

7 NOVEMBER 2018

## Sunstone to raise up to \$2.0m

Sunstone Metals Limited (ASX:STM) is pleased to advise that it has received firm commitments to raise approximately \$2.0 million via an over-subscribed share placement at a price of 3.0c cents per share, a premium to the closing price of 2.9 cents per share on Friday 2 November 2018 (Placement).

The proceeds of the Placement will be used primarily to fund exploration at the Bramaderos gold-copper project in southern Ecuador, and for working capital.

Morgans Financial acted as Lead Manager to the Placement.

Sunstone's Managing Director, Malcolm Norris said:

*"We are pleased to have received strong demand for the placement from new sophisticated investors and several existing shareholders.*

*"The Sunstone team is working towards closure of the Viscaria transaction with Copperstone Resources AB, expected in December 2018, and is working with Cornerstone Capital Resources in Ecuador to receive a drill permit for Bramaderos. Recent comments from government sources in Ecuador suggest that the Scout Drilling Initiative should be operational soon, subject to finalisation of some operational issues.*

The Placement comprises approximately 67.3 million new shares (5.9% of current shares on issue) and will be issued within the Company's available capacity under ASX Listing Rule 7.1.

## ASX ANNOUNCEMENT

### About Sunstone Metals

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

1. **The Bramaderos Gold-Copper Project** where Sunstone has signed an earn-in agreement with TSXV listed Cornerstone Capital Resources (see ASX announcement dated 10<sup>th</sup> April 2017). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is considered to be highly prospective for the discovery of large gold-copper systems. Historical results from drilling at Bramaderos include wide intervals such as 260m at 0.6g/t Au and 0.14% Cu. Trenching results at the West Zone breccia include intersections at surface of up to 42m at 3.7g/t Au. These results, together with the distribution of alteration, and large coincident gold-copper-molybdenum surface anomalies indicate multiple fertile mineralised systems with significant discovery potential.
2. **The Viscaria Copper Project** in northern Sweden has a completed Scoping Study (see ASX announcements dated 16<sup>th</sup> December 2015 and 5<sup>th</sup> April 2016) and is moving towards PFS and permitting to allow for mine development. Considerable exploration upside exists, and low technical risk drill targets continue to be tested. A Binding Share Sale and Purchase Agreement has been signed with Copperstone Resources AB (see ASX announcement dated 3 October 2018).
3. **The Southern Finland Gold Project**, includes the Satulinmäki gold prospect. Shallow diamond drilling was completed by the Geological Survey of Finland (GTK) during the period 2000-2005 and this was followed by a 7-hole diamond drilling program by Avalon Minerals in 2016. Intersections from GTK include 18m @ 4.1g/t Au from 50m downhole, including 3m @ 9.3g/t Au, and 4m @ 10.3g/t Au in drill hole R391. Intersections by Avalon include 23.5m at 3.3g/t in SMDD007 and 2m at 10.5g/t in SMDD005. The Satulinmäki gold prospect is part of an earn-in JV with Canadian company Nortec Minerals, where Avalon can earn up to an 80% interest (see ASX announcement dated 19<sup>th</sup> May 2016). Avalon has already earned an 80% interest, is funding on-going work to increase its equity interest, and has also acquired a significant land position, in its own right, in the district.

### Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Mr Malcolm Norris who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Norris 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". Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information, please visit [www.sunstonemetals.com.au](http://www.sunstonemetals.com.au)

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