

New exploration results provide more evidence of high discovery potential at the Bramaderos gold-copper project in Ecuador

HIGHLIGHTS

- Integration of newly processed heli-magnetics data, with radiometrics, and soil sampling has generated multiple porphyry and epithermal targets within the Bramaderos concession:
 - 10 gold-copper porphyry targets identified
 - 10 gold-silver epithermal targets identified, of which two are associated with larger underlying porphyry targets
- The Limon gold-copper target now measures 2km x 1km
- The West Zone target is displaying potential for a buried porphyry system beneath the well mineralised gold epithermal system defined by recent trenching
- Several epithermal gold-silver targets have been defined based on soil geochemistry
- 3-D processing of magnetics data is underway
- Preparation of drill access tracks and drill pads at West Zone and Bramaderos Main is underway
- Trenching is ongoing to define further strike extensions to mineralisation at Bramaderos Main
- All documents for the issuance of the drill permit are with the Department of Environment

Sunstone Metals Limited (ASX:STM) is pleased to advise that the potential to make substantial gold and copper discoveries at its Bramaderos project in Ecuador continues to grow, with multiple targets identified from a combination of exploration results.

Multiple new targets have been defined based on the integration of newly processed detailed heli-magnetic and radiometric survey results and new soil sampling results, and existing targets have been strengthened.

Sunstone Managing Director Malcolm Norris said:

“The Bramaderos Project has shifted from having focus on a cluster of targets in the centre of the concession to one of many robust targets displaying multi-data anomalies that are providing every indication that the probability of discovery success is high.”

ASX ANNOUNCEMENT

We are very fortunate at Bramaderos to have several high priority targets to test within the large concession which are for the most part, independent of each other. We'll start drilling at our Limon, Bramaderos Main and West Zone targets initially given we have already matured those targets to drill-ready status, however we now have a portfolio of porphyry and/or epithermal targets that we consider warrant drill testing.

The drill permit process is continuing with strong local support for our proposed exploration programs. We are preparing access to drill sites and drill pads, while the government process for issuance of these permits takes its course."

Target Definition

The recent acquisition of magnetic and radiometric data across the entire Bramaderos concession provides a key dataset that assists in mapping the geology (faults, alteration types and intrusions). These geophysical datasets underpin the definition and refinement of target areas for porphyry gold-copper and epithermal gold-silver mineralisation when interpreted in conjunction with geochemical and geological data.

These key datasets have been integrated in a GIS package and targets have been defined based on overlapping and complementary features. The datasets comprise 2-D processed heli-magnetics and radiometrics, current soil sampling results, geological mapping and trenching.

Porphyry gold-copper targets were defined by identifying deep magnetic anomalies that are surrounded by zones of magnetic lows interpreted to be caused by surrounding alteration around the porphyry centres, and if soil sampled, where there is accompanying gold, copper and molybdenum anomalism at surface.

For example, the Limon target as defined by its geophysical signature and overlapping gold and copper soil geochemical anomaly now measures 2km x 1km.

Importantly the West Zone target, which has strong surface evidence of a well mineralised gold epithermal system, also has an associated larger geophysical porphyry target.

The soil sampling has been particularly diagnostic in defining epithermal gold targets through the identification of element associations similar to those recognised at West Zone.

The defined areas of interest comprise 10 targets for porphyry gold-copper and an additional 10 targets for epithermal gold-silver.

This work has also defined a widespread and continuous area of alteration covering over 17 km² and extending up to 8km x 4km in dimension which coalesces around, and envelopes, many of these target areas. Some of the porphyry and epithermal targets overlap, which is to be expected from a technical perspective (see Figures 1-3 below).

Three blocks of geophysical data have been defined for 3-D inversion modelling over 7 of the 10 porphyry targets. This work will deliver 3-D models of the magnetic signature of the target areas that can then guide exploration and particularly drilling. This work is expected to take approximately 3 weeks.

Soil sampling and trenching is also ongoing to expand the coverage and to fill in gaps in the current datasets. This work will further strengthen the definition of targets for drilling.

