ASX ANNOUNCEMENT

29 JUNE 2022

El Palmar gold-copper discovery, northern Ecuador

Strong assays expand known mineralisation and confirm higher-grade gold & copper zones

Overall grades are consistently in line with large porphyry projects

Key Points

- **Strong assays from holes EPDD0012, 13, 14, 15 and 17 from the upper 500m of the El Palmar target include:**
  - **153.4m at 0.47g/t gold and 0.10% copper from surface in EPDD012 including;**
    - **33m at 0.92g/t gold and 0.16% copper from 88m**
  - **69.0m at 0.39g/t gold and 0.23% copper from 29m in EPDD013**
  - **104.6m at 0.45g/t gold and 0.15% copper from 15m in EPDD014 including;**
    - **49.8m at 0.67g/t gold and 0.12% copper from 24m**
  - **211m at 0.36g/t gold and 0.15% copper from 198m in EPDD0015 including;**
    - **35m at 0.49g/t gold and 0.18% copper from 225m**
  - **204.5m at 0.39g/t gold and 0.18% copper from 25.5m in EPDD017 including;**
    - **121m at 0.46g/t gold and 0.22% copper from 73m**
- **Drilling is defining higher copper grade domains at >0.2% copper and > 0.35g/t gold (e.g. EPDD013 and 17)**
- **In hole EPDD019 (assays awaited), native copper has been identified locally with chalcopyrite and bornite**
- **In hole EPDD020 (assays awaited) copper mineralisation has been identified at depth and further north associated with local strong sheeted quartz veining**
- **At the Bramaderos Project in southern Ecuador, more assays and initial metallurgical results are expected within a fortnight**
- **Sunstone is well funded with ~A$26m in cash and equities**

Sunstone Metals Ltd (ASX: STM) is pleased to announce that the latest assays at El Palmar continued to expand the area of known mineralisation and reveal significant higher-grade zones of >0.2% copper and 0.35g/t gold.

The results demonstrate that El Palmar now has substantial scale and grades which are in line with those seen in many of the world's high-profile porphyry deposits, including those nearby such as Alpala and Tandayama-American described below.

"We are expanding the size of El Palmar, and therefore its value, with virtually every hole," Sunstone Managing Director Malcolm Norris said.

"There is also growing evidence of higher-grade copper domains with >0.2% copper and gold in excess of 0.35g/t. This should deliver a highly attractive gold-equivalent result once we have metallurgical results in hand.

"The combination of the scale and the grades we are generating at El Palmar shows that this is clearly becoming a very valuable project in a world which desperately needs more large discoveries.

"Sunstone has two such discoveries and I have no doubt that this will be increasingly recognised by the market, particularly as we move towards a maiden JORC Mineral Resource Estimate at Bramaderos, and advancing our definition of the El Palmar orebody, over coming months."

El Palmar is located in northern Ecuador in the same regional structural belt that hosts the 2.66Bt Alpala copper-gold deposit grading 0.25g/t gold and 0.37% copper, and the 0.53Bt Tandayama-America deposit grading 0.19g/t gold and 0.24% copper, within the Cascabel project (Figures 4 & 5; see www.solgold.com.au for MRE details), and in the vicinity of the 1Bt Llurimagua copper-molybdenum porphyry deposit grading 0.89% copper and 0.04% molybdenum.

The El Palmar results reported in this release comprise all assays from drill holes EPDD0012, 013, 014, 015 and 017, with intersections primarily in the upper 500m zone of the eastern sector of the main El Palmar target (Figure 1 and Table 1). Hole EPDD012 drilled deeper and tested the margin position of the deeper porphyry target. It intersected strongly mineralised intervals in shallow domains and several intervals between 673.5m and 1087m of anomalous gold, copper, molybdenum, lead and zinc. Hole EPDD013 drilled a well mineralised gold and copper interval in the upper 100m of the southern portion of the main El Palmar target and was extended towards the SE satellite target but is interpreted to have passed along the edge of that target at depth and intersected 0.11g/t gold and 0.07% copper from 402m to 461.1m. The SE satellite target has outcropping stockwork and grades an average of 0.33g/t gold and 0.12% copper from surface rock chip sampling over a strike length of 60m. Previously released drilling results from El Palmar are collated in ASX releases dated 23rd February 2022 and 25th May 2022.

