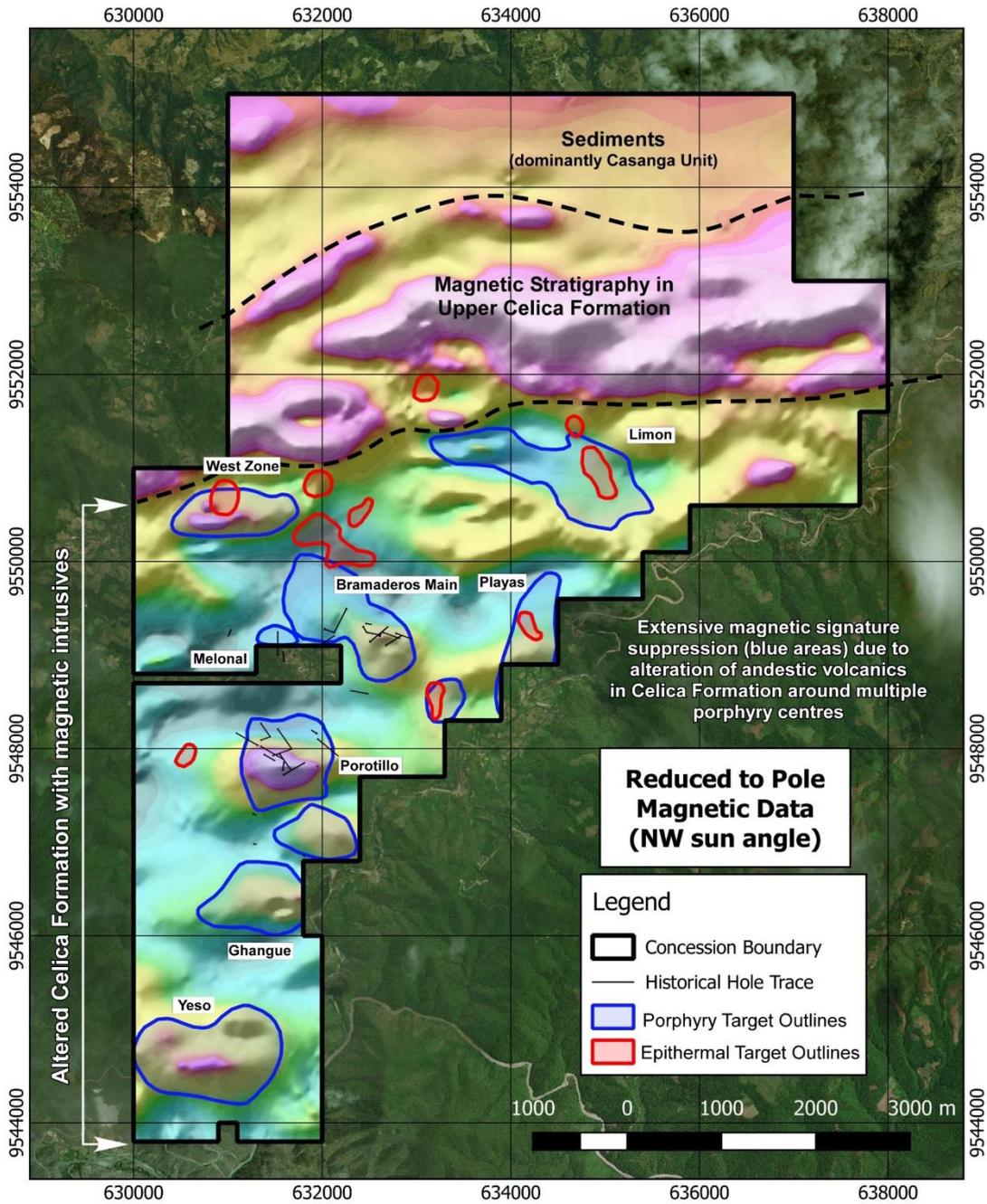


Figure 1: Bramaderos project showing the location of the gold-copper porphyry targets, and the West Zone epithermal gold system. The background image is detailed heli-magnetics on a satellite image.