ASX ANNOUNCEMENT

Drill Permitting Update

An updated Environmental Impact Assessment (EIA) report, recording the positive local response to the EIA process at Bramaderos, has been submitted to the Ministry of Environment. Contact is being maintained with the Ministry and significant effort is being directed towards receiving the permit to allow for drilling.

We note that a Referendum was recently held in Ecuador, called by the sitting president Lenín Moreno. Furthermore, President Moreno recently appointed a new mining minister. These are considered to be strongly positive developments for Sunstone and the mining industry in Ecuador given their pro-mining stance.

Preparation of drill access tracks and drill pads at West Zone and Bramaderos Main is underway to allow for an efficient start to drilling once the permit is received. A short list of drill contractors has been identified and the selection of the preferred contractor is imminent.

An inspection by the National Water Secretariat (SENAGUA) has been completed for the water permit process.

We remain very encouraged by the support of the Ecuadorian government, and look forward to commencing drilling activities in early 2018.

ASX ANNOUNCEMENT

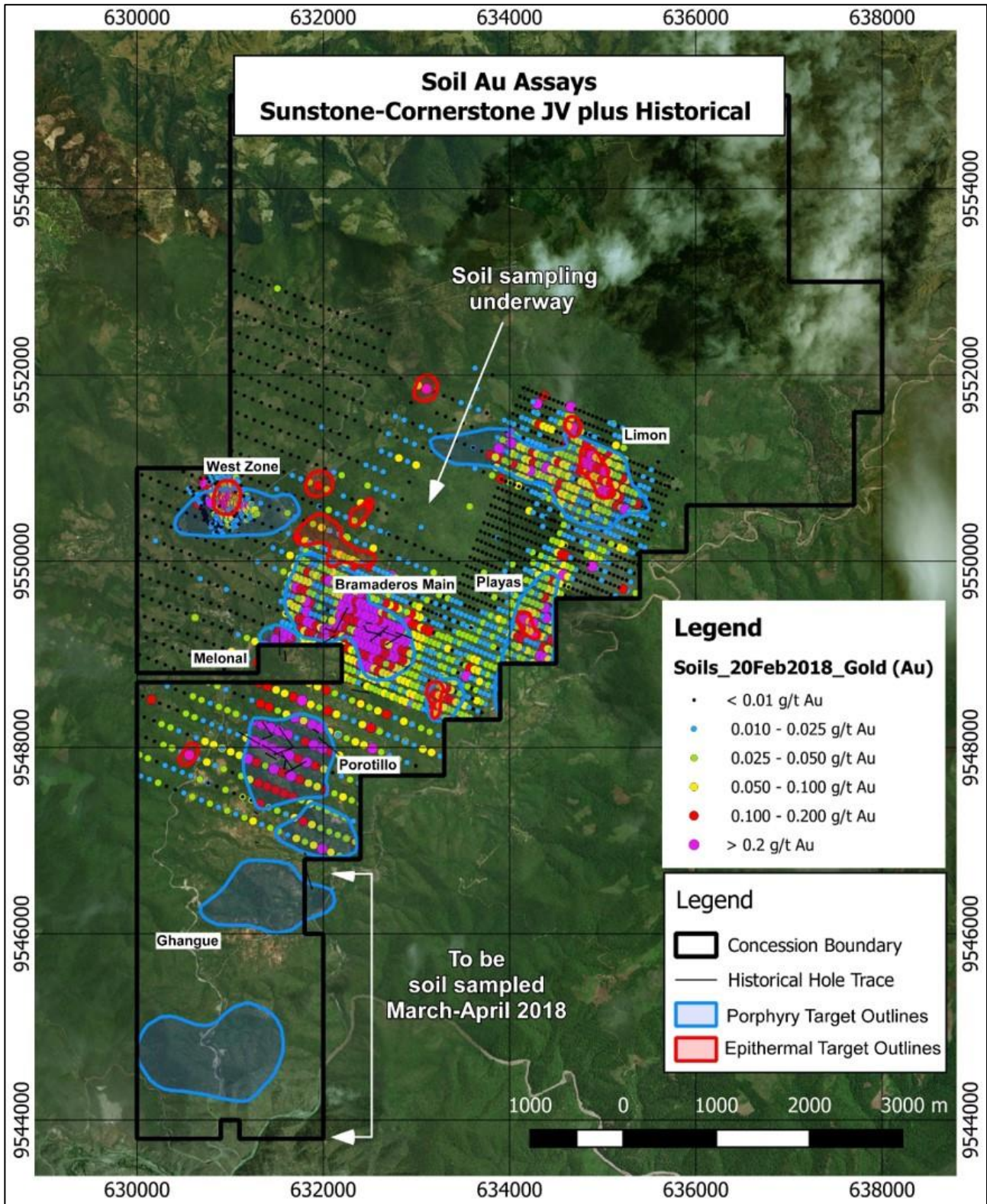


Figure 1: Bramaderos project showing the location of porphyry gold-copper targets outlined in blue, and epithermal gold-silver targets outlined in red.

