

Danderyd 2nd October 2018

VISCARIA COPPER PROJECT: SHARE SALE AND PURCHASE AGREEMENT SIGNED

The Board of Copperstone Resources AB (“Copperstone” or “the Company”) is pleased to announce that it has entered into a Share Sale and Purchase Agreement (“SPA”) with Sunstone Metals Ltd Australia (“Sunstone”) regarding the acquisition of 100% of Avalon Minerals Viscaria AB (“Viscaria”), substantially in accordance with the Letter Of Intent signed and announced between the parties 8th August 2018.

Viscaria is located in Kiruna, northern Sweden, and the project has nearly 345 km of historic drill cores and estimated mineral resources of 52.4m tonnes at 1.2% copper of different classes*; potentially 608,900 tons of copper. During 1983-1997 LKAB and Outokumpu produced 12.5m tonnes at 2.3% copper; approximately 287,500 tonnes of copper. The acquisition includes the Viscaria deposit, all permissions, drill cores, data, IP and core shed facility etc, and is carried out on a net debt free basis.

The purchase price amounts to 160 million B-shares of Copperstone and SEK 40m in cash upon closing. In addition, 46 million B-shares of Copperstone and SEK 20m in cash will be paid upon the receipt of environmental permit for the Viscaria project.**

For a period of 18 months from closing, the following parties have (subject to certain exceptions) agreed to lock up their initial holdings of Copperstone B-shares: Sunstone 100%; Chairman and largest owner of Copperstone Michael Mattsson 80%; Director Ann Zetterberg Littorin 80%, Director Petter Tiger 80%; Director Niclas Löwgren 50%; non-insider, former Director and second largest owner of Copperstone Björn Israelsson 50%.

The due diligence processes have been conducted satisfactorily. No filings of anti-trust applications are deemed to be necessary. Sunstone has received an exemption by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) from the mandatory public offer obligation in the event that Sunstone would reach the threshold for making a mandatory public offer by way of receipt of the consideration at completion of the transaction and receipt of the additional shares following the environmental permit, respectively. The closing of the transaction is subject to the following conditions precedent:

1. Approvals by Extraordinary General Meetings (“EGMs”) in Copperstone and Sunstone (planned on or about 28 November 2018)
2. Copperstone securing funds of at least SEK 80m, prior to, at, or after the EGMs

Board decision at Copperstone to sign the SPA and Notice the EGM, accordingly. Board decision at Sunstone to recommend its shareholders to vote in favour of the Sale of Avalon Minerals Viscaria AB to Copperstone Resources AB. Sunstone is entitled to nominate two Directors of the Board of Copperstone following completion of the transaction.

Copperstone initiates discussions with possible financial investors and advisors regarding the capital raising, and expects to enter into an advisory arrangement shortly. Sunstone management will participate in the roadshow, and meetings are planned for Sweden and the United Kingdom.

The transaction is expected to close in Q4 2018.

* Please refer to Viscaria resource table from Sunstone attached to this press release.

** The consideration shares are subject to recalculation provisions in the event of rights issues prior to closing, and the additional shares are subject to recalculation provisions in the event of rights issues prior to receipt of such permit.

“Viscaria constitutes a high quality, copper price sensitive asset with low cap ex and an exploration upside in a first class mining district. Bringing this project towards a mine re-opening, would be an exciting avenue for Copperstone together with the new main owner, Sunstone. Simultaneously, the prosperous Copperstone project is yielding significant exploration success. It will be a sound privilege to assist in the financing and closing of this acquisition, together with our team, strong shareholder network, advisors and Sunstone. Copperstone is striving to become Scandinavia’s next significant base metal producer for years and decades to come”, comments Copperstone Chairman Michael Mattsson.

“Sunstone is very pleased to be working with Copperstone and participating in building a significant Scandinavian base metal producer. We are excited about the future opportunities that will come from this transaction”, comments Sunstone CEO Malcolm Norris.

Stockholm Corporate Finance AB acts as Copperstone’s sole financial advisor in the transaction.
Hamilton Advokatbyrå KB acts as Copperstone’s legal advisor in the transaction.

Evli Bank AB acts as Sunstone’s sole financial advisor in the transaction. Foyen Advokatfirma KB acts as Sunstone’s legal advisor in the transaction.

For further information, please contact Chairman Michael Mattsson, +46 705 739 777, michael.mattsson@copperstone.se, info@copperstone.se or visit the Copperstone website at www.copperstone.se

This information is information that Copperstone Resources AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the above contact person’s agency, 08:45 CEST on 2 October 2018.

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Mineral Resource Statement				
Resource Area	Classification	Tonnes (Mt)	Cu Grade (%)	Contained Cu (kt)
A Zone	Measured	14.44	1.7	240.0
	Indicated	4.69	1.2	57.2
	Inferred	2.48	1	25.5
	Subtotal	21.61	1.5	322.7
B Zone	Measured	0.12	1.3	1.6
	Indicated	4.12	0.7	29.7
	Inferred	15.41	0.8	118.7
	Subtotal	19.65	0.8	149.0
D Zone	Indicated	3.11	0.81	25.2
	Inferred	0.01	0.32	0.02
	Subtotal (open pit)	3.11	0.81	25.2
	Indicated	7.26	1.37	99.8
	Inferred	0.78	1.57	12.2
	Subtotal (underground)	8.03	1.39	111.9
Overall Cu	Total	52.4	1.2	608.9

Source: Viscaria August 2016.

About Copperstone

Copperstone is a public company trading as COPP B on NASDAQ First North (Stockholm). The Certified Adviser is Augment Partners AB. The Company is focused on base and precious metal exploration in the vicinity of the internationally recognized mining region of the Skellefte-field in northern Sweden. Copperstone owns three exploitation concessions, namely Svartliden K no. 1 (36ha), Eva k no. 1 (34ha) and Tvistbogruvan K no. 1 (11ha), and a portfolio of exploration permits in the Copperstone area and in the Bergslagen mining region of central Sweden. Quoted surface areas are approximate to the nearest hectare.

About Sunstone

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

The Viscaria Copper Project in northern Sweden has a completed Scoping Study (see ASX announcements dated 16th December 2015 and 5th April 2016) and is moving towards PFS and permitting to allow for mine development. Considerable exploration upside exists and low technical risk drill targets continue to be tested.

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.

The Southern Finland Gold Project, includes the Satulinmäki gold prospect which is part of an earn-in JV with Canadian company Nortec Minerals, where Sunstone has fulfilled the requirements to earn an 80% interest, and has also acquired a significant land position, in its own right, in the district.

The Scandinavian Lithium Project, includes the Kietyönmäki lithium prospect which is also part of the JV with Nortec Minerals.