ASX ANNOUNCEMENT

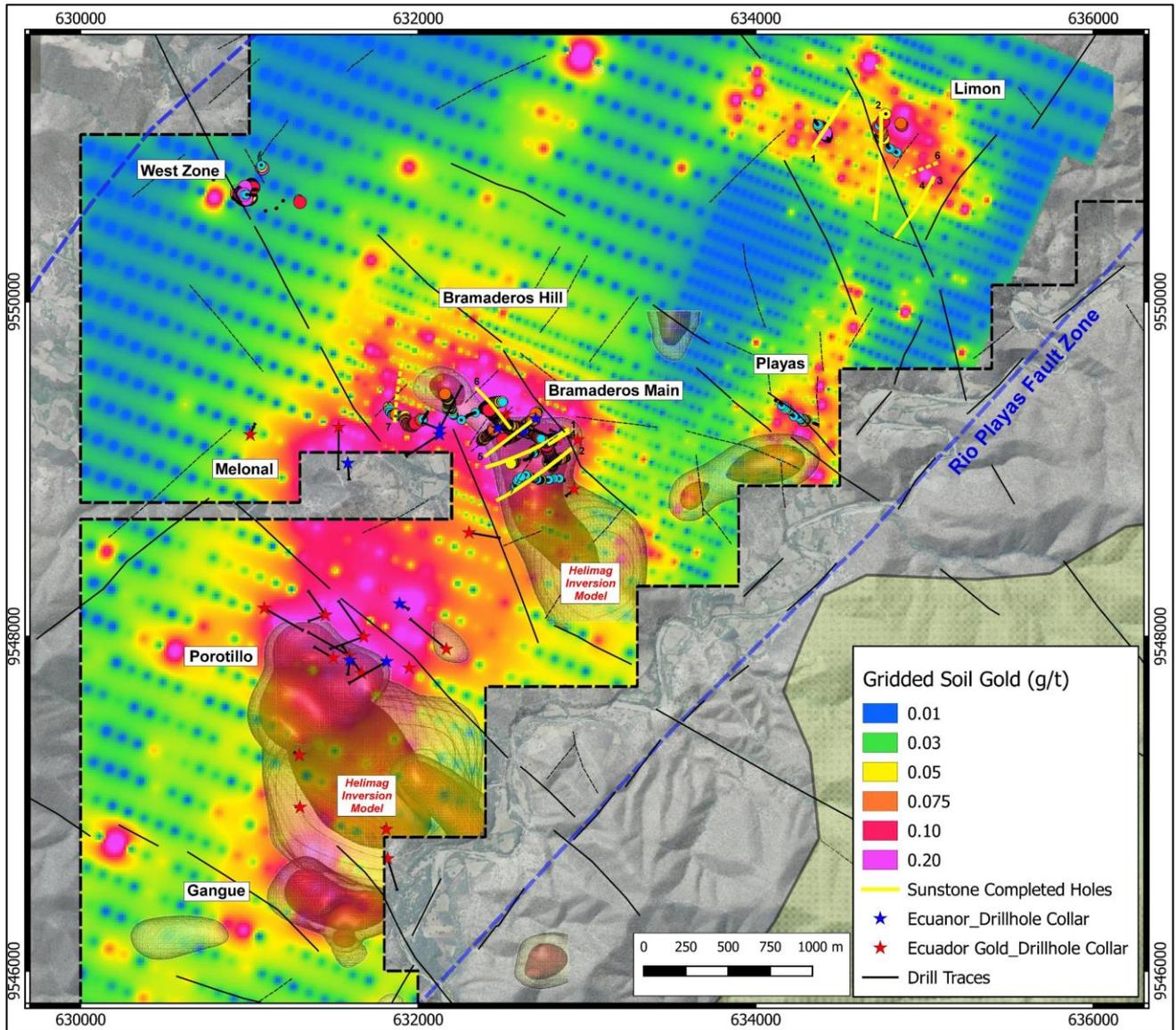


Figure 2: Plan view of the Bramaderos Project porphyry gold-copper targets as defined by gold-in-soil anomalies and magnetic anomalies.

ASX ANNOUNCEMENT

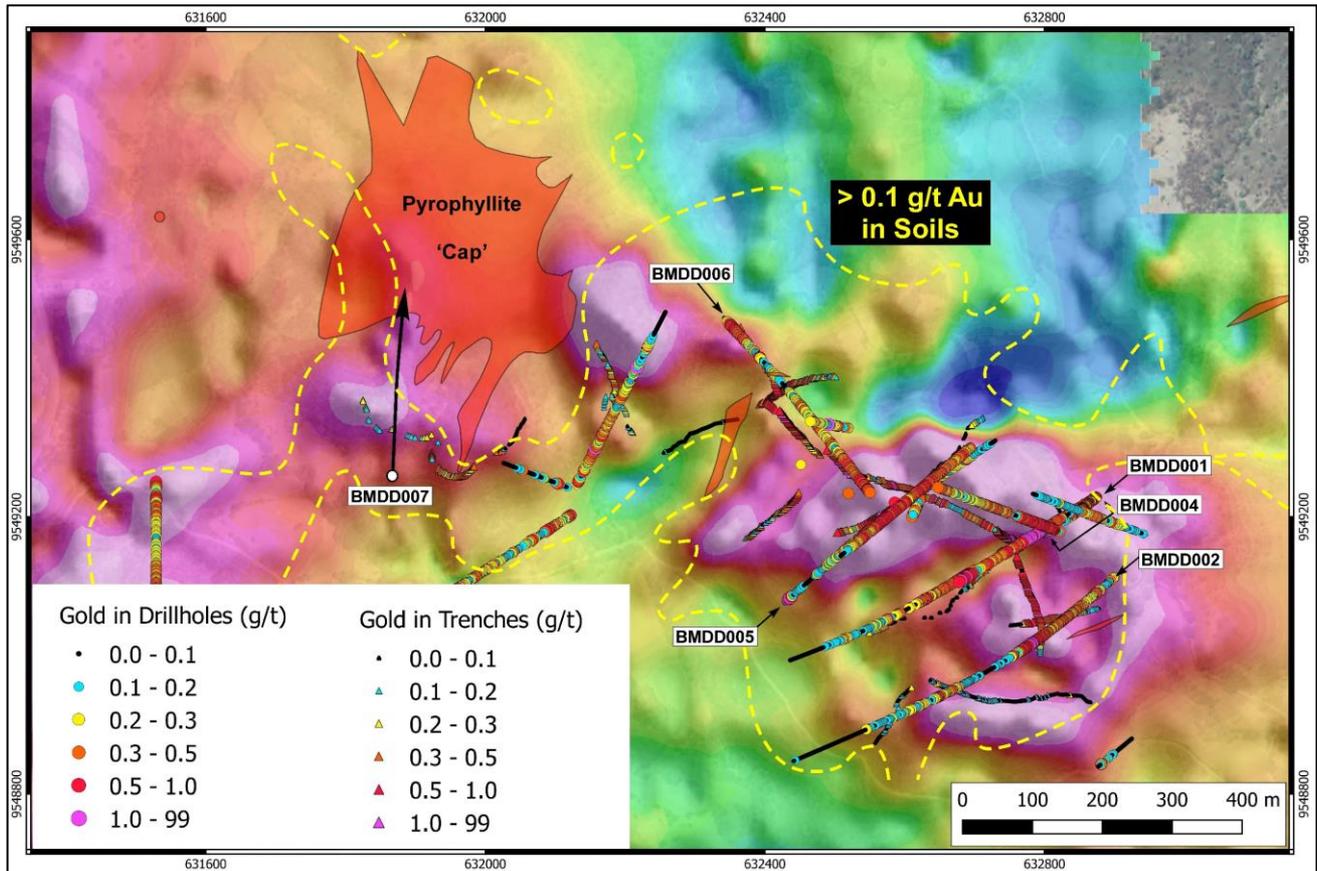


Figure 3: Plan view and drill status plan of the Bramaderos Main porphyry target showing recently processed ground magnetic data as Reduced-to-Pole (RTP) imagery. The anomaly shape in the area of drilling BMDD001 – 007 has been refined from the original interpretation of the heli-magnetics data and is currently undergoing detailed review.