ASX ANNOUNCEMENT

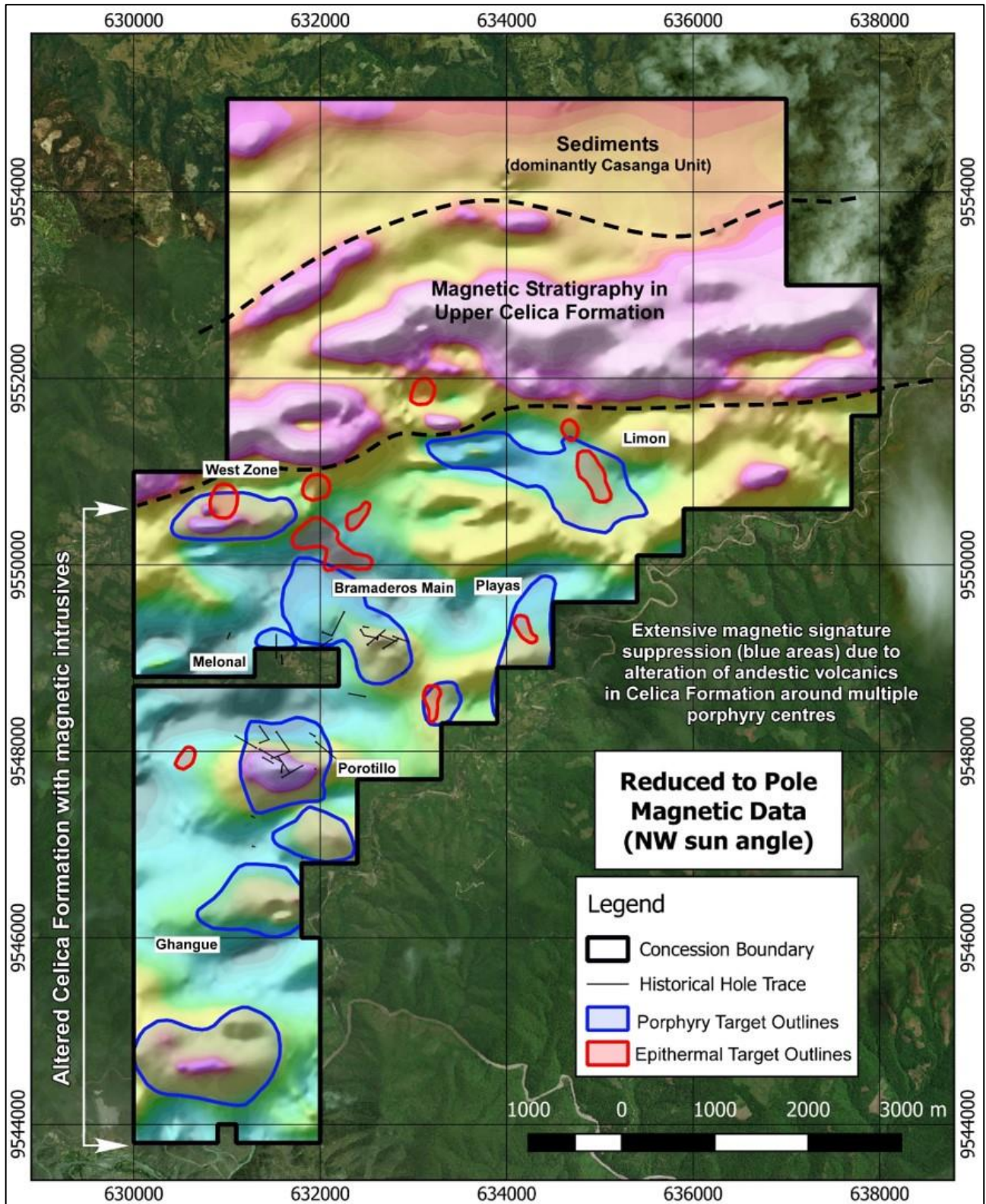


Figure 2: Processed heli-magnetics image showing outlines of multiple porphyry (blue) and epithermal (red) targets.