Geological modelling of the El Palmar system is suggesting a steep northerly plunge to the group of intrusives that host, and are coeval with, the gold-copper mineralisation. This interpretation, which is evolving based on 3-D modelling of drill hole logs and assays, is guiding the location of future drill holes. Holes EPDD020 and 021 are testing this model. The model is also guiding drill planning of the 'untested' areas shown in Figure 1.

Soil sampling is also rapidly progressing and providing definition to additional targets within the concession in preparation for drill testing. Porphyry targets have been defined to the southeast near the Toachi fault, and also immediately northeast of the main El Palmar target (Figure 2). Both of these regions exhibit geochemical signatures typical of the alteration caps that lie above porphyry systems.

Soil sampling is now progressing to the north (Figure 2) and covering multiple areas of outcropping epithermal gold mineralisation, including where historical surface rock chip sampling yielded an 85m-long (and open) zone from which 101 surface samples averaged 1.2 g/t Au, 25 g/t Ag and 0.16% Cu, with peak values for these elements being 6.47 g/t Au, 225g/t Ag and 0.78% Cu.

Interpretation of the Spartan magnetotelluric (MT) survey data is ongoing and is being integrated with magnetic models. It is expected that an Orion 3D-DCIP survey will also be completed at El Palmar during 2022 to deliver high confidence deep drill targets.

Sunstone's cash and equity investments remain strong at ~$26m, allowing expanded exploration activities at both El Palmar in northern Ecuador and Bramaderos in southern Ecuador.

Drill Hole	EOH (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
EPDD012	**1201.06**	6.10	469.00	462.90	0.34	0.10	3.05	0.41
	Incl	**6.10**	**159.50**	**153.40**	**0.47**	**0.10**	**1.6**	**0.6**
	Incl	**88.00**	**120.95**	**32.95**	**0.92**	**0.16**	**1.7**	**0.7**
	and	**203.00**	**225.50**	**22.50**	**0.45**	**0.10**	**8.4**	**0.5**
		501.00	545.00	44.00	0.16	0.08	4.9	0.2
EPDD013	**611**	**29.00**	**98.00**	**69.00**	**0.39**	**0.23**	**2.7**	**0.6**
	Incl	**29.00**	**47.00**	**18.00**	**0.64**	**0.23**	**1.2**	**0.7**
		282.00	288.90	6.90	0.13	0.02	1.8	0.4
		402.00	442.50	40.50	0.12	0.06	7.9	0.4
		450.50	461.10	10.60	0.11	0.08	7.5	1.4
		554.00	582.00	28.00	0.22	0.05	2.7	0.5
EPDD014	**342**	**15.00**	**119.60**	**104.60**	**0.45**	**0.15**	**1.0**	**1.2**
	Incl	**24.00**	**73.76**	**49.76**	**0.67**	**0.12**	**1.3**	**1.7**
	Incl	**24.00**	**58.58**	**34.58**	**0.72**	**0.11**	**1.3**	**1.9**
EPDD015	**771**	6.00	150.50	144.50	0.27	0.08	1.8	0.6
		198.00	503.00	305.00	0.29	0.13	4.2	0.4
	Incl	**198.00**	**409.00**	**211.00**	**0.36**	**0.15**	**3.6**	**0.5**
	Incl	**225.00**	**260.00**	**35.00**	**0.49**	**0.18**	**5.0**	**0.6**
	and	**292.00**	**362.25**	**70.25**	**0.36**	**0.18**	**3.6**	**0.5**
		553.00	557.00	4.00	0.29	0.13	21.2	0.4
EPDD017	**455**	**25.50**	**230.00**	**204.50**	**0.39**	**0.18**	**1.9**	**0.9**
	Incl	**73.00**	**194.00**	**121.00**	**0.46**	**0.22**	**2.1**	**1.0**
		354.00	358.00	4.00	0.37	0.02	9.7	0.3

Table 1: Mineralised intervals in holes EPDD012, EPDD013, EPDD014, EPDD015, and EPDD017

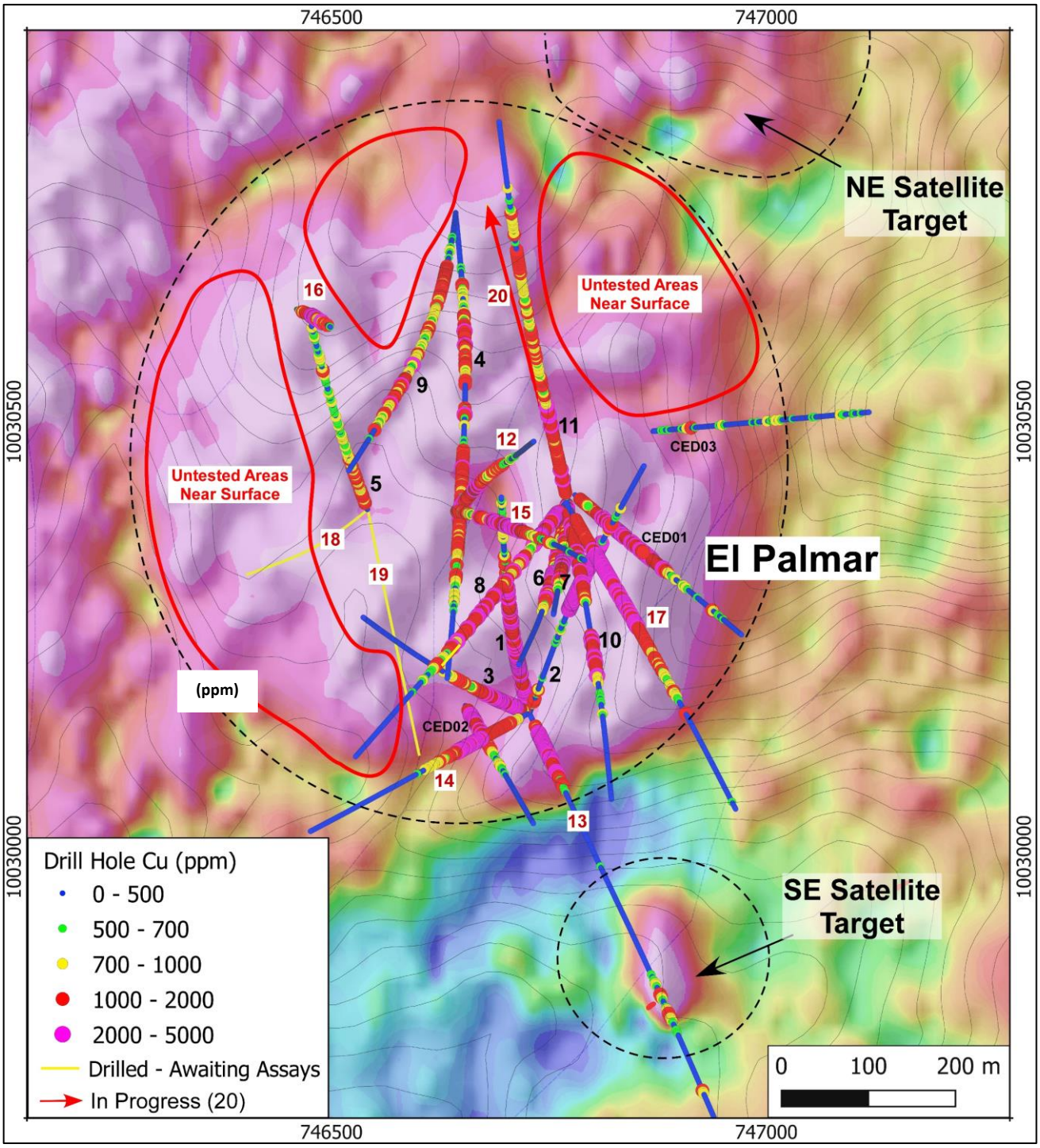

Figure 1: Distribution of copper (shown in ppm; 2000ppm = 0.2%) in drillholes at El Palmar. Assays are pending for holes 18 and 19 (yellow traces) whilst hole 20 (red trace) is in progress.