ASX ANNOUNCEMENT

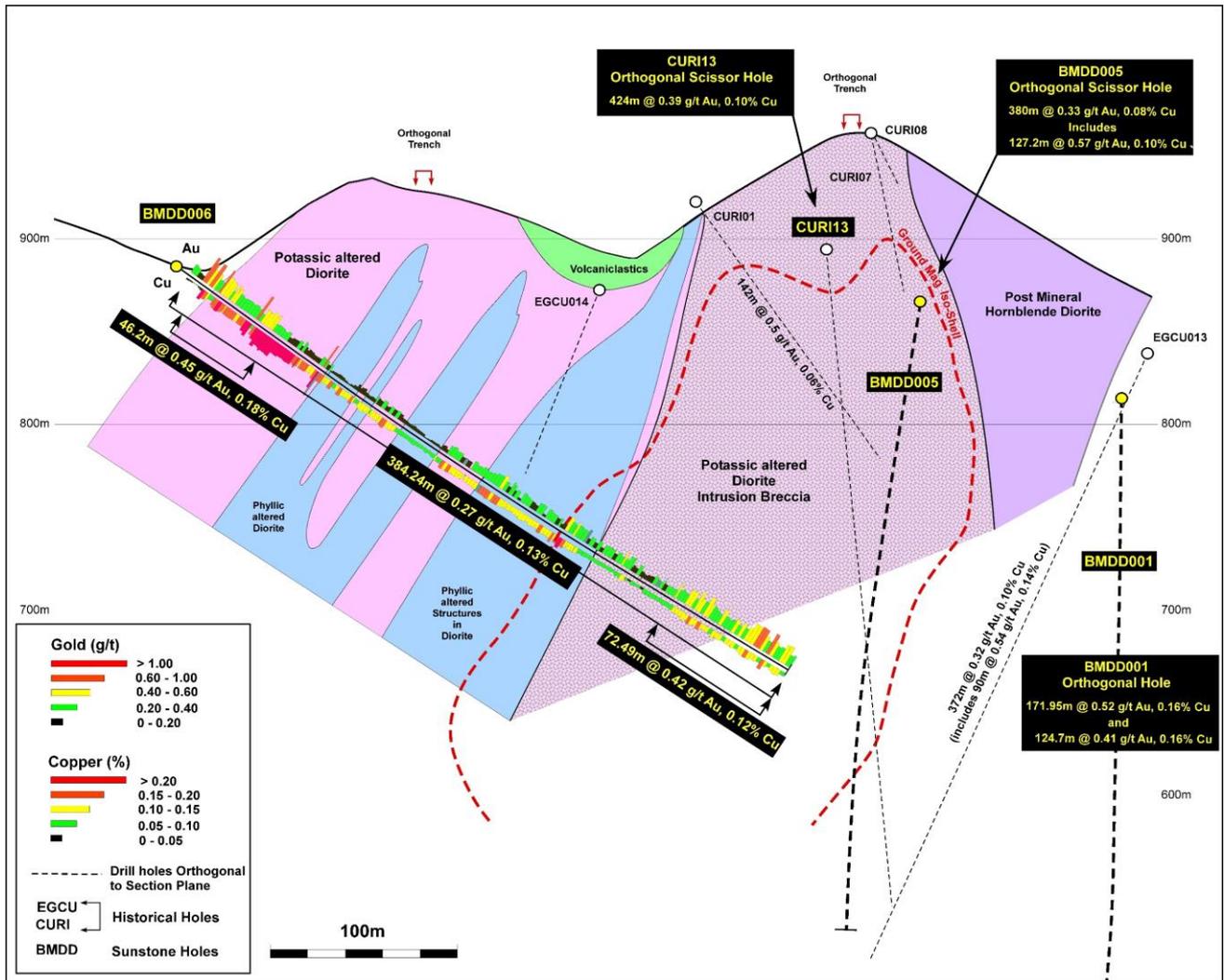


Figure 4: Cross section on trace of hole BMDD006, and showing the trace of BMDD005 some of which is on section