ASX ANNOUNCEMENT

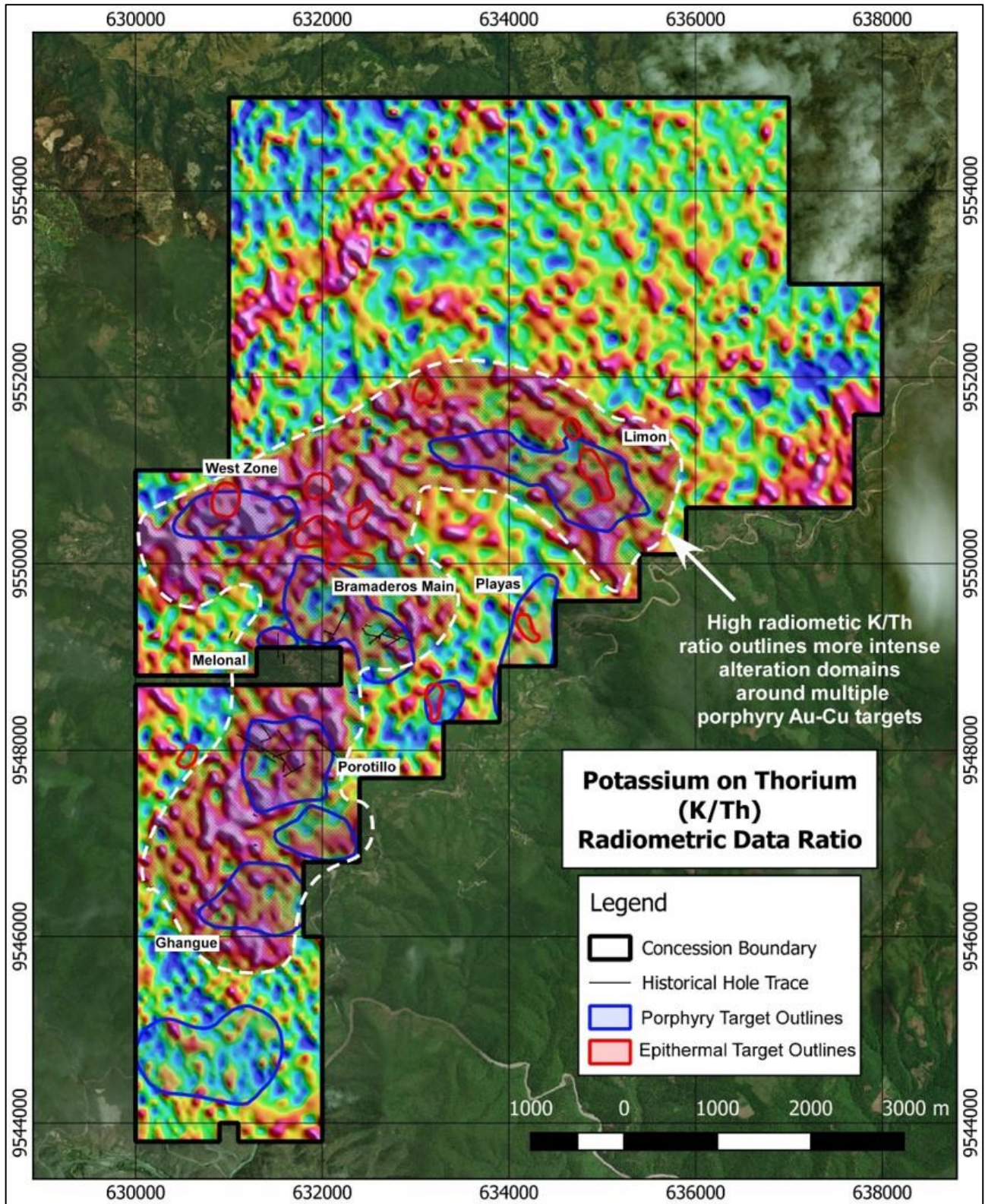


Figure 3: Processed Potassium (K) and Thorium (Th) radiometric data, with areas of high K/Th ratio delineating regions of intense hydrothermal alteration coalescing around multiple porphyry (blue) and epithermal (red) targets.

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 Viscaria Copper Project** in northern Sweden has a completed Scoping Study (see ASX announcements dated 16th December 2015 and 5th April 2016) and is moving towards PFS and permitting to allow for mine development. Considerable exploration upside exists and low technical risk drill targets continue to be tested.
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 can earn up to an 80% interest (see ASX announcement dated 19th May 2016). Sunstone has already earned a 51% interest, 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. Additional earlier stage lithium opportunities are held in Sweden and Finland.

Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach 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". Dr Rohrlach 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

ASX ANNOUNCEMENT

APPENDIX 1

The following Table and Sections are provided to ensure compliance with the JORC Code (2012 Edition)

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. 	<ul style="list-style-type: none"> The surface results announced here are from soil samples. Additional imagery is provided for processed heli-magnetics and radiometrics data.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> Samples were taken by hand-operated auger drill. As much as possible, care was taken to sample the same soil horizon in each sample.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Soil samples were collected on a grid with the soil sampling site located by GPS, Low-detection limits were applied during analysis of the soils, commensurate with the levels expected in the soil samples.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV.
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV.
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV. Soil samples were logged for parameters such as slope, moisture, contamination, colour, origin, composition and depth. The data were recorded in an Excel database.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV. All channel samples were logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. 	<ul style="list-style-type: none"> Soil samples were collected (dry) as a whole-soil sample (unsieved), and weighed between 0.3kg and 0.6kg. These were then sent to the sample preparation laboratory for processing as described below.

ASX ANNOUNCEMENT

