

Sunstone announces successful completion of Placement, and intention to undertake Share Purchase Plan

Sunstone Metals Limited (ASX:STM) is pleased to advise that it has received firm commitments to raise approximately \$1.73 million via a share placement at a price of 0.5 cents (\$0.005) per share (Placement).

Sunstone will also undertake a Share Purchase Plan (SPP) to allow current eligible shareholders, who were registered on the Sunstone share register at 7.00pm (Brisbane time) on 21 April 2020 (Record Date) with a registered address in Australia or New Zealand, to acquire shares at the same price as the placement. Documentation outlining the details of the SPP with other key dates will be sent to eligible shareholders in late April.

The proceeds of the Placement and SPP will be used primarily to fund exploration at the Bramaderos gold-copper project in southern Ecuador, and for working capital. This funding package will allow progress to be made at Bramaderos through to the period when Sunstone's shareholding in Stockholm listed Copperstone Resources comes out of escrow (September 2020), providing greater funding flexibility from this asset currently valued at ~A\$11 million.

Morgans Corporate Limited 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 our existing sophisticated shareholders.

"The Sunstone team has defined several gold-copper and gold targets at Bramaderos that require drill testing. These funds will be directed to further defining those targets and a resumption of drilling is expected in Q3 2020. We are excited to be testing several gold-copper porphyry targets based on our recent data re-interpretation and exploration breakthrough (see ASX announcement dated 26 March 2020) and to test the exciting Espiritu epithermal gold target (see ASX release dated 7 April 2020)."

The Placement comprises approximately 345 million new shares and will be issued within the Company's available capacity under ASX Listing Rule 7.1 and the temporary extra placement capacity increase to 25%.

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 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 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. **Sunstone has a significant equity** interest of ~27% in Stockholm listed Copperstone Resources (COPP-B.ST) following the recent sale of the Viscaria Copper project.
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. Kietyönmäki is also part of the JV with Nortec Minerals.

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

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

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