

29 JANUARY 2021

Sunstone divests Southern Finland Gold assets

Key Points

- Sunstone divests its Southern Finland Gold assets in two transactions with a total immediate value of A\$475,000, and potential resource-linked milestone payment of A\$1.5m
- The transaction leaves Sunstone focused on its Ecuadorian portfolio of copper-gold and silver-gold porphyry and epithermal targets
- Drilling ongoing at Espiritu silver-gold discovery in Ecuador with more assays pending
- Drilling starts next week at the Brama gold-copper porphyry target

Sunstone Metals Ltd (ASX: STM) is pleased to announce that it has entered into two separate agreements to divest its Southern Finland Gold assets.

The first agreement is an agreement to sell the Exploration Permit application ML2018:0082 (which surrounds the Jokisivu gold mine) to Hong Kong listed Dragon Mining for A\$150,000. The second is a Share Sale Agreement whereby Sunstone will sell its Finnish subsidiary, Kultatie Holding Oy, the holder of the Southern Finland Gold Project, to ASX listed NewPeak Metals (ASX:NPM).

The Southern Finland Gold project includes the Satulinmäki and Riukka gold prospects and is located approximately 110km NE of Helsinki.

Exploration by Sunstone and historical drilling and sampling by the Finnish Geological Survey identified several gold occurrences in the district, with Satulinmäki and Riukka being the most advanced.

The terms of the Share Sale Agreement are (1) NPM to pay Sunstone A\$75,000 cash, and (2) NPM to issue A\$250,000 worth of NPM shares on closing (expected during February), and (3) a milestone payment of A\$1.5 million (cash or shares or combination at NPMs election) payable upon delivery of at least 500,000 ounces of gold equivalent in Measured and Indicated Resources from the acquired permits.

Sunstone Managing Director Malcolm Norris said: "This transaction enables Sunstone to retain some exposure to the Southern Finland Gold assets while allowing us to be fully-focused on unlocking the huge potential of our Ecuadorian assets".

ASX ANNOUNCEMENT

About Sunstone Metals

Sunstone has an advanced portfolio of exploration projects in Ecuador. The portfolio comprises:

1. **The Bramaderos Gold-Copper Project** where Sunstone owns an 87.5% interest with TSXV listed Cornerstone Capital Resources holding 12.5% (see ASX announcement dated 10th April 2017, 28th August 2019, and 7 January 2020). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is highly prospective for the discovery of large porphyry gold-copper systems, and high-grade epithermal gold systems. Historical exploration results from drilling at Bramaderos together with recent exploration by Sunstone and joint venture partner Cornerstone Capital Resources (TSXV:CGP) indicate multiple fertile mineralised systems with significant discovery potential.
2. **The El Palmar Copper-Gold Project** where the highly prospective 800ha El Palmar copper-gold porphyry project in Ecuador will be acquired through a Staged Acquisition Agreement, which will ultimately deliver 100 per cent ownership to Sunstone.
3. **Sunstone has a significant equity interest** of 154 mill shares in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019. The shares are fully tradeable and valued at ~A\$16 mill.
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. Kietyönmäki is under a JV with Nortec Minerals and Sunstone holds 83.6%.

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". 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.

Mr Malcolm Norris, Managing Director of Sunstone Metals Ltd., has authorised this announcement to be lodged with the ASX.

For further information, please visit www.sunstonemetals.com.au

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