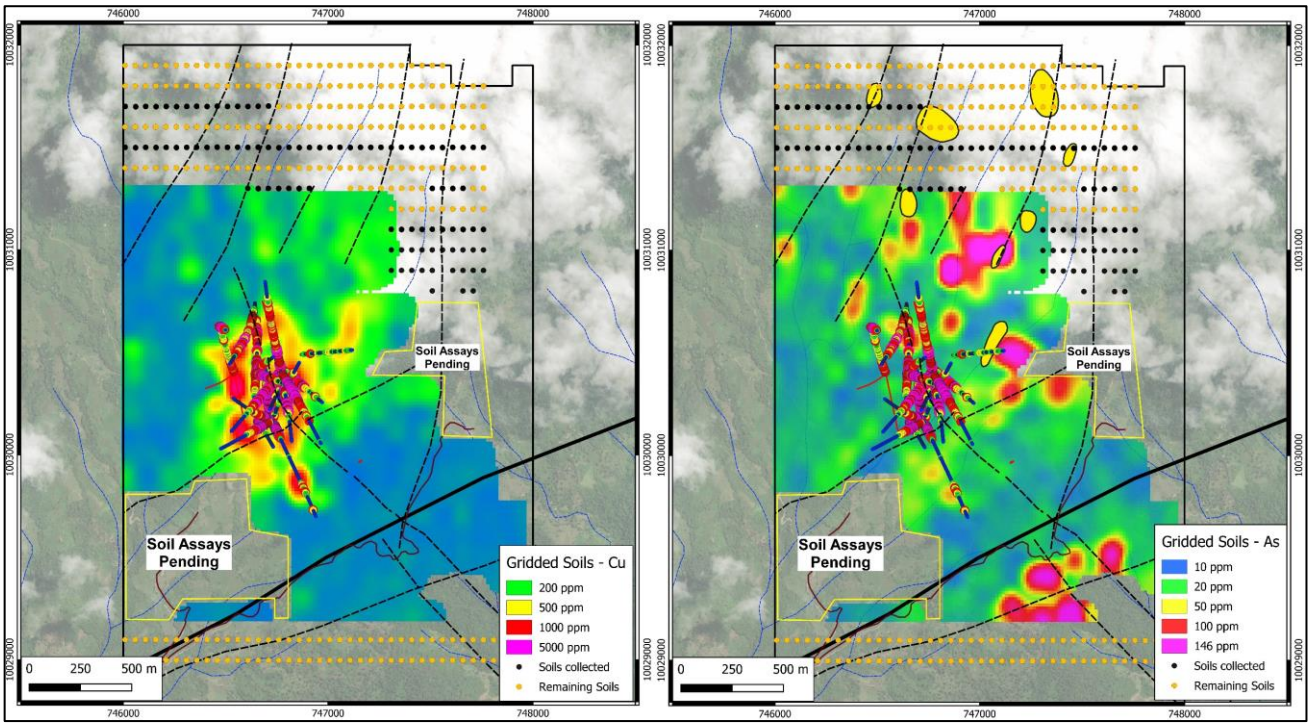

Figure 2: Left – Soil copper results and current status of soil sampling [results pending, samples collected (black points) and remaining samples to be collected (orange points)]. Cu anomalism at around 200ppm trends NE and SW of El Palmar.

Right – Soil arsenic results. Peripheral arsenic anomalies map either the caps to buried porphyry systems and the location of peripheral epithermal gold systems around El Palmar. The yellow shapes define epithermal prospects at higher elevations to the north of El Palmar (defined by historical rock-chip sampling).

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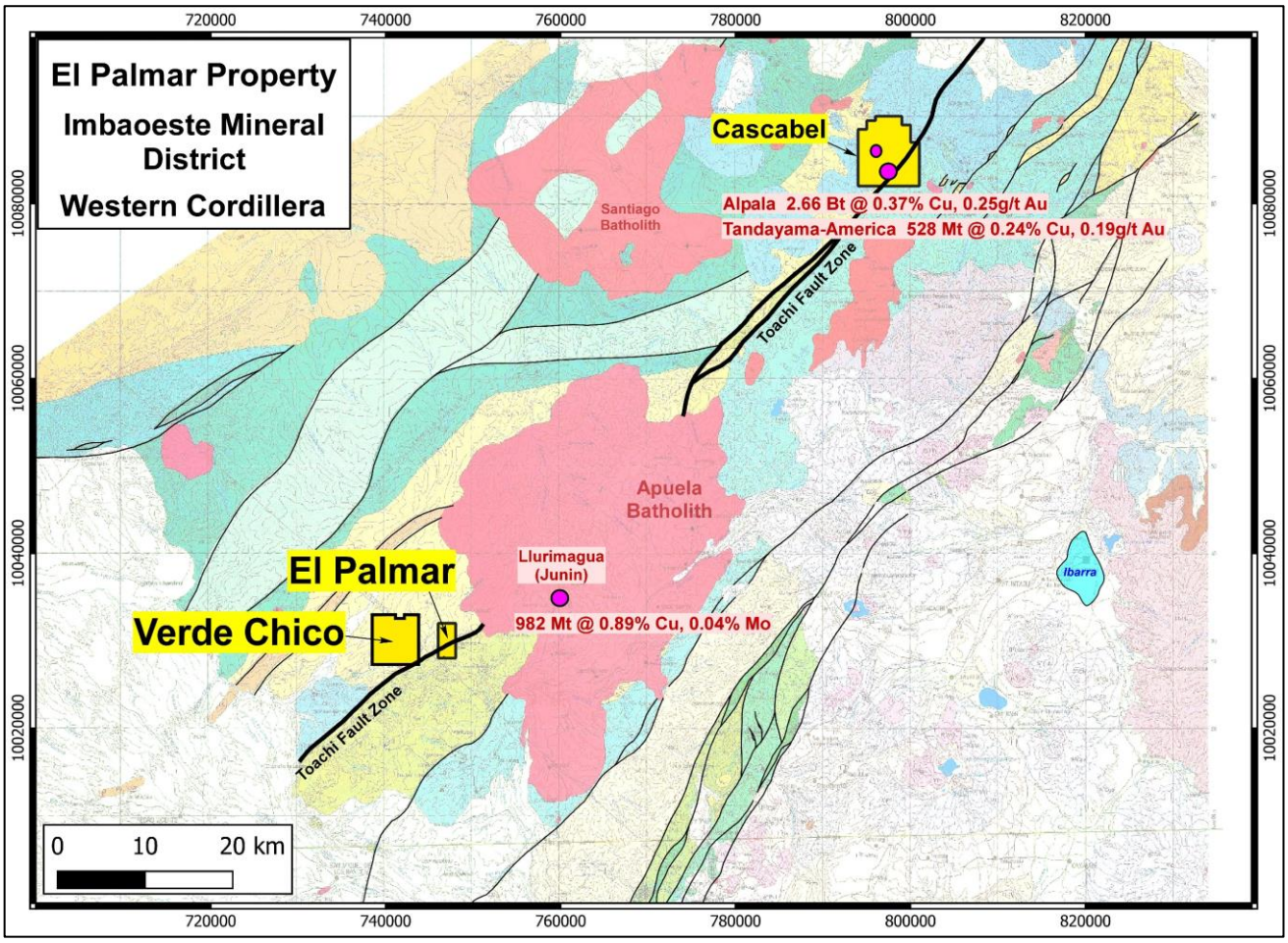

Figure 3: Location of the El Palmar project relative to the giant Llurimagua, Alpala- and Tandayama-America (Cascabel) porphyry deposits, and the Toachi fault system.

