

NEWS RELEASE 18-07

July 3, 2018

TAKLA FIRST NATION AND SUN METALS ANNOUNCE EXPLORATION AGREEMENT FOR STARDUST

Vancouver, B.C. – The Takla First Nation (“**Takla**”) and Sun Metals Corp. (“**Sun Metals**” or the “**Company**”) (TSXV: SUNM) are pleased to announce that they have entered into an Exploration Agreement related to the Stardust project located within the traditional lands of Takla in northcentral British Columbia.

Chief John French stated, “Entering into this agreement will ensure that Takla benefits from the exploration activities, and that they will be carried out in a manner which respects Takla’s Aboriginal title, rights, and interests. Sun Metals recognizing Takla’s stewardship role in environmental monitoring, wildlife monitoring and water sampling was vital in building support for the project with Takla members.”

Steve Robertson, Sun Metals President and CEO said, “Sun Metals is built on the founding principle of growing value on a large scale for shareholders and communities alike. I see the signing of this Exploration Agreement as the beginning of the path to achieve this. I will work diligently and closely with Chief French to ensure that Stardust has a positive outcome for Takla, shareholders and all British Columbians.”

Sun Metals has embarked on the 2018 Stardust field program that will include:

- Airborne VTEM and Magnetics survey
- Mapping and prospecting
- Selective relogging and resampling of 80,000 metres of existing drill core
- 15,000 metre diamond drilling program starting in August

Technical aspects of this news release have been reviewed and approved by Ian Neill P.Geo., Vice President Exploration of Sun Metals, who is a qualified person as defined by National Instrument 43-101.

For more information, please contact Steve Robertson, President and CEO of Sun Metals at (604) 697-4952 or srobertson@sunmetals.ca.

On Behalf of the Board of Directors of

SUN METALS CORP.

Steve Robertson
Chief Executive Officer

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Sun Metals

Sun Metals is advancing its flagship, high-grade Stardust project located in northcentral British Columbia, Canada. Stardust is a polymetallic Carbonate Replacement Deposit with a rich history.

The Canyon Creek copper-gold skarn zone at Stardust was the subject of a 2018, 43-101 compliant resource estimate published by the Company in January 2018. GeoSim Services Inc. provided the following estimate.

Stardust Project - Canyon Creek zone Mineral Resource Estimate⁽¹⁾:

Resource Category	Tonnes	Copper %	Zinc %	Gold g/t	Silver g/t	% Cu Eq
Indicated	985,000	1.34	0.62	1.59	36.8	2.92
Inferred	1,985,000	1.24	0.14	1.72	30.5	2.65

⁽¹⁾The cut-off grade used in the resource estimate was 1.5% copper equivalent. Metal price assumptions for the copper equivalent calculation were \$3.00/lb Cu, \$1.25/lb Zn, \$1,300/oz Au and \$18/oz Ag. Adjustment factors to account for differences in relative metallurgical recoveries of the constituents will depend upon completion of definitive metallurgical testing. The following equation was used to calculate copper equivalence: $Cu\ Eq = Cu + (Zn \times 0.4167) + (Au \times 0.6319) + (Ag \times 0.0087)$. A cut-off grade of 1.5% Cu Equivalent 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. These are not mineral reserves and no work has been completed that demonstrates economic viability at the Project.

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.

A corporate presentation is available on Sun Metals' website at www.SunMetals.ca.

Forward-Looking Statements

Statements included in this announcement, including statements concerning our plans, intentions and expectations, which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements". Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions. The Company cautions readers that forward-looking statements, including without limitation those relating to the Company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements.