

1 MAY 2019

Bramaderos Update

First hole successfully completed and preparations now underway for second hole

First samples sent to the laboratory with assays expected later this month

Sunstone Metals Limited (ASX:STM) is pleased to provide an update on drilling at its Bramaderos gold-copper project in southern Ecuador.

The first drill hole at the Limon target, LMDD001, was completed on April 25 at a depth of 490.6m. Drilling averaged ~40m per day with no safety or environmental incidents.

The drill rig is now moving to the second Limon drill hole, LMDD002, and drilling is expected to commence this week.

Logging and sampling of hole LMDD001 are well advanced. Samples from the first 201m of LMDD001 have been despatched to the laboratory and assay results from this interval are expected towards the end of May 2019. Assay results from the remainder of the hole will follow soon after.

Interpretation of the assay results will dictate future drilling plans at Limon. It is important to note that based on trenching and historical drilling, the porphyry gold-copper systems at Limon and Bramaderos Main are believed to be part of a gold-rich end-member and therefore do not display visual copper mineralisation in the way that many other 'porphyry copper' deposits do.

The typical gold (in g/t) to copper (in %) ratio encountered in trenching at Limon is ~4:1. This means that visible inspection of the core provides little insight into the precious metal content at this early stage of exploration. Relationships between rock types, alteration and metal content will be established as further exploration is undertaken. Assays are the only way to determine the extent of mineralisation at this stage.

The initial drilling program is anticipated to be approximately 5,000m and will also include holes at Bramaderos Main to follow up on historical drilling that intersected 248m at 0.56g/t gold and 0.14% copper and recent surface trenching that delivered 615m at 0.52g/t gold and 0.11% copper (refer to ASX announcement dated 9 May 2018), and at West Zone where surface trenching has delivered 15.6m at 6.1g/t gold (refer to ASX announcement dated 8 November 2017).

ASX ANNOUNCEMENT

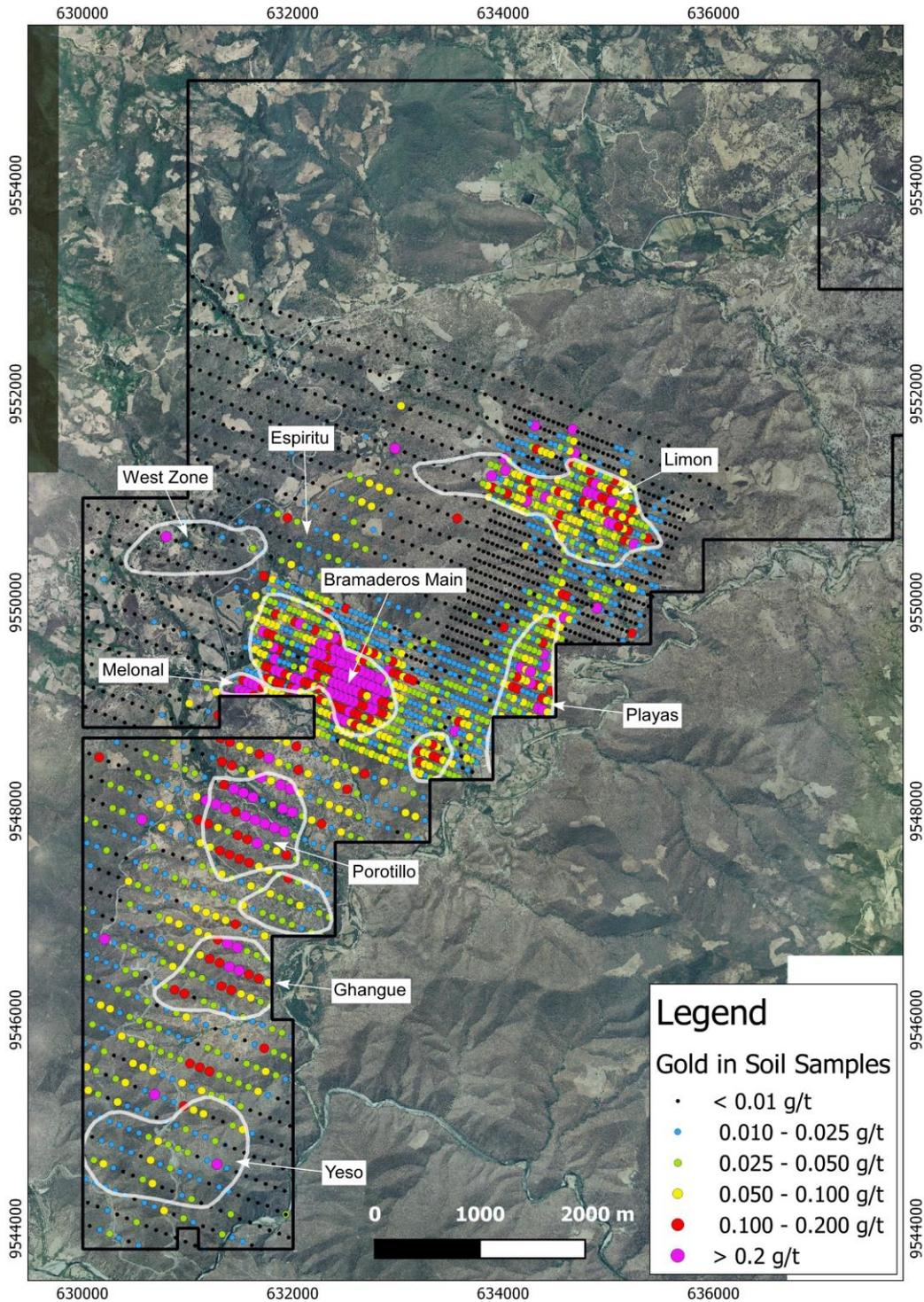


Figure 1: Location of prospects within the Bramaderos concession

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 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. Additional earlier stage lithium opportunities are held in Kaustinen, Finland. Kietyönmäki is also part of the JV with Nortec Minerals.
4. **Sunstone has a significant equity** interest of ~39% 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

Mr Malcolm Norris
Managing Director
Sunstone Metals Ltd
Tel: 07 3368 9888

Email: mnorris@sunstonemetals.com.au