

ASX ANNOUNCEMENT

29 JANUARY 2021

DECEMBER 2020 QUARTERLY ACTIVITIES REPORT

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

- Drilling continued during the December quarter at the Espiritu silver-gold target at Bramaderos, intersecting high grade silver with gold, zinc and lead within a polymetallic epithermal system
- Drill hole ESDD005 intersected three significant lodes of silver-gold-zinc-lead mineralisation including:
 - 145.8m to 148.2m; 2.4m at 104g/t silver, 0.7g/t gold, 3.4% zinc, 1.6% lead
 - 225.5m to 226.6m; 1.1m at 1069g/t silver, 0.2g/t gold, 5.5% zinc, 1.3% lead
 - 259.1m to 270.7m; 11.6m at 167g/t silver, 0.2g/t gold, 2.1% zinc, 0.8% lead,
- A large system is emerging at Espiritu based on mapping, soil sampling, interpretation of geophysics, and ongoing drilling. Narrow high-grade zones and intervening, mineralised but lower grade, zones can be bulked and outline larger mineralised bodies

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

- Sunstone continues to grow its land holding in Ecuador with the addition of the El Palmar porphyry copper-gold project in northern Ecuador, located on the same regional structure as the 2.7Bt Alpala deposit (Cascabel Project), and 14km west of the 1Bt Llorimagua copper deposit
- Historical drill holes are being re-logged and samples of mineralised zones that were not previously assayed have returned gold-copper mineralised intervals with up to 0.9g/t gold and 0.26% copper over individual samples of ~1.0m
- This is a very encouraging start to the exploration program where Sunstone is targeting a giant copper-gold porphyry system

Viscaria Copper Project, Sweden

- Agreement reached for Copperstone to pay Sunstone 26 million SEK (~A\$4.15 million) to bring forward the contingent future payment due upon receiving the Environmental Permit for Viscaria

Corporate Highlights

- A\$1.6 million in cash at 31 December 2020, with a further
- ~A\$3.3 million cash to be received in early February as final payment of Tranche 2 Viscaria transaction. Sunstone continues to hold 154,020,781 Copperstone shares currently valued at A\$16.1 million (0.67 SEK per share)

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EXPLORATION AND DEVELOPMENT ACTIVITIES

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 holds an 87.5% interest in the 4,949 hectare Bramaderos concession (Figure 1) 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 (Figure 1). 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.

Espiritu silver-gold target:

Drilling commenced at the Espiritu silver-gold target in September, designed to test the depth extent of high-grade trench and rock chip samples that returned 21m at 82.4g/t silver, 0.3g/t gold, 1.4% zinc and 1.2% lead, including 4m at 415g/t silver, 0.9g/t gold, 6.9% zinc and 6% lead in trench samples and 4.2g/t gold and 101g/t silver, 11.9g/t gold and 175g/t silver, and 11.6g/t gold and 2,962g/t silver in surface rock chip samples (see ASX announcements 13 July 2020 and 10 September 2020).

Seven holes totalling 1,749.46m have been completed at Espiritu up to the end of December and drilling to date has only tested to a depth of ~250m below surface in 2 locations at Espiritu. Evidence of multiple lodes means there are several opportunities to follow-up bonanza silver grades across the area drilled to date. Narrow high-grade zones and intervening lower grade zones can be bulked and outline larger mineralised bodies. Both concepts are being explored – high grade narrow veins and larger lower grade systems.

Assay results from the first six diamond drill holes at Espiritu contain bonanza silver grades within multiple silver-gold-zinc-lead vein and breccia intervals (see ASX announcements 1 December 2020 and 21 January 2021, Figures 2-4), and indicate that Sunstone has discovered a significant polymetallic silver-gold-zinc-lead ‘intermediate sulphidation’ epithermal system.

The assay results to date are extremely encouraging, demonstrating that potentially economic precious metal and base metal grades, including some bonanza silver grades occur within the Espiritu system across multiple lodes. Globally, silver-polymetallic systems similar to Espiritu can be very significant development opportunities. Many examples occur in Central and South America where mines typically produce concentrates of lead-zinc-silver and gold.

Drilling of hole ESDD008 has just been completed at 359.97m and has intersected altered and mineralised intervals that deliver increasing confidence in the interpreted geometry and demonstrate that the Espiritu discovery has the potential to be a large system with currently over 200m of strike containing local bonanza silver grades within a broader envelop of lower grade mineralisation. On a gold or silver-equivalent basis, the intersections reported are very significant.

Other priority targets have been identified within the Bramaderos concession and these are being advanced during the current program. New areas of outcropping carbonate and barite alteration, typical of epithermal systems, with evidence of copper-lead-zinc mineralisation have been identified at surface and will be scheduled for further exploration and drilling.

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Brama target:

Drilling of the Brama porphyry gold-copper system is expected to commence in early February 2021. The target at Brama is a 'pencil porphyry' as interpreted from 3-D modelling of magnetics data (Figures 7 and 8). The drill hole will test beneath a well mineralised, potassic altered, high level intrusive breccia zone of the Brama porphyry intersected in earlier drilling that returned 98m at 0.61g/t gold and 0.11% copper in BMDD005 and 103.6m at 0.56g/t gold and 0.13% copper in CURI 13.

The drill hole will be drilled to 900-1000m and is expected to be completed in March.

Mineralised intervals from trenches at Brama of 615m at 0.52g/t gold and 0.11% copper with higher grade sub-sections, 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 pipe-like orebodies of significant grade.

El Palmar Porphyry Copper-Gold Project

Sunstone announced on 12 August 2020 that it had agreed to acquire the highly prospective El Palmar copper-gold porphyry project in Ecuador as part of its strategy to expand its land holdings in Ecuador on projects which offer the potential for significant resource discoveries.

The property is located 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, which is considered important for localising other porphyry copper deposits such as the 2.7Bt Alpala (Cascabel) and 1Bt Llurimagua deposits (Figure 7).

El Palmar is a highly promising copper-gold porphyry target. Broad-spaced historical exploration results define a 600m diameter area of anomalous copper and gold that has not been adequately tested with drilling. Three diamond drill holes were completed by a previous explorer at El Palmar in 2012 and delivered significant intersections of copper and gold in a porphyry environment (see table below). The previous explorer withdrew soon after completion of drilling due to a decision in 2012 to cease exploration in Ecuador.