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Samples were sent to the LAC y Asociados Cia. Ltda. Sample Preparation Facility in Cuenca, Ecuador for sample preparation. The standard sample preparation for soil samples (Code PRP-757) is: Drying the sample, screening 500 grams to 80 mesh with the oversize fraction being discarded. The screened samples were sent to the MS Analytical Laboratory in Vancouver (Unit 1, 20120 102nd Avenue, Langley, BC V1M 4B4, Canada) for gold, base metal, minor and trace element analysis. The sample preparation is carried out according to industry standard practices using highly appropriate sample preparation techniques. Sunstone used an industry standard QAQC programme involving Certified Reference Materials “standards” and blank samples, which were introduced in the assay batches. Standards (Certified Reference Materials) and analytical blanks were each submitted at a rate of around 1 in 45 samples. Analytical duplicate (or check) assays were conducted. The check or duplicate assay results are reported along with the sample assay values in the final analysis report. Samples were collected in a manner that provided representative samples from each sample site, and zones of different rock types or alteration were well represented by the grid-nature of the soil sampling programs. Once assay results are received the results from duplicate samples are compared with the corresponding routine sample to ascertain whether the sampling is representative. Sample sizes are considered to be appropriate for the style of sampling undertaken and the grain size of the material, and correctly represent the style and type of mineralisation at the exploration stage.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> Sunstone used assay method FAS-415 for gold with gravimetric finish for over-limit samples. IMS-136-15g was used for a suite of 37 elements (including gold). FAS-415 involves Au by Fire Assay on a 30-gram aliquot, fusion and atomic absorption spectroscopy (AAS) at trace levels. IMS-136-15g involves Aqua regia digestion of a 15g aliquot followed by multi-element analysis by ICP-ES/MS at ultra-trace levels. This analysis technique is considered suitable for this style of sample. The helicopter-borne magnetic and radiometric survey was flown by MPX International using a chartered AS350B2 model helicopter. Instrumentation used was a Scintrex CS-3 high resolution cesium split-beam total field magnetometer on a fixed boom mount. Sampling rate was 20 times per second equating to magnetometer measurements every 1.8m along the survey line. Geophysical, navigation and altimeter data were recorded by an AGIS data acquisition system at rates ranging from 20Hz to 1 Hz. A Terra TRA3000/TRI-40 radar altimeter system recorded ground clearance. Survey data positioning and flight line navigation was derived using SBAS real time DGPS giving sub-metric precision.