ASX ANNOUNCEMENT

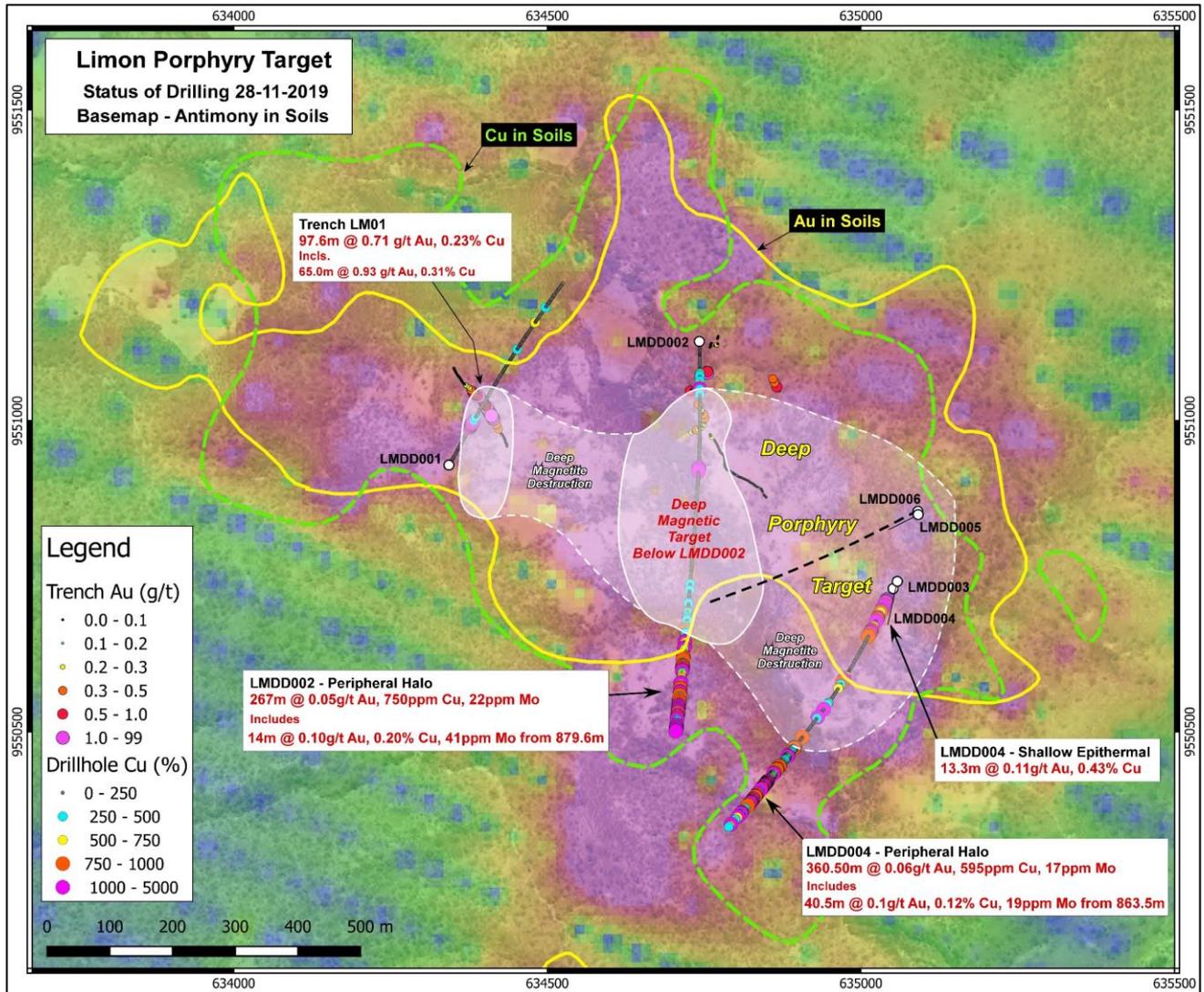


Figure 5: Limon Porphyry target showing drill status over compilation geology and surface geochemistry. Current diamond drill hole LMDD006 is shown as the black dashed line, and will test a target underneath hole LMDD002, and between holes LMDD002 and LMDD004. The target is defined on the basis of geology, 3-D modelling of detailed ground magnetics, and geochemistry.

