

1 NOVEMBER 2019

Sunstone in strong position with exploration program fully-funded

Sunstone Metals (ASX: STM) is pleased to provide the following update on its financial position and exploration program at the Bramaderos copper-gold project in Ecuador.

As at September 30, 2019, Sunstone had cash of \$4.35 million, plus, as announced on October 11, 2019, Sunstone received a further \$0.78 million from Copperstone Resources AB as the final Stage 1 cash payment for the sale of the Viscaria Copper Project.

In addition, the Company holds 172.5 million shares in Sweden-listed Copperstone Resources AB (NASDAQ First North Stockholm: COPP B) currently worth \$12.2 million, of which 12.5 million shares worth approximately \$0.9 million are not subject to the lock-up provisions that apply to the initial 160 million COPP-B shares issued, and are able to be sold if required.

As stated in its September Quarterly report released on October 28, 2019, Sunstone estimates expenditure of \$2.9 million on exploration and other costs in the December quarter.

Sunstone Managing Director Malcolm Norris said: “We are in a strong financial position thanks to our significant cash position and other liquid assets.

“Our exploration program for the current quarter, which includes drilling campaigns with two drilling rigs across key prospects at Bramaderos, comprising the ‘Phase 2’ program, is fully-funded and is expected to generate strong news flow through 2019 and into the new year.

“The next hole at the Bramaderos Main prospect is well advanced and drilling at Limon is scheduled to start on November 4th.

“We believe that the results to date show both these prospects are highly prospective and we are looking forward to updating the market as soon as possible.”

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 earned 51% under an earn-in agreement with TSXV listed Cornerstone Capital Resources (see ASX announcements dated 10th April 2017 and 28th August 2019). 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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