ASX ANNOUNCEMENT

Criteria	JORC Code explanation	Commentary													
		<ul style="list-style-type: none"> Radiometric data were collected using the Exploranium GR-820 spectrometer system with 256 channels of summed data from one, two or three crystal packs. The spectrometer employed automatic gain control to ensure stable peak positioning and to eliminate spectral drift. A Gem Systems GSM-19TW magnetometer base station was used. Instrumentation checks, tests and calibrations included manoeuvre noise, magnetic heading effect, lag tests, altimeter calibration checks, gamma-ray spectrometer altitude attenuation coefficient checks, and cosmic window calibrations. Flight lines or portions thereof were re-flown if the magnetic diurnal exceeded 12 nT in a straight-line chord over 5 minutes. Sampling rates were: Total Field Magnetometer – 1 channel (0.05 / sec). Gamma-ray Spectrometer - 256 channels + U, Th, K, TC and Cosmic windows (1.0 / sec). LASER / Radar Altimeter – 1 channel (0.1 / second). Temperature and relative humidity – 2 channels (1.0 / sec). Barometric Altimeter – 1 channel (0.1 / sec). DGPS Navigation – 3 channels (1.0 / sec). Billingsley Fluxgate Magnetometer – 3 channels (0.1 / sec). 													
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The values of the standards range from low to high grade and are considered appropriate to monitor performance of values near cut-off and near the mean grade of the deposit. The check sampling results are monitored and performance issues are communicated to the laboratory if necessary. 													
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> Procedure checks have been completed by the Competent Person for exploration results for this announcement. 													
	<ul style="list-style-type: none"> The use of twinned holes. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV. 													
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Sunstone sampling data were imported and validated using Excel. 													
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Assay data were not adjusted. Plots of gridded soil values (Figures 2 and 3) involve levelled data, wherein Sunstone data and historical data were levelled prior to plotting as a single data-set. 													
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> Sample co-ordinates are located by GPS. 													
	<ul style="list-style-type: none"> Specification of the grid system used. 	<ul style="list-style-type: none"> Southern Ecuador projection parameters: <table border="1"> <thead> <tr> <th>Parameter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Reference Ellipsoid</td> <td>International 1924</td> </tr> <tr> <td>Semi Major Axis</td> <td></td> </tr> <tr> <td>Inverse Flattening (1/f)</td> <td></td> </tr> <tr> <td>Type of Projection</td> <td>UTM Zone -17S (Datum PSAD56)</td> </tr> <tr> <td>Central Meridian:</td> <td>-81.0000</td> </tr> <tr> <td>Latitude of Origin</td> <td>0.0000</td> </tr> </tbody> </table>	Parameter	Value	Reference Ellipsoid	International 1924	Semi Major Axis		Inverse Flattening (1/f)		Type of Projection	UTM Zone -17S (Datum PSAD56)	Central Meridian:	-81.0000	Latitude of Origin
Parameter	Value														
Reference Ellipsoid	International 1924														
Semi Major Axis															
Inverse Flattening (1/f)															
Type of Projection	UTM Zone -17S (Datum PSAD56)														
Central Meridian:	-81.0000														
Latitude of Origin	0.0000														

