

Completion of Placement

Sunstone Metals Limited (ASX:STM) is pleased to confirm the completion of the capital raise of approximately \$1.73 million via an over-subscribed share placement of 345 million shares at a price of 0.5 cents (\$0.005) per share (Placement), as announced on 22 April 2020.

The Placement was undertaken with sophisticated investors identified by the Company and Morgans Corporate Limited, as Lead Manager to the Placement. The majority of the shares issued under the Placement (76%) were to existing shareholders who collectively held approximately 25% of the shares on issue of Sunstone prior to the Placement.

Sunstone confirms that as far as the company is aware no securities were issued to any person referred to in ASX Listing Rule 10.11.

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 is scheduled to be sent to eligible shareholders on or around 30 April 2020. The SPP Offer will open on 30 April 2020 where each eligible shareholder may apply for up to \$30,000 worth of new shares before the Closing Date of the SPP at 5.00pm (Brisbane time) 14 May 2020.

A limit of 430 million shares, approximately 25% of shares on issue following the Placement, is being put on the SPP as this is considered by the board to be the most equitable way to ensure all eligible shareholders who wish to do so, have the opportunity to participate in the overall capital raising. This limit is equivalent to the percentage of new shares issued under the Placement and is approximately 31% of shares that were on issue prior to the placement.

If applications for New Shares under the SPP Offer exceed 430 million New Shares, Sunstone may, in its absolute discretion, allocate less than the number of New Shares applied for (Scale Back) and determine to apply the Scale Back on a pro-rata basis based on the size of the participating eligible shareholders' existing holdings or the number of securities the participating eligible shareholders have applied for.

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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