

Viscaria Copper Project Transaction Update

Sunstone Metals Limited (ASX:STM) is pleased to provide an update on the closing of the Viscaria Copper Project transaction.

The Share Sale and Purchase Agreement (SPA) with Copperstone Resources AB has been amended, so that the cash to be paid on closing is SEK 20 million (~A\$3 million), with a remaining cash amount of SEK 20 million to be paid no later than four months following closing. This is a variation from the original SPA where SEK 40 million was to be received on closing (see ASX announcements dated 28th November 2018 and 3rd October 2018).

The remaining cash amount shall accrue an annual interest rate of 7%. The SPA share component of 160 million B shares in Copperstone remains unchanged (currently valued at ~A\$17.8 million). The Tranche 2 component of SEK 20 million cash and 46 million COPP B shares is also unchanged and remain payable upon issuance of an Environmental Permit for the Viscaria development.

Copperstone has advised that it has concluded its financial arrangements (refer to Copperstone announcement at www.copperstone.se) and as such the receipt of funds (first SEK20 mill) and shares (160 million COPP B) from the Viscaria transaction will take place on or around March 11, 2019. The second payment of SEK 20 million will be received no later than mid-July 2019.

Sunstone's Managing Director, Malcolm Norris said:

"We are pleased to see the Viscaria transaction close and we look forward to working with Copperstone as its largest shareholder to increase shareholder value and move its portfolio of projects forward. This is being undertaken in a strong copper price environment, and with increasing optimism from analysts that the copper price will continue to strengthen"

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 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 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 16th December 2015 and 5th 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 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.
4. **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. Additional earlier stage lithium opportunities are held in Kaustinen, Finland. Kietyönmäki is also part of the JV with Nortec Minerals.

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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