Exploration has commenced at El Palmar focussed on stakeholder engagement, review and sampling of historical drill core, and planning for a ground magnetic survey which will commence in the next few weeks. It is expected that drilling can commence during March.

The upper 33-51m of each of the 3 historic drill holes from 2012 had not been previously sampled and assayed. Sunstone has now done this, and the results returned encouraging intervals of gold-copper mineralisation, up to 0.9g/t gold and 0.26% copper over individual samples of ~1.0m (see ASX announcement dated 21 January 2020), adding to the previously defined mineralised areas. Importantly, thin younger cover intersected in drill core from surface that is not mineralised masks the porphyry mineralisation hence limiting significantly the surface expression of the El Palmar system.

New intersections from the recent sampling of historic drillholes include:

EPD-02: 35.4m @ 0.34 g/t Au, 0.18% Cu from 8.12m, adding to the 34.5m historical intersection of 0.31g/t gold and 0.16% copper.

EPD-01: 16.9m @ 0.20 g/t Au, 0.13% Cu from 12.89m, adding to the 186m historical intersection of 0.33g/t gold and 0.16% copper.

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Widespread trace bornite was also logged. The assay results together with the logging confirm a well mineralised porphyry with the current interpretation suggesting the historical drill holes passed over the top of, and to the side of the main target zone (Figure 9).

These results are very encouraging. 3-D modelling of the planned ground magnetics data will provide robust drilling targets for testing in March 2021.

Table 1: Historical trenching results from El Palmar

Trench No.	Interval (m)	Gold (g/t)	Copper (%)
1	174	0.41	0.11
<i>including</i>	42	0.72	0.05
2	126	0.39	0.05
<i>including</i>	57	0.61	0.13

Table 2: Historical drilling intersections from El Palmar

Drill Hole No.	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)
EPD-01	33.0	500.2	467.2	0.18	0.10
<i>including</i>	33.0	219.0	186.0	0.33	0.16
EPD-02	51.0	124.4	73.5	0.22	0.12
<i>including</i>	51.0	85.5	34.5	0.31	0.16
EPD-03	400.5	500.2	99.7	0.09	0.05

Viscaria Copper Project

In Sweden, Copperstone Resources AB (Nasdaq First North (Stockholm) COPP B) continues to advance work on the Viscaria Copper Project, reporting an increase in PERC-2017 compliant copper resources during the quarter. Refer to <https://copperstone.se/> for further details.

As announced on 23 November 2020, Sunstone and Copperstone reached an agreement regarding an addendum to the Share Sale and Purchase Agreement (SPA) for the sale of the Viscaria Copper Project in northern Sweden. The SPA included a tranche 2 payment of 20 million SEK (MSEK) cash and 46 million Copperstone B-shares, subject to receipt of the Environmental Permit for Viscaria, with the 20 MSEK cash component to be forfeited if Copperstone has not received the final and binding permit to allow mining activities to commence in respect of the Viscaria Project, as approved by the Land and Environment Court within eight years following the Completion Date of the transaction (9 March 2019).

Sunstone and Copperstone have agreed to bring this payment forward with Copperstone to pay Sunstone 26 MSEK in cash in full and final settlement of this contingent future consideration. Sunstone received 4.8 MSEK (~A\$750k) during December and the balance of 21.2 MSEK (~A\$3.3 million) is expected to be received in February following the completion of a Rights Issue being undertaken by Copperstone, which closed oversubscribed on 28 January 2021.

Sunstone believes that bringing this payment forward is an appropriate risk mitigation strategy and provides additional funding now to focus on our activities in Ecuador.

Sunstone continues to hold 154,020,781 shares in Copperstone Resources, currently valued at ~A\$16.1 million (at 0.67 SEK per share).

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Southern Finland Gold Portfolio

During the December quarter Sunstone executed an Asset Sale Agreement (“Agreement”) with Dragon Mining Limited (“Dragon”) for Dragon to acquire the Exploration Permit application (ML2018:0082), which fully surrounds Dragon’s Jokisivu gold mine. In accordance with the terms of the Agreement, Dragon paid Sunstone A\$75,000 upon execution of the Agreement. A further payment of A\$75,000 is payable by Dragon upon the earlier of 5 Business Days after the grant of the Exploration Permit; or 6 months from the date of the Agreement. Refer to ASX Announcement dated 28 January 2021.

Subsequent to the end of the December quarter Sunstone signed a Share Sale Agreement whereby Sunstone will sell its Finnish subsidiary, Kultatie Holding Oy, the holder of the Tammela Gold Project (a JV with TSX.V listed Nortec Minerals), to ASX listed NewPeak Metals (ASX:NPM).

The terms of the Share Sale Agreement are (1) NPM to pay Sunstone A\$75,000 cash, and (2) NPM to issue A\$250,000 worth of NPM shares on closing (expected during February), and (3) a milestone payment of A\$1.5 million (cash or shares or combination at NPMs election) payable upon delivery of at least 500,000 ounces of gold equivalent in Measured and Indicated Resources from the acquired permits.

Lithium Portfolio (Sunstone 80%)

The Tammela lithium project occurs adjacent to the Tammela gold project and is a JV with TSX.V listed Nortec Minerals. The project 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.

Tenements

Apart from the Agreement to acquire the El Palmar project and the sale of the Katinhäntä Exploration Permit application referred to above there were no changes in tenements during the quarter.

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Corporate

Financial Commentary

The Company's unaudited cash position for 31 December 2020 was A\$1.6 million. The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 December 2020 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was \$1.66 million primarily related to the Bramaderos and El Palmar Projects.

Corporate and other expenditure (including property, plant, and equipment) amounted to \$669,000. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$201,000 and includes salary, superannuation, and directors' fees.

During September and October Sunstone sold 5,979,219 shares (~3.7% of its shareholding) in Swedish listed Copperstone Resources AB (Nasdaq First North (Stockholm) COPP B) at an average price of 0.808 SEK for approximately A\$758,000 (includes 840,469 during the September quarter at an average price of SEK 0.8623 for approximately A\$113,000).

The value of the remaining shares held in Copperstone as at 31 December 2020 is approximately A\$17.9 million (154,020,781 shares at 0.735 SEK).

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 December 2020, the Company had 2,209,987,646 fully paid ordinary shares on issue and 1,992 shareholders. Following shareholder approval at the Company's AGM in October, 20 million employee performance rights were issued.

