

11 JULY 2019

# Sunstone receives A\$1.5m as partial final payment for Viscaria sale

Proceeds will be used for drilling at the Bramaderos Project in Ecuador

Sunstone Metals Limited (ASX:STM) is pleased to provide an update on payment for its sale of the Viscaria Copper Project to Stockholm-listed Copperstone Resources AB ('Copperstone').

As stated in ASX announcements dated 25<sup>th</sup> February 2019 and 11<sup>th</sup> March 2019, the Share Sale and Purchase Agreement (SPA) with Copperstone was amended so that the cash paid on closing was SEK 20 million (~A\$3 million). This amount has been received. The remaining cash amount of SEK 20 million was to be paid no later than four months following close of the transaction and has been accruing interest at an annual rate of 7%.

Copperstone has now transferred to Sunstone SEK 10 million (~A\$1.5 million) of the remaining SEK 20 million cash amount.

Copperstone has completed a Rights Issue and as part of that process Sunstone, as a 39% shareholder, has agreed to take Copperstone shares in lieu of SEK 5 million of the balance owed to it. Sunstone will also receive Copperstone shares in lieu of the accrued interest on the cash owed to Sunstone. Copperstone will use a significant component of the funds from the Rights Issue to commence drilling at Viscaria in order to increase shareholder value with further holes planned at A & D Zones.

The final SEK 5 million of the remaining cash amount is now payable no later than 4 months from 9<sup>th</sup> July and will accrue interest at 1.5% per month, plus incur a one-off fee of 300,000 SEK.

The additional funds received from the Viscaria transaction will be directed to Sunstone's Bramaderos Project in Ecuador and for working capital.

## ASX ANNOUNCEMENT

### About Sunstone Metals

Sunstone has an advanced portfolio of exploration and development projects in Ecuador and Finland. 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 10<sup>th</sup> 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. A 5,000m Phase 1 drilling program is underway testing three targets, Limon, Bramaderos Main, and West Zone.
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% Li<sub>2</sub>O in a spodumene bearing pegmatite. Kietyönmäki is also part of the JV with Nortec Minerals.
4. **Sunstone has a significant equity** interest of ~36% in Stockholm listed Copperstone Resources (COPP-B.ST) following the 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](http://www.sunstonemetals.com.au)

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