ASX ANNOUNCEMENT

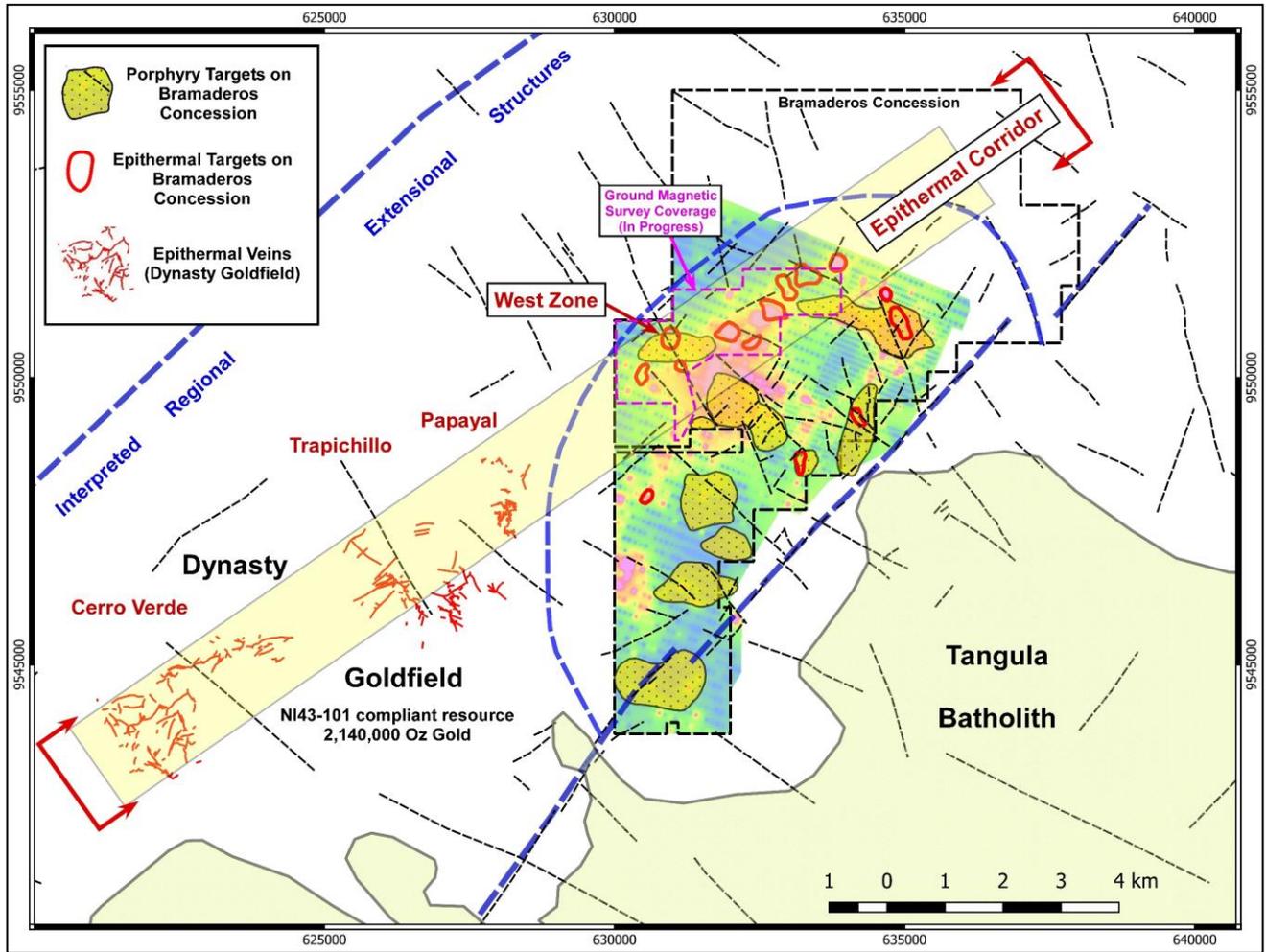


Figure 7: Regional view of the Bramaderos Project concession showing the 4-km-long 'Epithermal Corridor' which includes West Zone, as a continuation of the Dynasty Goldfield.