Notes Specific – December 2020 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:

Sunstone divests Southern Finland Gold assets	29/01/2021
Ecuador Exploration Update	21/01/2021
Bonanza silver grades at Espiritu	01/12/2020
Sunstone to receive A\$4.1 mill from Copperstone	23/11/2020
Investor Presentation Resource Rising Stars and Noosa Mining Conference	11/11/2020
Bramaderos - Espiritu drilling update	11/11/2020
Proposed Issue of Securities – Employee Performance Rights	23/10/2020
Chairman's Address, AGM Presentation and Results of Meeting	23/10/2020

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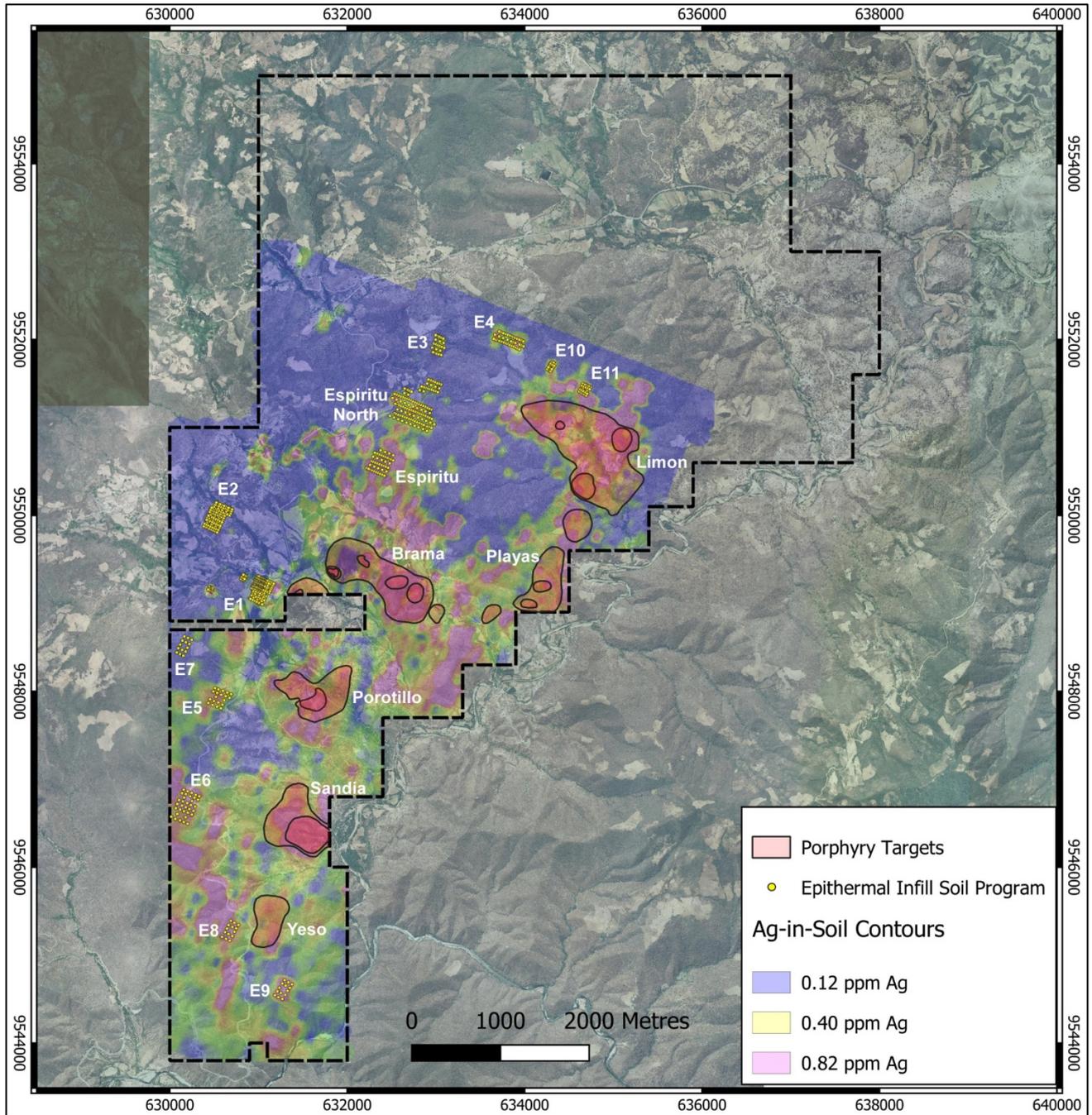


Figure 1: Bramaderos concession showing the location of Espiritu and the porphyry gold-copper targets.

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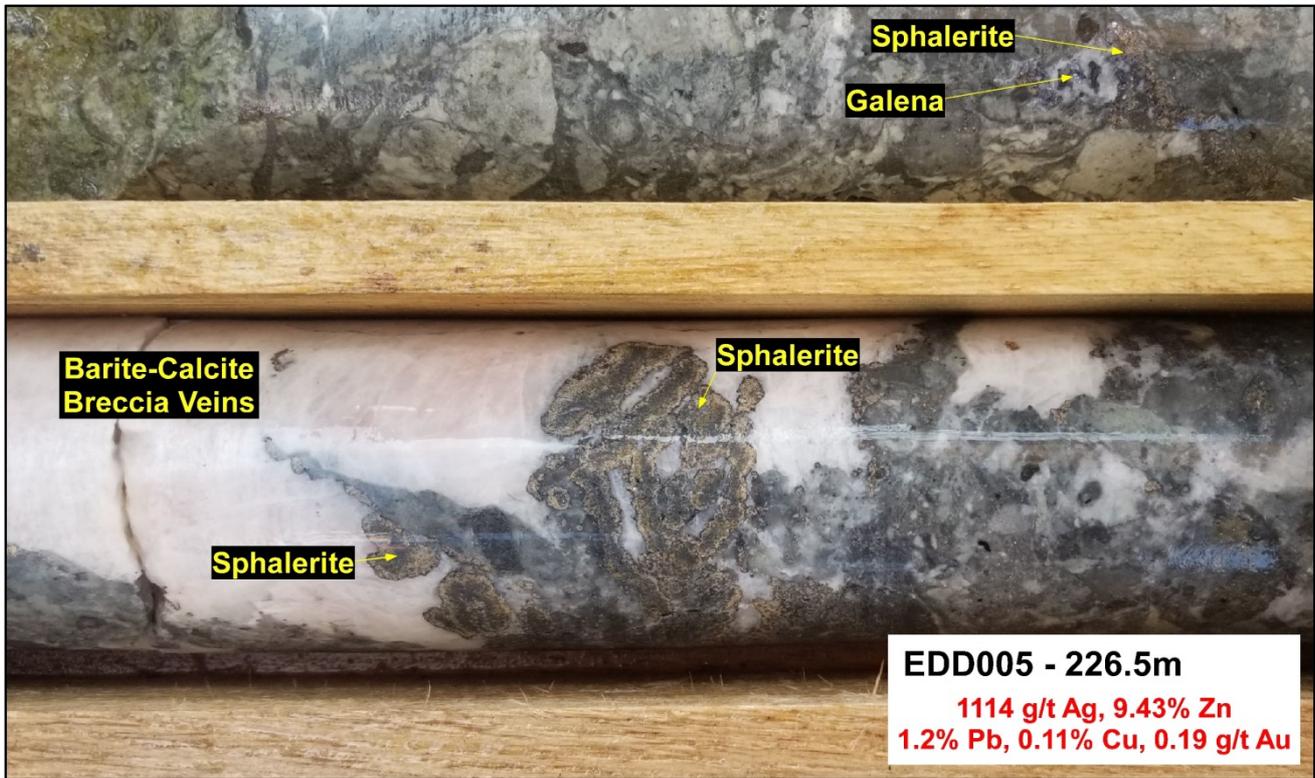


Figure 2: Close-up photo of drill core from the highest grade interval in ESDD005, 226m to 226.6m; 0.6m at 1,114g/t silver, 0.19g/t gold, 9.43% zinc, and 1.2% lead.

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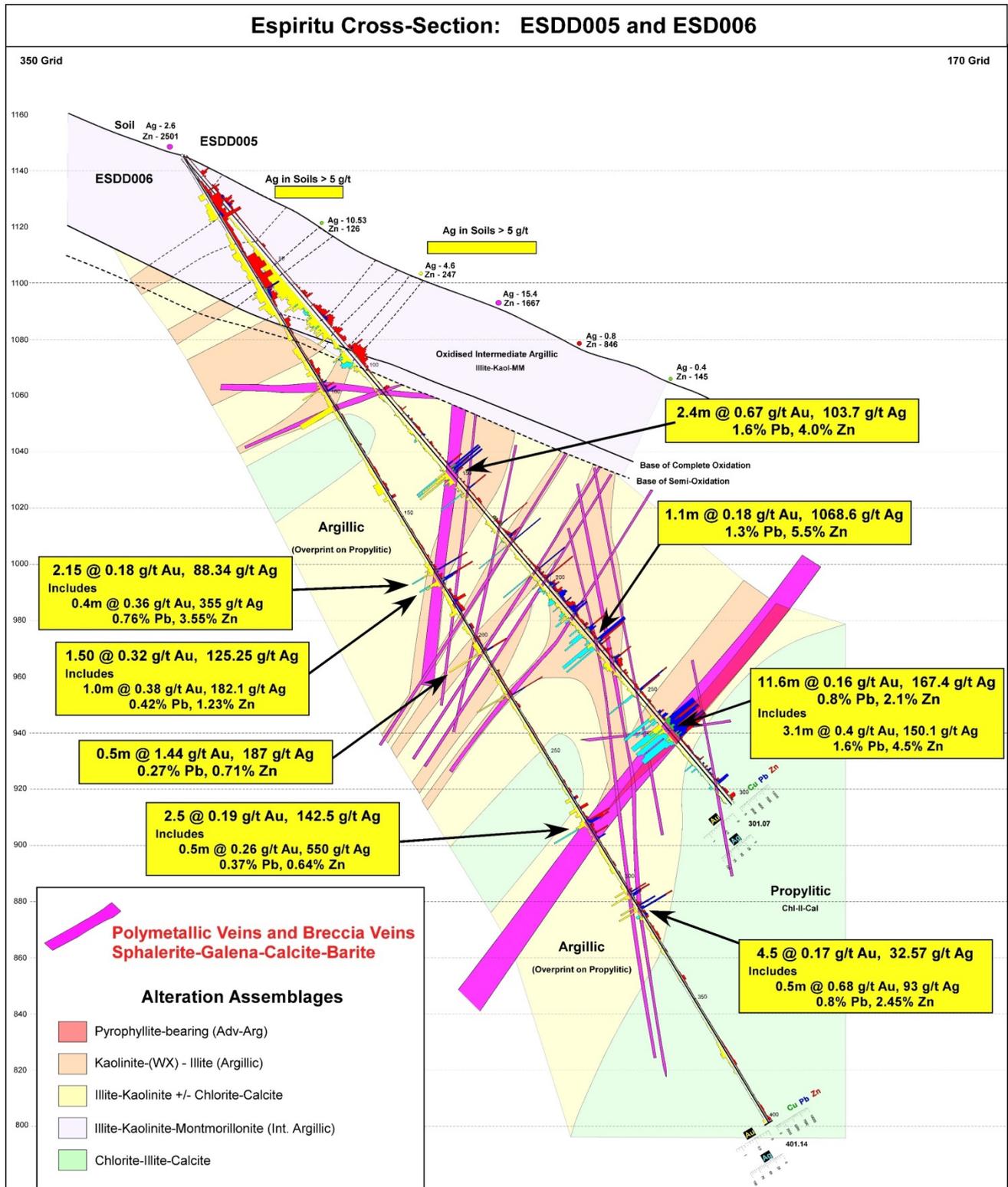