Figure 4: Location of the El Palmar project in northern Ecuador, the Verde Chico project nearby, and the Bramaderos Project in southern Ecuador.

Drill Hole ID	Easting (m)	Northing (m)	Dip (degrees)	Azimuth (UTM) (PSAD56 Grid) (degrees)	EOH (m)
EPDD001	746,737	10,030,181	-70	348	708.50
EPDD002	746,737	10,030,181	-60	018	595.05
EPDD003	746,737	10,030,181	-70	290	605.30
EPDD004	746,650	10,030,749	-55	175	796.33
EPDD005	746,550	10,030,410	-50	338	328.49
EPDD006	746,786	10,030,417	-75	190	759.00
EPDD007	746,786	10,030,417	-80	170	675.00
EPDD008	746,786	10,030,417	-45	215	540.00
EPDD009	746,650	10,030,749	-75	190	901.00
EPDD010	746,786	10,030,417	-50	165	523.00
EPDD011	746,786	10,030,417	-35	345	509.00
EPDD012	746,654	10,030,410	-85	20	1,201.06
EPDD013	746,737	10,030,181	-35	153	611.00
EPDD014	746,726	10,030,165	-35	240	342.00
EPDD015	746,646	10,030,398	-78	100	771.00
EPDD016	746,460	10,030,629	-87	110	974.00
EPDD017	746,770	10,030,406	-30	148	455.00
EPDD018	746,542	10,030,399	-80	240	801.00
EPDD019	746,542	10,030399	-30	170	326.00
EPDD020	746,770	10,030410	-60	345	In progress

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

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

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About Sunstone Metals

Sunstone has an advanced portfolio of exploration and development projects in Ecuador and Scandinavia. The portfolio comprises:

1. **The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest with TSXV listed Cornerstone Capital Resources holding 12.5% (see ASX announcement dated 10th April 2017, 28th August 2019, and 7 January 2020). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is highly prospective for the discovery of large porphyry gold-copper systems, and high-grade epithermal gold systems. Historical exploration results from drilling at Bramaderos together with recent exploration by Sunstone and joint venture partner Cornerstone Capital Resources (TSXV:CGP) indicate multiple fertile mineralised systems with significant discovery potential.
2. **The El Palmar Copper-Gold Project** where Sunstone holds 70% of the highly prospective 800ha El Palmar gold-copper porphyry project in Ecuador. Sunstone can acquire 100% through a Staged Acquisition Agreement. A Letter of Intent to acquire the nearby Verde Chico Project through a Staged Acquisition Agreement has also been signed. The El Palmar and Verde Chico gold-copper projects are located in Imbabura province, northern Ecuador, within the same geological belt that includes the giant Alpala, Tandayama-America and Llurimagua porphyry copper-gold and copper-molybdenum deposits.
3. **Sunstone has an equity interest** in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019.

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.

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

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	• The drill core sampling was carried out using half core, generally at 1.5 to 2m intervals. • New results are based on assays of drill core.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Core recovery was good, and core aligned prior to splitting and sampling.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling, rock chip and channel sampling points have been guided by geological mapping. The drill samples from El Palmar were dried, crushed to 70% passing 2mm, Split 1000g and pulverised to 85% passing 75microns. A 20g portion of this sample was used for multi-element analysis (IMS-230) and a 30g sample for Fire Assay Au (FAS-111).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The El Palmar target areas have been drilled with diamond core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recovery data for the El Palmar drilling program was good.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Core recovery at El Palmar was good.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No relationship between sample recovery and grade has been established.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Drill samples were logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features. Recent logging and sampling for the El Palmar project were carried out according to Sunstone's internal protocols and QAQC procedures which comply with industry standards.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	• Drill samples are logged for lithology, weathering, structure, mineralogy, mineralisation, colour, and other features.
	• *The total length and percentage of the relevant intersections logged.*	• The drill holes have been logged in full. Drill hole lengths are included in the text of the announcement.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Half core was used to provide the samples that were submitted for assay from the El Palmar drilling.
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• This announcement relates to drill core samples.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Historical drill core samples from El Palmar (drilled by Codelco) were analysed by ACME Labs in Vancouver. Samples were crushed and split with 250 grams pulverized to 200 mesh (Method - R200-250). Analysis on drill core was undertaken on a sample split (Method - VAN split pulp). • Surface rocks at El Palmar are historical and were collected by 3 different companies. GOEX S.A. samples were analysed at Bureau Veritas Laboratories in Peru. Lowell Mineral Exploration rocks were

