

## **Oxygen Launches Sun Metals to Advance Stardust Project Company Reports on Exploration Results and Resource Update**

Vancouver, British Columbia | January 8, 2018 | Sun Metals Corp. (the “Company”), a new company created by Oxygen Capital with the purpose of advancing the Stardust project in north central British Columbia, reports on results from its 2017 exploration program and resource estimate update.

### **Introducing Sun Metals**

Sun Metals was created in 2017 by Oxygen Capital with the purpose of advancing the Stardust project, formerly known as Lustdust. Oxygen is a multi-disciplinary team with a successful track record in converting modest capital investments into exceptional shareholder returns. For Sun Metals, Oxygen has created a leadership group with significant experience in base metal exploration, mining and capital markets, as well as direct working experience in B.C. resource development. Not only does the region host a large geological endowment, but supports numerous mine operators. Oxygen believes B.C. is a reliable jurisdiction with excellent exposure to capital markets, a deep pool of exploration professionals, a wealth of supporting services, and exceptional infrastructure with direct access to Pacific markets.

Sun Metals is led by President & CEO Steve Robertson, who has nearly three decades of experience in exploration and mine operations in the province that Stardust calls home.

Sun Metals is encouraged by results from an initial exploration program and an updated resource estimate.

“The current and updated resource estimate for Stardust provides confirmation of the strong grades present in the Canyon Creek zone. This provides Sun Metals with the confidence to move forward with planning for an extensive exploration campaign” says Robertson.

### **2017 Exploration Program**

Sun Metals’ initial exploration at Stardust (See figure 1) included 45 rock samples, 744 soil samples, 28.1 line kilometres of IP and ground magnetometer survey and three diamond drill holes totaling 343.5 metres (m) (See figure 2). This work was undertaken to both provide confidence in historic work and also enhance the existing database to create the platform from which Sun Metals will work to launch future programs.

Drill highlights include:

- 5.15 m (est TW 4.22 m) of skarn mineralization grading 0.44% copper (Cu), 2.99% zinc (Zn), 156.6 gram per tonne (g/t) silver (Ag), and 1.36 g/t gold (Au) in drill hole LD2017-02.
- LD2017–03 intersected precious metals rich vein material and returned 4.37 m (est TW 2.12 m) grading 332.6 g/t Ag and 3.36 g/t Au, including 1.32 m (est. TW 0.71 m) of 856.0 g/t Ag and 8.00 g/t Au.

### 2017 Stardust Drill intercepts

Hole ID	From (m)	To (m)	Length (m)	True Width (m)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
<b>LD2017 - 01</b>	94.60	97.00	2.40	1.56	0.61	0.07	0.07	13.6	0.57
including	95.31	97.00	1.69	1.10	0.83	0.01	0.00	16.6	0.74
<b>LD2017 - 02</b>	82.70	89.92	7.22	5.88	0.46	2.14	0.29	117.7	1.15
including	82.70	87.85	5.15	4.22	0.44	2.99	0.40	156.6	1.36
<b>LD2017 - 03</b>	89.50	93.87	4.37	2.12	0.02	1.12	0.25	332.6	3.36
including	89.50	90.82	1.32	0.71	0.05	2.08	0.60	856.0	8.00

### Updated Mineral Resource Estimate

An updated Mineral Resource Estimate on the Canyon Creek Skarn Zone has been completed by Qualified Person, Ronald G. Simpson, P. Geo. of GeoSim Services Inc. Grade estimation was based on analytical data from 106 drill holes completed between 1997 and 2017. The estimate includes only skarn mineralization identified in the Canyon Creek zone, and has not included drilling information from the manto, vein or porphyry zones due to a lack of information density in those areas.

Fourteen mineralized skarn zones were modeled using a minimum width of 1.5 m. Composite grades were capped at 15 g/Au and 200 g/t Ag. Zn grades above 6% were limited to a 25m range. Block model grades were estimated by the inverse distance cubed method using dynamic anisotropy to simulate the individual zone geometries.

The indicated mineral resource is estimated to contain 985,000 tonnes grading 1.34% Cu, 0.62% Zn, 1.59 g/t Au and 36.8 g/t Ag. An additional inferred resource contains 1,985,000 tonnes averaging 1.24% Cu, 0.14% Zn, 1.72 g/t Au and 30.5 g/t Ag. The cut-off grade for the base case was 1.5% copper equivalent. Metal price assumptions for the equivalent calculation were \$3.00/lb Cu, \$1.25/lb Zn, \$1300/oz Au and \$18/oz Ag. The cut-off grade represents an in-situ metal value of approximately \$100/tonne which is believed to represent a reasonable break-even cost for underground mining and processing.

