

16 DECEMBER 2021

Sunstone signs definitive agreement to sell Finland Lithium project for A\$920,000 in cash and shares

Deal will give Sunstone additional cash and retain exposure to upside of lithium assets

Key Points

- Sunstone has signed a Definitive Agreement to sell its 83.6% interest in its Finland Lithium project to United Lithium Corp, which is listed on the Canadian Securities Exchange (CSE:ULTH)
- Consideration payable to Sunstone is C\$420,000 cash and C\$420,000 worth of shares in ULTH (total of A\$920,000)

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

This follows the Letter of Intent (LoI) that was signed in May 2021 (see ASX announcement dated 5th May 2021).

Consideration payable to Sunstone on closing is C\$420,000 cash and C\$420,000 worth of shares in United Lithium, which converts to approximately A\$920,000 in value. Closing is expected in the coming weeks.

Sunstone Managing Director Malcolm Norris said: “We are pleased to be concluding this transaction with United Lithium. This transaction gives us additional cash for our Ecuadorian gold-copper focussed exploration campaign while enabling us to retain exposure to the upside offered by the United Lithium assets in Scandinavia”.

United Lithium also holds the Bergby lithium deposit in Sweden.

ASX ANNOUNCEMENT

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

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About Sunstone Metals

Sunstone has an advanced portfolio of exploration and development projects in Ecuador and Scandinavia. 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 Sunstone holds 51% of the highly prospective 800ha El Palmar gold-copper porphyry project in Ecuador and can acquire 100% through a Staged Acquisition Agreement. The El Palmar gold-copper project is located in Imbabura province, northern Ecuador, within the same geological belt that includes the giant Alpala and Llurimagua porphyry copper-gold and copper-molybdenum deposits.
3. **Sunstone has a large 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. As per this announcement, a definitive agreement has been signed to sell the Finland Lithium 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.

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