ASX ANNOUNCEMENT

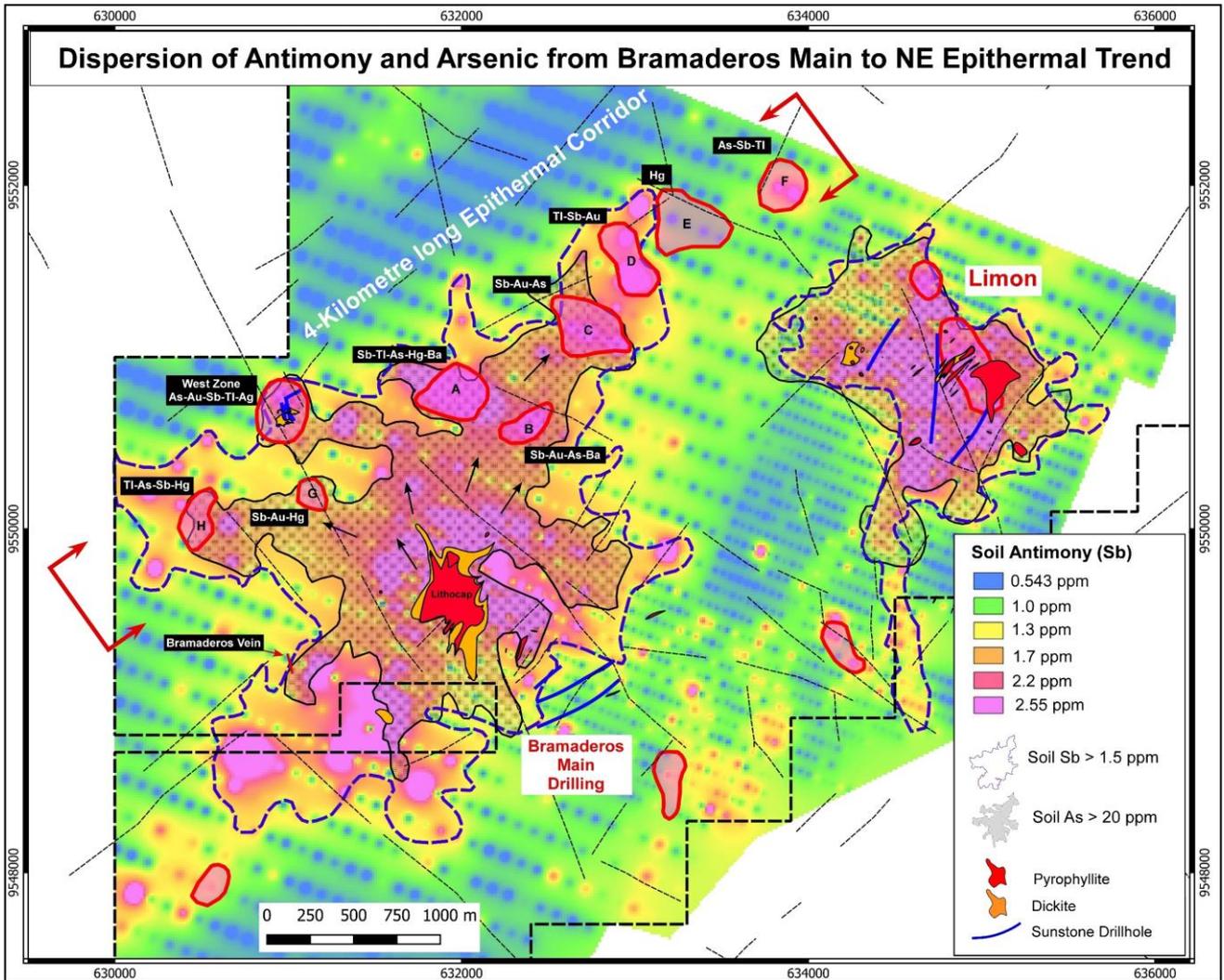


Figure 8: Plan view of the northern portion of the Bramaderos concession showing the epithermal corridor containing multiple targets (A-H and West Zone; labelled with the epithermal pathfinder elements relevant to each target), and the spatial relationship of this belt to the porphyry targets at Bramaderos Main and Limon. The extensive soil antimony and arsenic dispersion patterns (epithermal pathfinder elements) are shown surrounding the lithocap at Bramaderos vein and extending along the northeast-trending epithermal target trend.

ASX ANNOUNCEMENT

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%

Gold Tenements - Finland

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Kultatie Oy	Somero*	Somero, Finland	Granted	80%
Kultatie Oy	Perämäki*	Somero, Finland	Application	80%
Kultatie Holding Oy	Katinhanta [#]	Somero, Finland	Application	100%
Kultatie Holding Oy	Luutasuo [#]	Somero, Finland	Application	100%
Kultatie Holding Oy	Palikkala	Somero, Finland	Granted	100%

Lithium Tenements – Finland

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Litiumloydos Oy	Tammela*	Somero, Finland	Granted	80%
Litiumloydos Oy	Ojalankulma*	Somero, Finland	Application	80%

[^]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.

*Subject to earn-in joint venture with Nortec Minerals Corp.

[#] Applications for Exploration Concessions that relate to ground covered by expired Exploration Reservations Arolanmaki and Humpila

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.

ASX ANNOUNCEMENT

DIRECTORY

SUNSTONE METALS LIMITED
ABN 68 123 184 412

Web site:
Email:

www.sunstonemetals.com.au
info@sunstonemetals.com.au

Stock Exchange Listing

Australian Stock Exchange

ASX Code: STM

Investor Information Contacts:

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

Shareholder Enquiries:

Share registry matters should be directed to:

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

Registered Office:

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

Issued capital:

Ordinary shares: 1,384,387,646 (STM)
(at 31 December 2019)

Directors:

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

Company Secretary:

Gavin Leicht

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

Sunstone Metals Limited
T: 07 3368 9888
E: info@sunstonemetals.com.au
www.sunstonemetals.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Sunstone Metals Limited

ABN