Figure 3: Cross section showing drill holes ESDD005 and 006

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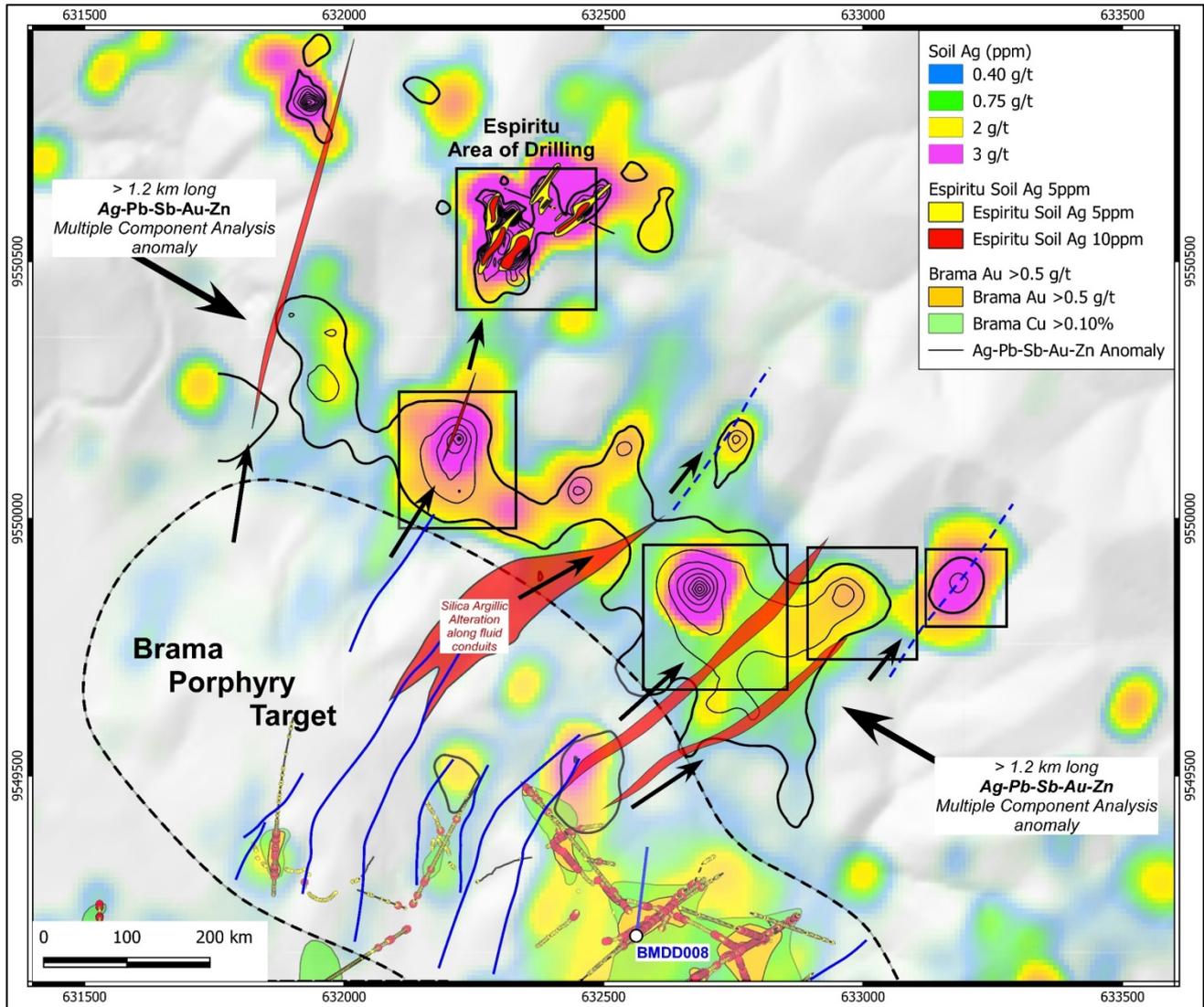


Figure 4: Location and status of other Espiritu style targets in the vicinity of the Espiritu drilling program, and adjacent to the Brama porphyry system.

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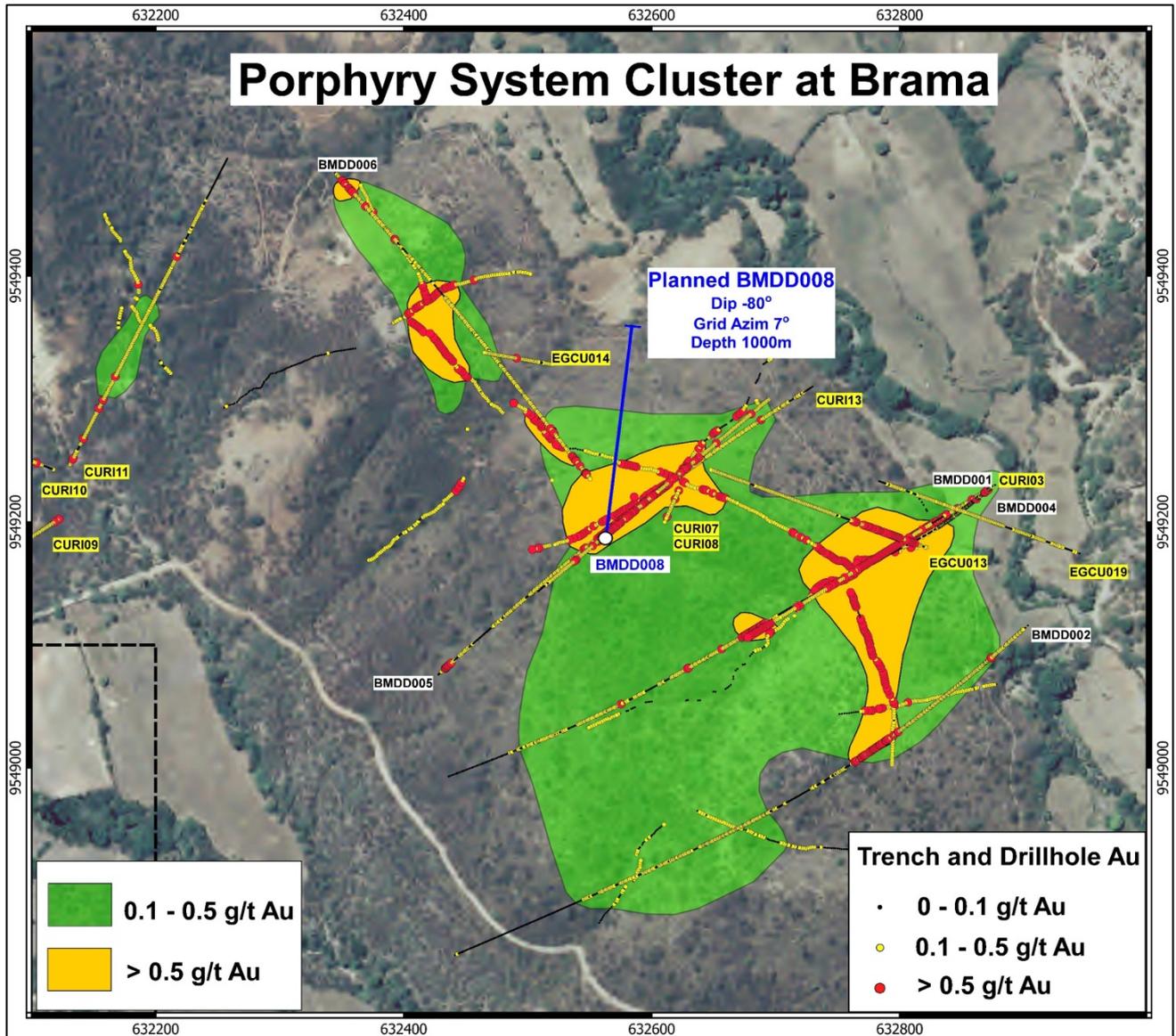


