

14 MARCH 2019

Bramaderos Project – EIA Approved

Drill Rig to be mobilised to site immediately

Sunstone Metals Limited (ASX:STM) is pleased to provide an update on the Bramaderos gold-copper project in southern Ecuador.

The Environmental Impact Assessment (EIA) required for the issuance of an Environmental Licence for exploratory diamond drilling has been approved by the Ecuadorian Ministry of Environment.

The Environmental Licence (drilling permit) will be issued in the next few days once an environmental bond has been paid.

Sunstone, and its joint venture partner TSX-V listed Cornerstone Capital Resources, will now mobilise a drill rig to the Bramaderos site and drilling is expected to commence within the next 2-3 weeks. First assay results are therefore expected in late May or early June.

Drilling will commence at the Limon target where surface trenching has delivered 97.6m at 0.71g/t gold and 0.23% copper over a poorly outcropping porphyry system (refer to ASX announcement dated 29 May 2018).

The initial drill program is anticipated to be approximately 5,000m and will also include holes at Bramaderos Main to follow up on historical drilling that intersected 248m at 0.56g/t gold and 0.14% copper and recent surface trenching that delivered 615m at 0.52g/t gold and 0.11% copper (refer to ASX announcement dated 9 May 2018), and at West Zone where surface trenching has delivered 15.6m at 6.1g/t gold (refer to ASX announcement dated 8 November 2017).

Sunstone is well funded to complete the initial 5,000m (~12 holes) drilling program at Bramaderos following the receipt of ~A\$3 million (before fees) with the completion of the sale of its Viscaria copper project to Stockholm listed Copperstone Resources. An additional ~A\$3 million is due to be paid to Sunstone prior to July 8, 2019.

Sunstone's Managing Director, Malcolm Norris said:

"We are very pleased to be reporting that our EIA has been approved and we can mobilise a drill rig to site. This has been a long process but it is clear that the Ecuadorian government is committed to supporting sustainable growth in the exploration and mining sector and we have seen improved interaction with government departments since September 2018. We will now get on with our drilling activities which will result in considerable local investment and employment in southern Ecuador."

ASX ANNOUNCEMENT

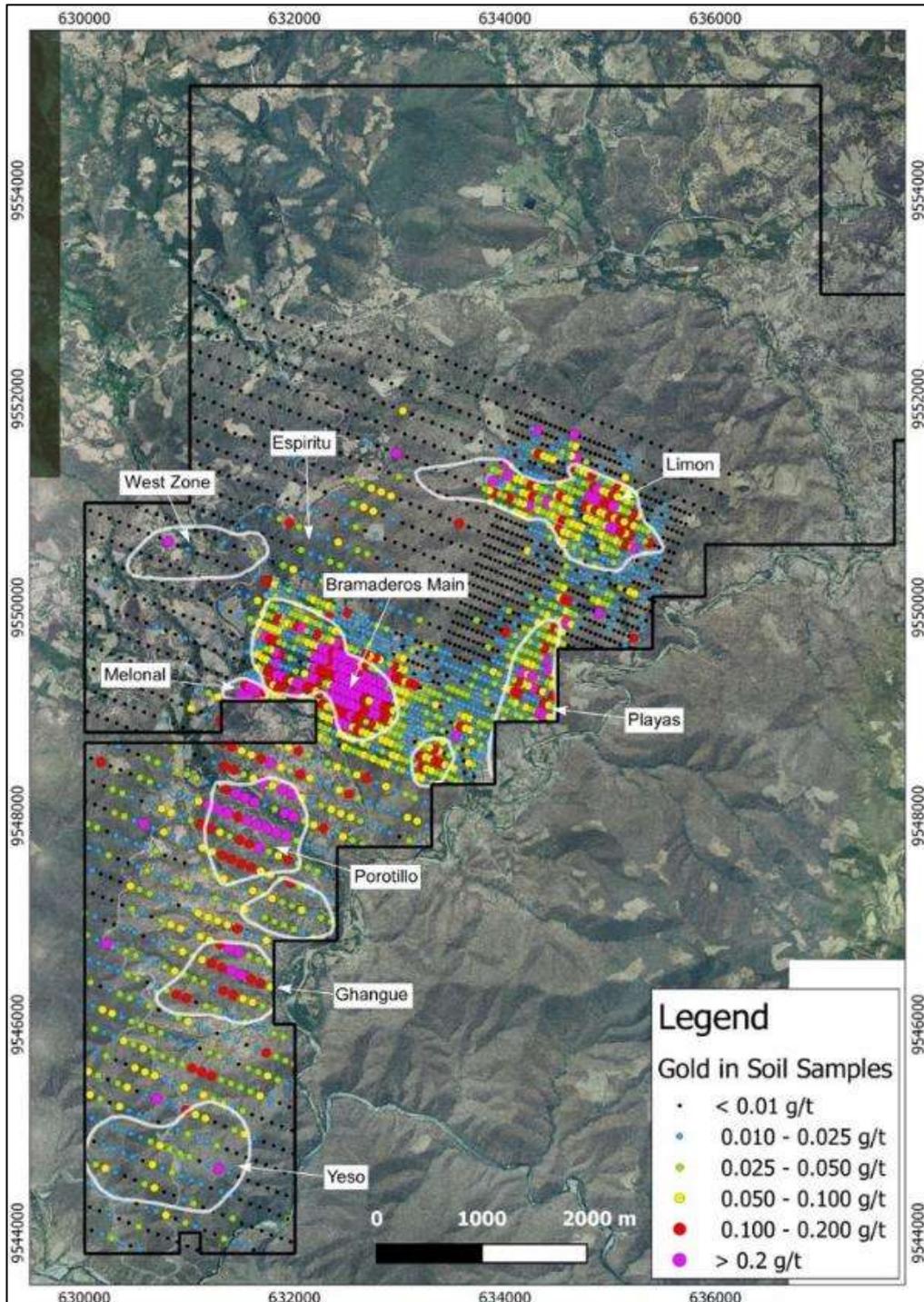


Figure 1: Location of prospects within the Bramaderos concession

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.
4. **Sunstone has a significant equity** interest of ~39% in Stockholm listed Copperstone Resources (COPP-B.ST) following the recent 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

Mr Malcolm Norris
Managing Director
Sunstone Metals Ltd
Tel: 07 3368 9888

Email: mnorris@sunstonemetals.com.au