

NEWS RELEASE 20-09

July 06, 2020

HIGH-GRADE GROWTH: DRILLING BEGINS AT SUN METALS' STARDUST COPPER-GOLD PROJECT

Vancouver, B.C. - **Sun Metals Corp. (TSXV: SUNM)** ("**Sun Metals**" or "**we**" or the "**Company**") is pleased to announce that drilling has commenced at Stardust, the Company's 100% owned, high-grade copper-gold project located in northcentral B.C.

Three diamond drill rigs are currently onsite and actively drilling. Our fully funded 2020 \$3.8 million exploration program is focused on expanding the high-grade 421 zone at Stardust, and exploring for similar thick high-grade, massive sulphide zones that this system is known for. The drill program is anticipated to run until early October and consist of 12 – 16 holes. The program design will remain flexible to allow the exploration team to follow up on successful results.

Initial drilling is focused on expanding the 421 zone, including two rigs on the highly prospective and shallower southern up-plunge extension of the zone near hole 453 and on completing hole 455 which was not finished during the 2019 campaign and is targeting the northern down plunge extents of the zone.

Subsequent drilling will include:

- Targeting vertically below the 421 zone exploring for a vertical feeder component to the mineralization;
- Test fold targets in carbonate stratigraphy east of the 421 zone for analogous zones;
- Targeting the footwall of the 101 lens in areas of open mineralization.

Sun Metals has developed and implemented COVID-19 infection and control protocols at Stardust to meet or exceed all government requirements, as well as satisfy the Company's mandate to protect the workers and communities that we rely on (*See June 3, 2020 press release for more information on our COVID-19 safeguards*). In mid-June, Sun Metals received conditional provincial approval to occupy camp at Stardust and proceed with our planned drill program.

Sun Metals has recently created several brief videos to provide insight on exploration potential at Stardust:

- We know the roadmap to discovery: <https://vimeo.com/425220373>
- Expansion opportunities in 421 zone: <https://vimeo.com/425220275>
- Multiple untested folds like 421 zone: <https://vimeo.com/425220335>

In just two years, Sun Metals' technical team has developed a proven understanding of the Stardust system that has resulted in significant discovery success. In 2018, our first full season at Stardust, our technical team drilled one of that year's strongest discovery holes: DDH18-SD-421, which intersected 100 metres of 5.05% copper equivalent (CuEq)¹. In 2019, we started to delineate what is now known as the 421 zone, one of the most significant recent high-grade copper-gold discoveries in Canada. Seventeen pierce points now define the 421 zone and have established continuity. Average mineralized drill intercepts in this zone are greater than historic drill intercepts in the nearby Canyon Creek zone². The 421

¹ See press release dated November 14, 2018 available at www.sunmetals.ca

² See the technical report titled "Stardust Project Ni 43-101 Technical Report Omineca Mining Division, British Columbia" with an effective date of January 8, 2018 for further information, available at www.sunmetals.ca or under the Company's SEDAR profile at www.sedar.com

zone has been delineated over a plunge length of 375 metres and remains open for both extension and expansion.

Technical aspects of this news release have been reviewed, verified 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 – *Standards of Disclosure for Minerals Projects*.

For more information, please contact Susie Bell, Investor Relations for Sun Metals at sbell@sunmetals.ca, 604-697-4953, or Steve Robertson, President and CEO of Sun Metals, at srobertson@sunmetals.ca, (604) 697-4952. An updated interactive corporate presentation is available on Sun Metals' website at <https://www.sunmetals.ca/investors/presentation/>.

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 100% owned flagship, high-grade Stardust Project located in northcentral British Columbia, Canada. Stardust is a high-grade polymetallic Carbonate Replacement Deposit with a rich history. Sun Metals also owns the Lorraine copper-gold project (joint-ventured with Teck Resources Limited), and the OK copper-molybdenum project.

The Canyon Creek copper-gold skarn zone at Stardust was the subject of a 2018, NI 43-101 resource estimate published by the Company titled "Stardust Project NI 43-101 Technical Report Omineca Mining Division, British Columbia" with an effective date of January 8, 2018. In that report, GeoSim Services Inc. provided the following estimate.

Stardust Project - Canyon Creek zone Mineral Resource Estimate³:

RESOURCE CATEGORY	TONNES	COPPER %	ZINC %	GOLD G/T	SILVER G/T	% CU EQ ³
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

⁽³⁾ The cut-off grade used in the resource estimate was 1.5% copper equivalent (Cu Eq). Metal price assumptions for the Cu Eq calculation in this table were \$3.00/lb Copper, \$1.25/lb Zinc, \$1,300/oz Gold and \$18/oz Silver. 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: $Cu\ Eq = Copper + (Zinc \times 0.4167) + (Gold \times 0.6319) + (Silver \times 0.0087)$. A cut-off grade of 1.5% Cu Eq 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.

Cautionary Note Regarding Forward-Looking Statements

All statements in this news release, other than statements of historical fact, are “forward-looking information” with respect to Sun Metals within the meaning of applicable securities laws, including, but not limited to statements with respect to those that address mineralization at the Stardust project; relative size of mineralization at the 421 zone, geophysical surveys, use of instrumentation data, and goals and expectations pertaining to metallurgical results; the 2020 program and the use of flow-through dollars; the potential quantity and/or grade of minerals; the growth potential of the Stardust project; planned mining methods and mineral processing; break-even cost for the Stardust project; British Columbia as a reliable jurisdiction for mining; proposed timing of exploration and development plans; potential conversion of inferred resources to measured and indicated resources; potential extension and expansion of mineral resources; negotiations with the Takla First Nation; the potential impact of the COVID-19 pandemic; and the focus of the Company in the coming months. Forward-looking information is often, but not always, identified by the use of words such as “seeks”, “anticipates”, “plans”, “continues”, “expects”, “projects”, “predicts”, “potential”, “targets”, “intends”, “believes”, “potential”, “budgets”, “schedules”, “estimates”, “forecasts” and similar expressions (including the negative of such expressions), or describes a “goal”, or variation of such words and phrases or state that certain actions, events or results “may”, “should”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold and other metal process; currency exchange rates and interest rates; favourable operating conditions; political stability; obtaining governmental approvals and financing on time; obtaining renewals of existing licences and permits and obtaining required licences and permits; labour stability; stability in market conditions; availability of equipment; accuracy of mineral resources; successful resolution of disputes and anticipated costs and expenditures. Management believes these estimates and assumptions are reasonable. In addition, many assumptions are based on factors and events that are not within the control of Sun Metals and there is no assurance they will prove to be correct.

Such forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to the speculative nature of the Company’s business; the Company’s formative stage of development; the Company’s financial position; possible variations in mineralization; conclusions of future economic evaluations; business integration risks; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; fluctuations in the securities market; fluctuations in currency markets; change in national and local government, legislation, taxation, controls, regulation and political or economic development; inability to obtain adequate insurance to cover risks and hazards; possible variations in grade or recovery rates; the costs and timing of the development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; the timing and success of exploration activities generally; delays in permitting; possible claims against the Company; the timing of future economic studies; labour and employee disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or the completion of exploration; relationships with and claims by local communities and First Nations; negotiations with the Takla First Nation; assumptions about the effect of the Covid-19 pandemic; and title to properties as well as those factors discussed in the Annual Information Form of the Company dated April 1, 2020 in the section entitled “Risk Factors”, under Sun Metals’ SEDAR profile at www.sedar.com.

Although Sun Metals has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Sun Metals disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law. Accordingly, readers should not place undue reliance on forward-looking information.