Figure 5: Plan view of proposed drill hole BMDD008 at the Brama gold-copper porphyry target.

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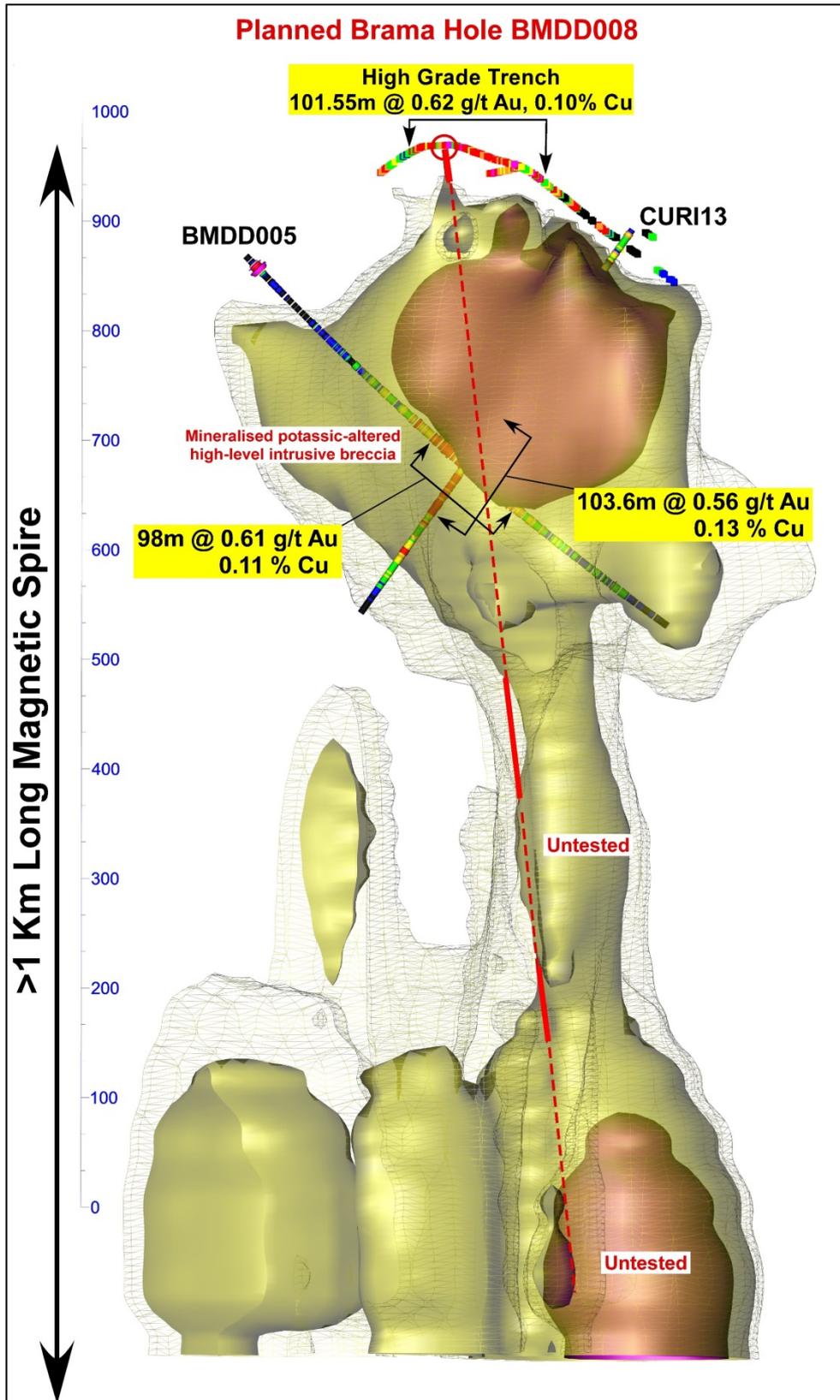


Figure 6: Cross section showing target zone for BMDD008 showing 3-D modelling of magnetics which demonstrate potential for a 'pencil porphyry' target below a high level mineralised intrusive breccia.

