

Viscaria Copper Project Transaction Closes

Sunstone Metals Ltd (ASX:STM) is pleased to announce that the transaction to sell its interest in the Viscaria Copper Project to Copperstone Resources AB (“Copperstone”) (NASDAQ First North Stockholm:COPP B) has now been completed.

Upon closing, Copperstone paid to Sunstone the initial purchase price consisting of SEK 20 million in cash (~A\$3 million) and 160 million new shares in Copperstone (currently valued at ~A\$24.4 million at Copperstone share price of SEK 1.015), while Sunstone transferred 100% of the shares in Avalon Minerals Viscaria AB to Copperstone.

An additional amount of SEK 20 million plus accrued interest of 7% per annum will be paid in cash no later than four months following closing, alternatively, at the election of Sunstone, the SEK 20 million plus interest may be converted into newly issued Copperstone shares at 10% discount on the VWAP for 10 trading days preceding the four month expiration.

Upon issuance of an Environmental Permit for Viscaria, Sunstone will receive an additional 46 million shares in Copperstone and SEK 20 million in cash.

Sunstone has now become a 39.2% shareholder in Copperstone with a total of 408.6 million shares on issue, and hence retains a significant interest in the Viscaria Copper Project as well Copperstone’s other exploration projects in Arvidsjaur, Sweden.

Sunstone’s Managing Director, Malcolm Norris said:

“We are excited to be involved with the new Copperstone as its largest shareholder and we look forward to working with them to move its portfolio of projects forward and increase shareholder value. This is being undertaken in a strong copper price environment, and with increasing optimism from analysts that the copper price will continue to strengthen”

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.

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