68 123 184 412

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(2,388)	(5,357)
(b) development		
(c) production		
(d) staff costs	(373)	(761)
(e) administration and corporate costs	(250)	(452)
1.3 Dividends received (see note 3)		
1.4 Interest received	39	41
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	0	0
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2,972)	(6,529)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(74)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)	767	2,281
(c) investments	242	242
(d) 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	1,006	2,449

2.2(c) – 3.3 million shares in Copperstone Resources AB listed on NASDAQ First North Stockholm (COPP B) sold during quarter for \$242,000.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	0	4,795
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(0)	(205)
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	4,590

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,351	1,875
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,972)	(6,529)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	1,006	2,449
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	4,590
4.5 Effect of movement in exchange rates on cash held	0	0
4.6 Cash and cash equivalents at end of period	2,385	2,385

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	574	89
5.2 Call deposits	1,811	4,262
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)	2,385	4,351

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

129

Directors remuneration includes Managing Director salary.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,325
9.2 Development	
9.3 Production	
9.4 Staff costs	350
9.5 Administration and corporate costs	225
9.6 Other (provide details if material) sale of COPP B shares	-750
9.7 Total estimated cash outflows	1,150

Exploration expenses expected to decrease with drill rigs stood down while reviewing data to plan next drill program.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Viscaria	Further 5 million SEK plus interest received relating to Viscaria transaction	0	0
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Bramaderos	Sunstone's interest in the Bramaderos Project increased to 87.5% as announced 7 January 2020.	51%	87.5%

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.

Sign here: 
(Director/Company secretary)

Date: 24 January 2020

Print name: GAVIN LEICHT

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.