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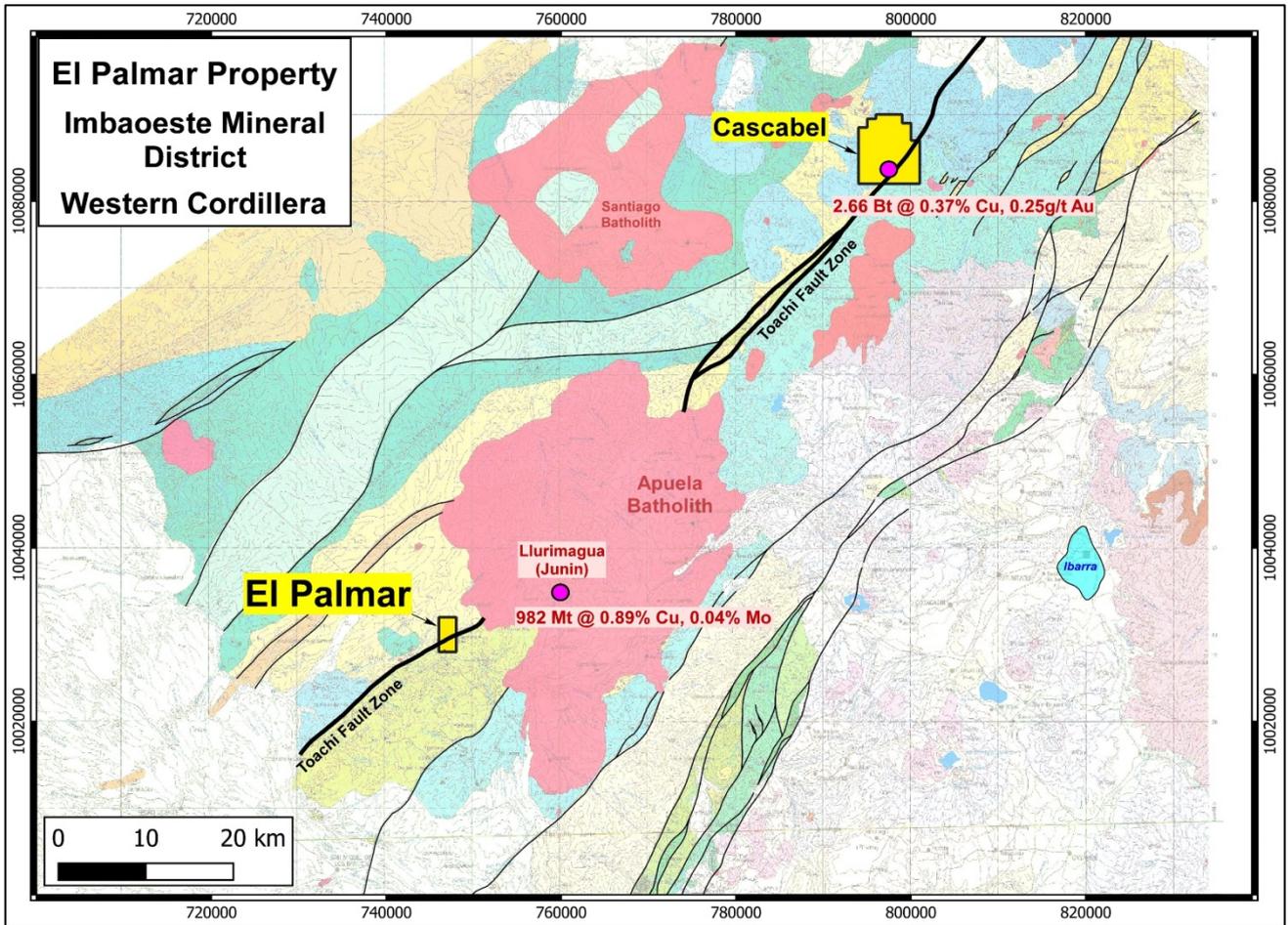


Figure 7: Location of the El Palmar Project relative to the Llurimagua and Cascabel porphyry deposits, on the regional geological background.

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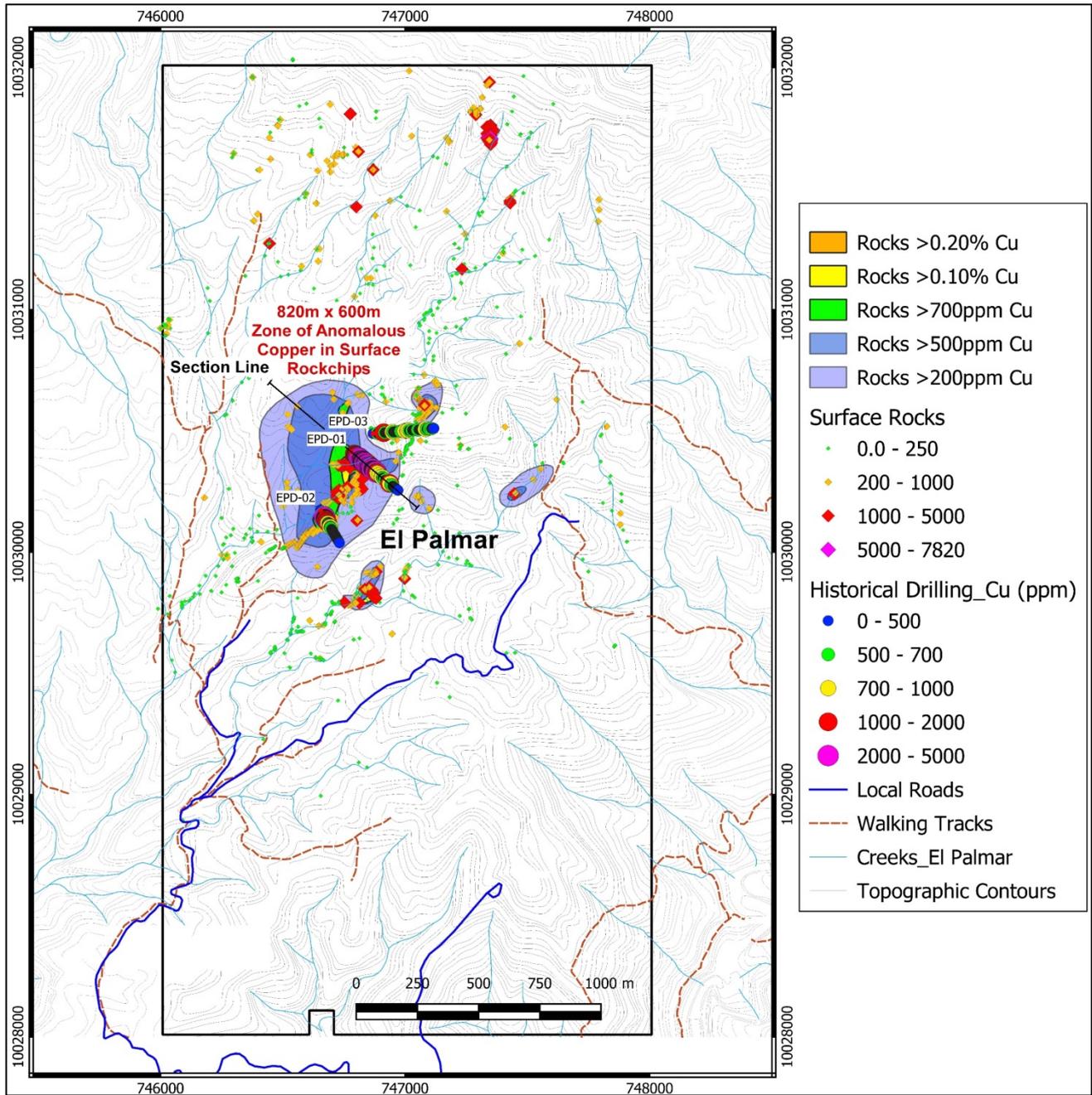


Figure 8: Plan diagram showing the El Palmar concession area and the location of the 3 historical drill holes and areas of anomalous copper in historical surface rock chip sampling.

