

5 MAY 2021

Sunstone agrees to sell Finland Lithium project for A\$879,000 in cash and shares

Deal will give Sunstone cash for exploration while retaining exposure to upside of lithium assets

Key Points

- Sunstone has signed a Letter of Intent to sell its 83.6% interest in its Finland Lithium project to United Lithium Corp listed on the Canadian Securities Exchange ('CSE:ULTH')
- Consideration payable to Sunstone is C\$420,000 cash and 420,000 shares in ULTH currently valued at C\$416,000
- Closing of the transaction is subject to a period of exclusivity during which a definitive agreement will be negotiated and due diligence undertaken

Sunstone Metals Ltd (ASX: STM) is pleased to announce that it has signed a Letter of Intent (LoI) to divest its Finland Lithium project, including the Kietyönmäki lithium occurrence, to Canadian Securities Exchange-listed United Lithium Corp ('CSE:ULTH').

The Finland Lithium project is a joint venture between Sunstone, which has an 83.6% interest, and TSXV-listed Nortec Minerals, which holds a 16.4% interest. ULTH will acquire both joint venture parties' interests.

The LoI allows for a 75-day exclusivity period during which a definitive agreement will be negotiated, and due diligence undertaken.

Consideration payable to Sunstone on closing and signing of the Definitive Agreement is C\$420,000 cash and 420,000 shares in United Lithium, currently valued at C\$416,000, which converts to approximately A\$879,000.

Other than the exclusivity period the Letter of Intent is non-binding and if a definitive agreement is not reached or due diligence is not completed prior to the end of the exclusivity period Sunstone will retain its 83.6% ownership in the project unencumbered.

Sunstone Managing Director Malcolm Norris said: "We are pleased to be entering this transaction and finalising a definitive agreement with United Lithium. This transaction gives us some cash for our Ecuadorian copper-gold focused exploration campaign while enabling us to retain exposure to the upside offered by the ULTH lithium assets".

ASX ANNOUNCEMENT

About Sunstone Metals

Sunstone has an advanced portfolio of exploration projects in Ecuador and Finland. 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** in Stockholm listed Copperstone Resources (COPP-B.ST) following the sale of the Viscaria Copper project to Copperstone in 2019.
4. **The Finland Lithium Project** includes the Kietyönmäki lithium prospect. Drilling by Sunstone has delivered 24.2m at 1.4% Li₂O in a spodumene-bearing pegmatite. The project is a 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.

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

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

Email: mnorris@sunstonemetals.com.au