

A\$10.3 million cash from partial sell down of Copperstone investment

Key Points

- **Off-market block trade of 70 million shares for A\$8.6 million**
- **Additional on-market sales of 12.5 million shares for A\$1.7 million**
- **Proceeds leave Sunstone fully-funded for drilling program in Ecuador**
- **Sunstone continues to hold ~71.4 million Copperstone shares (~6.4% of the shares on issue)**

Sunstone Metals Ltd (ASX: STM) is pleased to announce that it has agreed to an off-market sale of 70 million Copperstone Resources AB ('Copperstone') shares at 0.80 SEK per share (~A\$0.123 per share) for A\$8.6 million cash. In addition, Sunstone has recently sold 12,626,268 shares on-market at an average price of 0.866 SEK per share for a further A\$1.7 million. The combined sales of 82.56 million shares at an average price of 0.81 SEK has generated A\$10.3M in cash.

The transaction price is an ~5% discount to Copperstone's most recent closing price prior to the transaction.

Sunstone continues to hold ~71.4 million Copperstone shares (~6.4% of the shares on issue), valued today at A\$9.2 million, and providing further exposure to an advanced copper project in a strong copper price environment.

Sunstone Managing Director Malcolm Norris said: "The proceeds of this sale will be directed to our highly promising exploration opportunities in Ecuador where drilling is in progress at Bramaderos and is expected to start soon at El Palmar.

"We have some very strong drill targets, and we are well-funded to drill them."

A recent ground magnetic survey at El Palmar in Northern Ecuador identified an outstanding drill target with a classic porphyry signature and a drill rig has been contracted and is expected to commence drilling this quarter (See ASX announcement dated 6th May 2021). Recent results from drilling at Bramaderos in Southern Ecuador returned a 450m wide intersection of gold-copper mineralisation from surface at the Brama target where drill follow-up is underway (See ASX announcement dated 22nd April 2021).

ASX ANNOUNCEMENT

About Sunstone Metals

Sunstone has an advanced portfolio of exploration projects in Ecuador and Finland. 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 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 El Palmar Copper-Gold Project** where the highly prospective 800ha El Palmar copper-gold porphyry project in Ecuador will be acquired through a Staged Acquisition Agreement, which will ultimately deliver 100 per cent ownership to Sunstone.
3. **Sunstone has a significant equity interest** in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019.
4. **The Finland Lithium Project** includes the Kietyönmäki lithium prospect. Drilling by Sunstone has delivered 24.2m at 1.4% Li₂O in a spodumene-bearing pegmatite. The project is a JV with Nortec Minerals. As announced on 5 May 2021, a Letter of Intent has been signed to sell the Finland Lithium 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.

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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