Criteria	JORC Code explanation	Commentary
		analysed by ALS Minerals, with sample preparation involving fine crushing 70% passing 2mm (Method CRU-31), crushed sample split (Method SPL-21) and pulverise 1000g to 85% passing 75um (Method PUL-32). Codelco surface rock samples were analysed by ACME Labs in Vancouver. Samples were crushed and split with 250 grams pulverized to 200 mesh (Method - R200-250) • The sample preparation for the current phase of drilling is carried out according to industry standard practices using highly appropriate sample preparation techniques.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Sunstone used an industry standard QAQC programme involving Certified Reference Materials "standards" and blank samples, which were introduced in the assay batches. • Standards (Certified Reference Materials) or analytical blanks were submitted at a rate of 1 in 28 samples. Field duplicates were also taken at a rate of approximately 1 in 28 samples. • The check or duplicate assay results are reported along with the sample assay values in the final analysis report.
	• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*	• For diamond core, the routine sample procedure is to always take the half/quarter core to the right of the orientation line (looking down hole) or the cut line (in cases where the orientation line was not reliable). • Once assay results are received the results from duplicate samples are compared with the corresponding routine sample to ascertain whether the sampling is representative.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered to be appropriate for the style of sampling undertaken and the grainsize of the material, and correctly represent the style and type of mineralisation at the exploration stage.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Sunstone uses a fire assay gold technique for Au assays (FAS-111) and a four acid multi element technique (IMS-230) for a suite of 48 elements. FAS-111 involves Au by Fire Assay on a 30-gram aliquot, fusion and atomic absorption spectroscopy (AAS) at trace levels. IMS-20 is considered a near total 4 acid technique using a 20g aliquot followed by multi-element analysis by ICP-AES/MS at ultra-trace levels. • This analysis technique is considered suitable for this style of mineralisation.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• A handheld "Niton" XRF instrument is used on site for verification of anomalous metal values and to assist with the geological logging and mineral identification. No specific data from this instrument are referenced in this announcement.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Standards, blanks and duplicates are inserted ~1/28 samples. The values of the standards range from low to high grade and are considered appropriate to monitor performance of values near cut-off and near the mean grade of the deposit. • The check sampling results are monitored, and performance issues are communicated to the laboratory if necessary.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Procedure checks have been completed by the Competent Person for exploration results for this announcement.
	• *The use of twinned holes.*	• Twin holes have not been drilled in these areas.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</td><td>• Sunstone sampling data were imported and validated using Excel.</td></tr>
<tr><td></td><td>• Discuss any adjustment to assay data.</td><td>• Assay data were not adjusted. Core loss intervals are assigned assay values of zero where present.</td></tr>
<tr><td>Location of data points</td><td>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</td><td>• Sample co-ordinates are located by GPS and for trench samples measured along the length of the trench.</td></tr>
<tr><td></td><td>• Specification of the grid system used.</td><td>• Ecuador projection parameters:<table><tr><th>Parameter</th><th>Value</th></tr><tr><td>Reference Ellipsoid</td><td>International 1924</td></tr><tr><td>Semi Major Axis</td><td></td></tr><tr><td>Inverse Flattening (1/f)</td><td></td></tr><tr><td>Type of Projection</td><td>UTM Zone -17S (Datum PSAD56)</td></tr><tr><td>Central Meridian:</td><td>-81.0000</td></tr><tr><td>Latitude of Origin</td><td>0.0000</td></tr><tr><td>Scale on Central Meridian</td><td>0.9996</td></tr><tr><td>False Northing</td><td>10000000</td></tr><tr><td>False Easting</td><td>500000</td></tr></table></td></tr>
<tr><td></td><td>• Quality and adequacy of topographic control.</td><td>• The topographic control was compared against published maps and satellite imagery and found to be good quality.</td></tr>
<tr><td>Data spacing and distribution</td><td>• Data spacing for reporting of Exploration Results.</td><td>• The drill core samples reported were collected from diamond drill holes from the El Palmar targets, and with sample length generally ranging between 0.5-2m.</td></tr>