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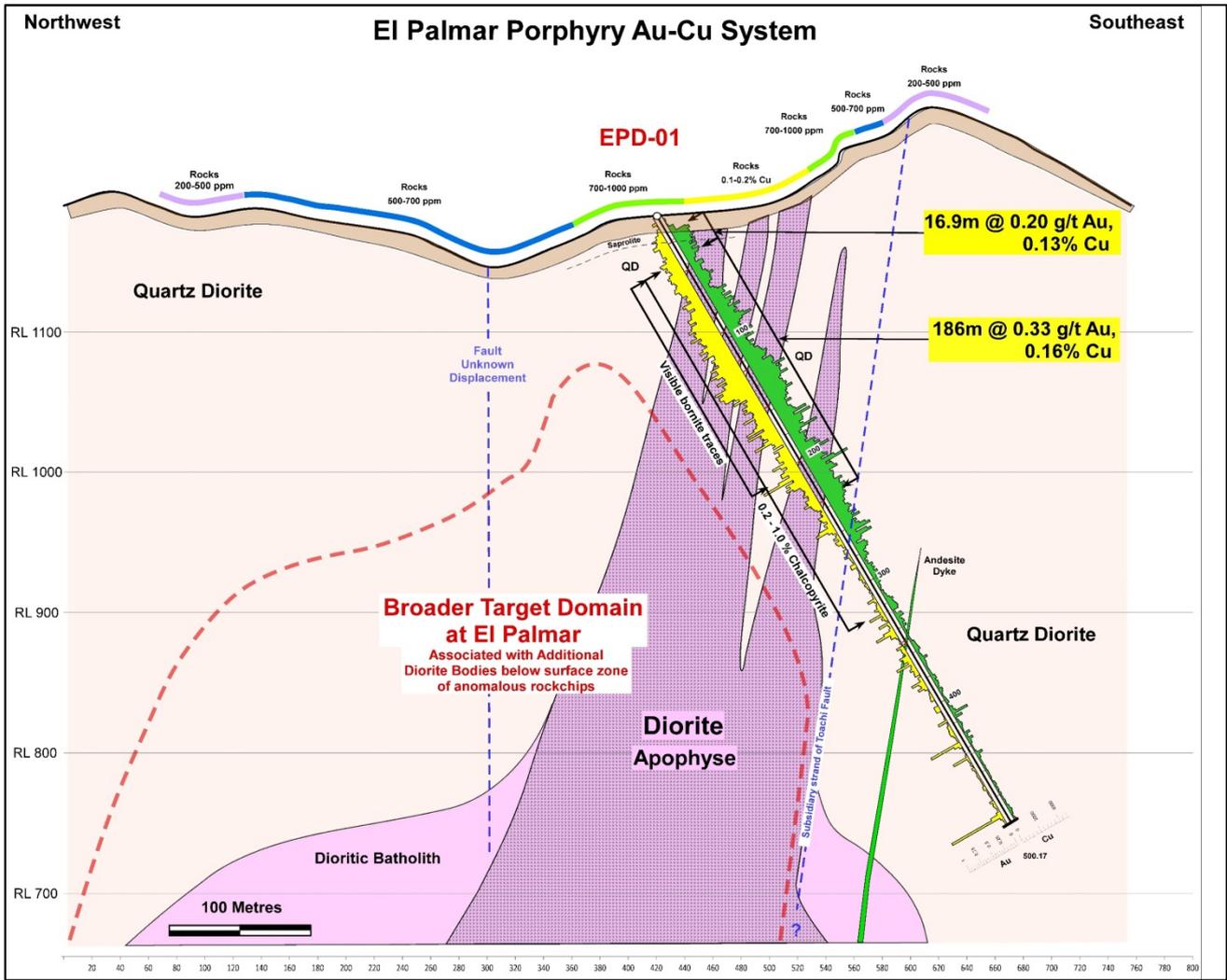


Figure 9: Section diagram showing the target zone at El Palmar as currently interpreted from surface sampling and one drill hole on section. 3-D magnetic modelling will refine this target definition to be drilled.

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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%

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	Katinhätä #	Somero, Finland	Application	0%
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.

[@] Sunstone announcement 12 August 2020 regarding a Staged Acquisition Agreement for the El Palmar project.

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

Katinhätä application is in process of being transferred to Dragon Mining Limited.

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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Email:

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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 31 December 2020)

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 DECEMBER 2020

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 (if expensed)		
(b) development		
(c) production		
(d) staff costs	(600)	(905)
(e) administration and corporate costs	(103)	(279)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	34	114
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(669)	(1,070)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements	(108)	(108)
(c) property, plant and equipment	(0)	(0)
(d) exploration & evaluation (if capitalised)	(1,661)	(2,480)
(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 (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements	75	75
	(c) property, plant and equipment		
	(d) investments	1,408	1,521
	(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	(286)	(992)
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	2,580	3,686
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(669)	(1,070)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(286)	(992)
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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	0	1
4.6	Cash and cash equivalents at end of period	1,625	1,625

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	985	1,105
5.2	Call deposits	640	1,475
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)	1,625	2,580

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**

201

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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	
7.2	Credit standby arrangements	
7.3	Other (please specify)	21,228
7.4	Total financing facilities	0
7.5	Unused financing facilities available at quarter end	21,228
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). 154,020,781 shares at 0.735 SEK per share (remaining shares and closing share price as at 31 December 2020) valued at 17.88 million. Funds receivable from Copperstone for early payout of future contingent consideration 21.2 million SEK ~ A\$3.3 million		

8. Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (Item 1.9)	(669)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,661)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,330)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,625
8.5	Unused finance facilities available at quarter end (Item 7.5)	21,228
8.6	Total available funding (Item 8.4 + Item 8.5)	22,853
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	10
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:29 January 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.