

Sunstone receives final Stage 1 cash payment for Viscaria Copper Project sale from Copperstone Resources AB

Key Points

- **A\$0.78 million (5.23 million SEK) received from Copperstone Resources AB as the final Stage 1 cash payment for the sale of the Viscaria Copper Project**
- **Brings total cash received under Stage 1 payments to ~A\$5.3 million (35.23 million SEK)**
- **Copperstone share payments to date (COPP-B, listed on Nasdaq Stockholm) total 172,499,955 and Sunstone holds a ~33% position in Copperstone and has 2 board positions**
- **Stage 2 payments are subject to the receipt of an Environmental Permit for Viscaria and comprise cash of 20 million SEK and 46 million Copperstone shares (each component valued today at approximately A\$3 million each)**

Sunstone Metals Limited (ASX:STM) is pleased to advise that it has received the final Stage 1 cash payment of A\$0.78 million from Copperstone Resources AB for the sale of the Viscaria Copper Project located in northern Sweden. The transaction was first announced on August 9, 2018 and closed on March 9, 2019 (see ASX announcements on those dates).

This brings the total cash received under the Stage 1 payments to ~A\$5.3 million (35.23 million SEK). The Stage 1 payment included 160 million Copperstone shares (COPP-B, listed on Nasdaq Stockholm), plus 12.5 million COPP-B shares paid in lieu of 5 million SEK cash plus interest. Sunstone is now Copperstone's largest shareholder with a ~33% shareholding and has 2 board positions.

The 160 million COPP-B shares are escrowed until September 2020.

The 12.5 million COPP-B shares paid in lieu of cash can be transacted during the period to March 2020 at a level of 20% of the average daily volume from the preceding 10 consecutive trading days and are free from restrictions beyond March 2020. This provides further flexibility for Sunstone's cash and asset management.

The Copperstone shareholding will provide future exposure to the upside at the Viscaria Copper Project as well as to Copperstone's 'Copperstone Arvidsjaur' project near the Skelleftea belt in northern Sweden.

The Stage 2 payment is subject to the receipt of an Environmental Permit for Viscaria, and comprises cash of 20 million SEK and an additional 46 million Copperstone B-shares (valued at approximately A\$3 million each).

Sunstone Managing Director Malcolm Norris said: "We are pleased to conclude the Stage 1 payment schedule and receive funds that can be directed to our Bramaderos Project in Ecuador where the Company is currently active with two drill rigs targeting large gold-copper systems. We continue to believe in the long-term value

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of copper assets and particularly those that can move quickly to production in the event of copper price strength”.

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 10th 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 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 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 Sunstone Metals 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 Sunstone 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 Sunstone holds an ~82% interest, is funding on-going work, and has also acquired a significant land position, in its own right, in the district.
3. **The Scandinavian Lithium Project** includes the Kietyönmäki lithium prospect. Drilling by Sunstone has delivered 24.2m at 1.4% Li₂O in a spodumene-bearing pegmatite. Kietyönmäki is also part of the JV with Nortec Minerals.
4. **Sunstone has a significant equity** interest of ~33% in Stockholm listed Copperstone Resources (COPP-B.ST) following the recent sale of the Viscaria Copper project.

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

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