<tr><td></td><td>• Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</td><td>• The data from these samples does not contribute to any resource estimate nor implies any grade continuity.</td></tr>
<tr><td></td><td>• Whether sample compositing has been applied.</td><td>• No sample compositing was done.</td></tr>
<tr><td>Orientation of data in relation to geological structure</td><td>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</td><td>• Drilling orientations were appropriate for the interpreted geology providing representative samples.
• Trench orientations and rock chip locations were appropriate for the interpreted geology providing representative samples.</td></tr>
<tr><td></td><td>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</td><td>• No sampling bias is expected at this stage.</td></tr>
<tr><td>Sample security</td><td>• The measures taken to ensure sample security.</td><td>• Sunstone sampling procedures indicate individual samples were given due attention.
• Sample security was managed through sealed individual samples and sealed bags of multiple samples for secure delivery to the laboratory by permanent staff of the joint venture.
• MS Analytical is an internationally accredited laboratory that has all its internal procedures heavily scrutinised in order to maintain their accreditation. MS Analytical is accredited to ISO/IEC 17025 2005 Accredited Methods.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sunstone's sampling techniques and data have been audited multiple times by independent mining consultants during various project assessments. These audits have concluded that the sampling techniques and data management are to industry standards. • All historical data has been validated to the best degree possible and migrated into a database.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• The El Palmar property is located in Imbabura province and is held by an Ecuadorian registered company 'Goex'. Due diligence to date show that there are no wilderness areas or national parks or areas of environmental significance within or adjoining the concession area. There are no native title interests. • Sunstone and Goex have entered into a Staged Acquisition Agreement where Sunstone may earn up to 100% based on defined milestones.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The El Palmar exploration concession was granted in 2003 and is held 100% by Goex. • Sunstone owns 70% of GOEX
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The historic exploration at El Palmar was completed by various groups over the period 1990's, 2007-2008, 2011-2012 and GOEX (2012 to 2020). Most of the readily available historic data has been acquired and compiled into databases and a GIS project. Exploration by other parties has included stream sediment surveys, geological mapping, rock chip sampling, some local soil sampling, channel sampling and limited diamond drilling (3 holes).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit style being explored for includes intrusion-related and stockwork hosted porphyry Au-Cu systems plus epithermal gold-silver-polymetallic veins. The setting at El Palmar is a volcanic arc setting of Miocene or Eocene age intrusions.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *a. easting and northing of the drill hole collar* *b. elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *c. dip and azimuth of the hole* *d. down hole length and interception depth* *e. hole length.*	• Details of the samples discussed in this announcement are in the body of the text. • See Figure 1 for the location of historical drilling at El Palmar.
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Information included in announcement.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Weighted averages were calculated over reported intervals according to sample length. • No grade cut-offs were applied.
	• *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Aggregating of intervals represent broad intervals consistent with porphyry gold-copper mineralised systems.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Metal equivalents are not presented.
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	• The geometry of the mineralisation relative to the drill holes is not completely known at this stage of exploration. .
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• True widths of mineralised lodes are not known at this stage.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See Figures 1-2 for maps showing distribution of samples.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Figures 1-2 above shows the current interpretations of geology.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Figure 1-2 above shows various datasets that are being used to identify target areas and to guide current and future drilling.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The planned exploration program is outlined in the announcement.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• See Figures 1-2 which show areas for further exploration.