ASX ANNOUNCEMENT

Criteria	JORC Code explanation	Commentary						
		<table border="1"> <tr> <td>Scale on Central Meridian</td> <td>0.9996</td> </tr> <tr> <td>False Northing</td> <td>10000000</td> </tr> <tr> <td>False Easting</td> <td>500000</td> </tr> </table>	Scale on Central Meridian	0.9996	False Northing	10000000	False Easting	500000
Scale on Central Meridian	0.9996							
False Northing	10000000							
False Easting	500000							
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> The topographic control was compared against published maps and satellite imagery and found to be good quality. 						
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	<ul style="list-style-type: none"> The samples were collected over various grid spacings. Most samples were collected on a 100m by 50m grid. 						
	<ul style="list-style-type: none"> Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. 	<ul style="list-style-type: none"> The data from these samples does not contribute to any resource estimate nor implies any grade continuity. 						
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	<ul style="list-style-type: none"> No sample compositing was done. 						
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> Samples were collected to get a representative sample from each sample site. The samples are unbiased with respect to geology and any potential structures. 						
	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV. 						
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sunstone sampling procedures indicate individual samples were given due attention. Sample security was managed through sealed individual samples and sealed bags of multiple samples for secure delivery to the laboratory by permanent staff of the joint-venture. MS Analytical is an internationally accredited laboratory that has all its internal procedures heavily scrutinised in order to maintain their accreditation. MS Analytical is accredited to ISO/IEC 17025 2005 Accredited Methods. 						
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Sunstone's and Cornerstone's sampling techniques and data have been audited multiple times by independent mining consultants during various project assessments. These audits have concluded that the sampling techniques and data management are to industry standards. All historical data has been validated to the best degree possible and migrated into a database. 						

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<ul style="list-style-type: none"> The Bramaderos Exploration Concession is located in the Loja Province of southern Ecuador. The concession was granted to La Plata Minerales S.A. ("PLAMIN") in January 2017. PLAMIN is a subsidiary of Cornerstone Capital Resources Inc ("Cornerstone"). The concession is subject to a Joint Venture between Cornerstone Capital Resources Inc. and Sunstone Metals Ltd. There are no wilderness areas or national parks or areas of environmental significance within or adjoining the concession area. There are no native title interests.

ASX ANNOUNCEMENT

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Bramaderos Exploration Concession was granted to La Plata Minerales S.A. (“PLAMIN”) in January 2017. PLAMIN is a subsidiary of Cornerstone Capital Resources Inc (“Cornerstone”). The Bramaderos Concession is subject to a Joint Venture between Sunstone Metals and Cornerstone.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The historic exploration was completed by various groups over the period 1970-1984, 2001-2002 and 2004-2007. Most of the readily available historic data has been acquired and compiled into databases and a GIS project. Exploration by other parties has included stream sediment surveys, geological mapping, rock chip sampling (888 samples) and grid-based soil sampling (1324 samples), trenching and channel sampling (17 trenches), ground magnetic surveys (31 line kilometres), electrical IP surveys and diamond drilling (10426m).
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit style being explored for includes intrusion-related and stockwork hosted porphyry Au-Cu systems plus low sulphidation epithermal veins and bulk-tonnage breccia-hosted epithermal gold mineralisation. The setting is a volcanic arc setting of Cretaceous age overprinted by Miocene age intrusions.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ol style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<ul style="list-style-type: none"> Details of the samples discussed in this announcement are in the body of the text.
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Information included in announcement.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. 	<ul style="list-style-type: none"> No weighting averaging techniques were used and no sampling intervals were calculated or reported. No grade cut-offs were applied.
	<ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	<ul style="list-style-type: none"> No sampling intervals were calculated or reported.
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Metal equivalents have not been applied.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported. 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV
	<ul style="list-style-type: none"> If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’). 	<ul style="list-style-type: none"> Drilling has not yet been undertaken by the Sunstone-Cornerstone JV
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> See Figure 1 for map showing distribution of soil samples. See Figures 2 & 3 for imagery generated from magnetics and radiometrics data.

ASX ANNOUNCEMENT

Criteria	JORC Code explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Figure 1 above shows the distribution of the soil sampling programs (both historical and by Sunstone Metals combined)
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Figure 1 above shows the distribution of the soil sampling programs (both historical and by Sunstone Metals combined).
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). 	<ul style="list-style-type: none"> The planned exploration program is outlined in the announcement.
	<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> See Figure 1 which shows areas for further exploration. Soil sampling is planned to cover the entire concession area.