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Completion of detailed helimagnetic survey marks start of aggressive 2018 exploration program at Bramaderos gold-copper project in Ecuador

Impending results will be used to further refine what are already highly promising drilling targets based on extensive early-stage exploration

Sunstone Metals Limited (ASX:STM) is pleased to advise that the detailed heli-magnetic and radiometric survey has been completed at its Bramaderos gold-copper project in Ecuador.

The heli-magnetic survey data is considered to be an extremely important component of the Bramaderos exploration program. The results will be used by the Sunstone exploration team to map structure, alteration, and intrusive phases. The use of the heli-magnetics as a targeting tool, once integrated with other exploration datasets is an approach that has been applied very successfully by the Sunstone team to previous porphyry copper-gold and epithermal gold discoveries.

The survey covered the entire 5,000ha concession area and was flown on 100m-spaced, east-west lines.

The raw data from the survey has been reviewed and is of high quality. The contractor is expected to deliver a final dataset which will be processed and integrated with other datasets such as geology, soil geochemistry, and trenching to deliver robust drill targets. It is expected that initial 2-dimensional imagery will be available within 4 weeks.

Sunstone Managing Director Malcolm Norris said: “We are commencing 2018 in a strong position. The detailed magnetics and radiometrics data will greatly assist in developing robust drill targets. The exploration teams are back on site continuing with the trenching program at Bramaderos Main and extending the soil sampling coverage. We will be delivering regular newsflow in the period leading to drilling. The drill permit process is continuing with strong local support for our proposed exploration programs.”

Drill Permitting Update

The Social Participation Process, public information meeting, and formal information centre for the Environmental Impact Assessment have been concluded and were well received with no negative comments recorded on the Ministry of Environment website. An updated EIA report, recording the positive local response, has been submitted to the Ministry of Environment

An inspection request has been submitted to SENAGUA for the water permit process.

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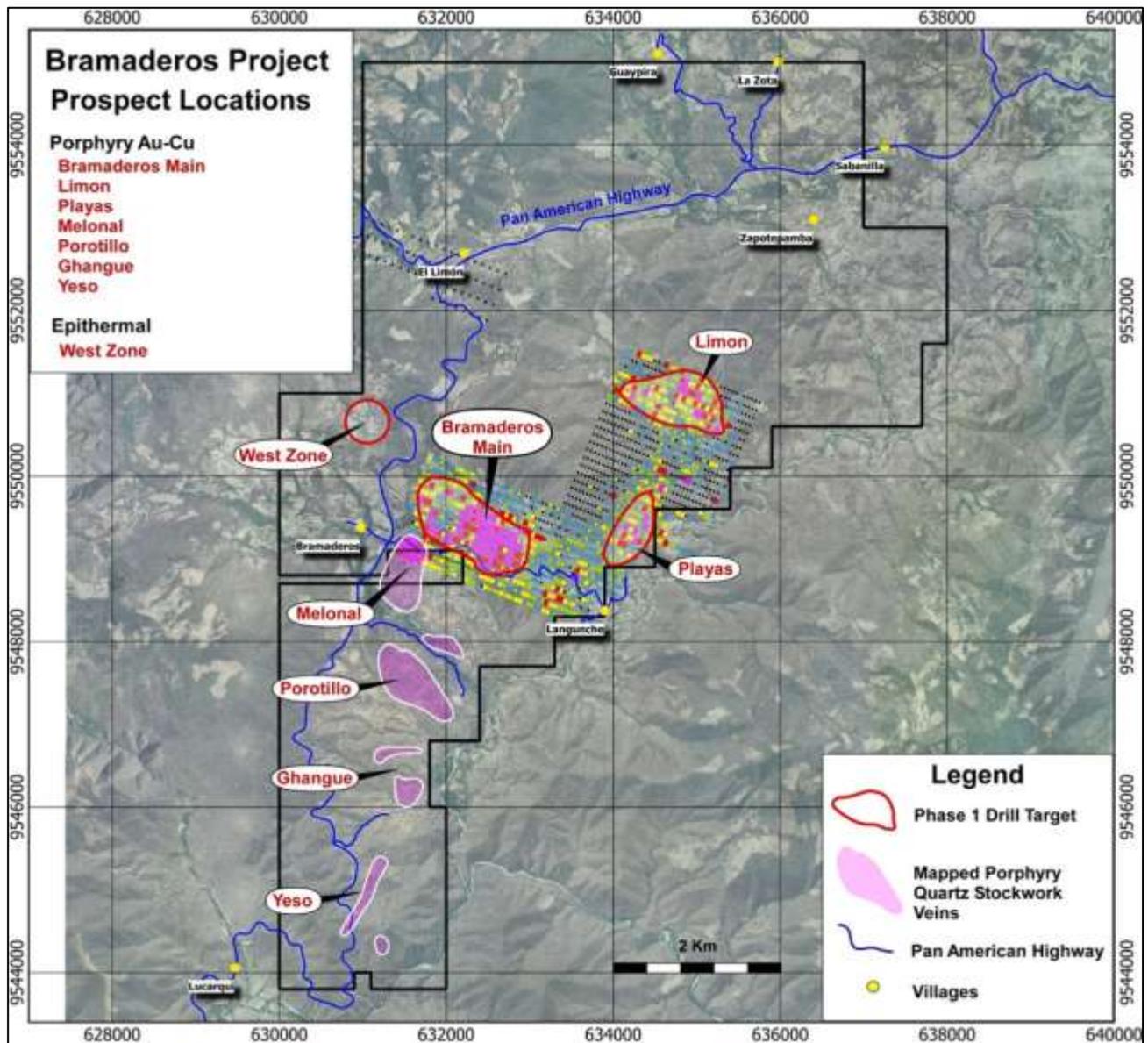


Figure 1: Bramaderos project showing location of the Bramaderos Main, Limon and Playas gold-copper porphyry systems and the West Zone epithermal gold system. Other mapped areas of stockwork veins are yet to be assessed by Sunstone. Grid points are soil gold results from Sunstone sampling.

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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

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