The tables below illustrate the sensitivity to cut-off grade with the base case in bold face:

INDICATED							Contained Metal			
Cut-off Cu Equiv (%)	Tonnes	% Cu	% Zn	g/t Au	g/t Ag	%Cu Eq	Cu T	Zn T	oz Au	oz Ag
1.00	1,336,000	1.16	0.48	1.350	30.6	2.48	15,498	6,413	57,987	1,315,662
1.25	1,146,000	1.25	0.55	1.470	33.8	2.70	14,325	6,303	54,162	1,244,247
<b>1.50</b>	<b>985,000</b>	<b>1.34</b>	<b>0.62</b>	<b>1.590</b>	<b>36.8</b>	<b>2.92</b>	<b>13,199</b>	<b>6,107</b>	<b>50,353</b>	<b>1,164,767</b>
1.75	827,000	1.43	0.72	1.720	39.8	3.16	11,826	5,954	45,733	1,058,761
2.00	681,000	1.53	0.84	1.880	43.3	3.44	10,419	5,720	41,162	946,944
INFERRED							Contained Metal			
Cut-off Cu Equiv (%)	Tonnes	% Cu	% Zn	g/t Au	g/t Ag	%Cu Eq	Cu T	Zn T	oz Au	oz Ag
1.00	2,968,000	1.05	0.11	1.380	25.0	2.19	31,164	3,265	131,684	2,389,402
1.25	2,477,000	1.14	0.13	1.530	27.6	2.40	28,238	3,220	121,845	2,197,992
<b>1.50</b>	<b>1,985,000</b>	<b>1.24</b>	<b>0.14</b>	<b>1.720</b>	<b>30.5</b>	<b>2.65</b>	<b>24,614</b>	<b>2,779</b>	<b>109,769</b>	<b>1,944,572</b>
1.75	1,540,000	1.35	0.16	1.960	33.7	2.95	20,790	2,464	97,044	1,667,074
2.00	1,229,000	1.45	0.18	2.180	36.3	3.22	17,821	2,212	86,139	1,435,122

## About Sun Metals

Sun Metals was created in 2017 by Oxygen Capital with the purpose of advancing the Stardust project, formerly known as Lustdust, located in northcentral British Columbia, Canada. Stardust is a polymetallic Carbonate Replacement Deposit with a rich history. Sun Metals believes B.C. is a reliable jurisdiction with excellent exposure to capital markets, a deep pool of exploration professionals, a wealth of supporting services, and exceptional infrastructure with direct access to Pacific markets.

An updated corporate presentation is available on our website at:

[www.sunmetals.ca](http://www.sunmetals.ca).

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## About Oxygen Capital

Our purpose is to breathe life into new ventures and help grow and sustain them. We are a fully integrated mining house. Our skill-sets cover the entire continuum of resource discovery and development, mine operations and production, mine-building, capital markets and business development. We have a creative, entrepreneurial culture, and a business platform that generates substantial value for shareholders, local economies and host communities. Our current portfolio includes some of the most exciting gold, copper, silver, lead and zinc projects in the world.

[www.oxygencapitalcorp.com](http://www.oxygencapitalcorp.com)



All mineral resource information has been estimated and disclosed in accordance with the definition standards on mineral resources and mineral reserves of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian Securities Administrators National Instrument 43-101 (“NI 43-101”), which requires disclosure of mineral resource information. U.S. reporting requirements for disclosure of mineral properties are governed by the United States Securities and Exchange Commission Industry Guide 7, which sets forth substantially different guidelines than NI 43-101.

The scientific and technical information in this news release has been reviewed and approved by Ronald G. Simpson, P.Geo., a qualified person as defined in NI 43-101.

### **Forward-Looking Information**

This news release contains “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). All statements, other than statements of historical fact, that address activities, events or developments that Sun Metals Corp. (“Sun Metals”) believes, expects or anticipates will or may occur in the future are forward-looking statements, including, without limitation Sun Metals’ plan to use its existing database to launch further programs and its belief regarding the capital markets, exploration professionals, supporting services and infrastructure of British Columbia. These forward-looking statements reflect the current expectations or beliefs of Sun Metals based on information currently available to Sun Metals. All forward-looking assumptions are made based on Sun Metals current beliefs as well as various assumptions made by it and information currently available to it. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Sun Metals. Any forward-looking statement speaks only as of the date on which it was made, and except as may be required by applicable securities laws, Sun Metals disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Sun Metals believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty.