

NEWS RELEASE 18-12

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**DRILLING INTO NEW SKARN EXTENSION RETURNS BEST EVER INTERCEPT  
AT SUN METALS' STARDUST PROJECT**

Vancouver, B.C. – Sun Metals Corp. (“Sun Metals” or the “Company”) (TSXV: SUNM) announces that drilling into a new extension of the Canyon Creek Skarn zone at its Stardust project in northcentral British Columbia has returned the thickest and richest mineralization ever intersected at the project. Sun Metals believes that drilling is successfully tracking a major mineralizing fluid pathway towards the heart of this high-grade system.

Diamond drill hole 18-SD-421 intersected 36.50 metres of mineralization, grading 3.89% copper, 4.47 grams per tonne (g/t) gold and 84.6 g/t silver (Table 1). This includes higher grade intervals of 5.55 metres grading 6.28% copper, 7.01 g/t gold and 202.1 g/t silver and a second interval of 6.80 metres grading 8.52% copper, 11.17 g/t gold and 162.0 g/t silver. Downhole from this intercept, drilling intersected another zone of skarn alteration with visible sulphide mineralization. Assays from the lower section of the mineralized skarn extension are pending.

*Table 1. Tabulated results from DDH18-SD-421*

Hole	From (m)	To (m)	Length (m)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)	Copper Equivalent (%) <sup>(1)</sup>	USD/Tonne <sup>(2)</sup>	Grade x Length (%m) <sup>(3)</sup>
DDH18-SD-421	539.80	576.30	<b>36.50</b>	<b>3.89</b>	<b>4.47</b>	84.6	1.06	7.80	\$481	285
<i>Incl.</i>	540.65	546.20	<b>5.55</b>	<b>6.28</b>	<b>7.01</b>	202.1	5.09	14.42	\$890	80
<i>Incl.</i>	558.80	565.60	<b>6.80</b>	<b>8.52</b>	<b>11.17</b>	162.0	1.39	17.36	\$1,071	118

<sup>(1)</sup> Assumptions used in USD for the copper equivalent calculation were metal prices of \$2.80/lb Cu, \$1,200/oz Au, \$15/oz Ag, \$1.20/lb Zn and recovery is assumed to be 100% as no metallurgical data is available. The following equation was used to calculate copper equivalence:

Copper Equivalent = Cu (%) + (Au (g/t) x 0.6252) + (Ag (g/t) x 0.007815) + (Zn (%) x 0.4286).

<sup>(2)</sup> USD / Tonne calculation = Copper Equivalent (%) x copper price (USD)

<sup>(3)</sup> Grade x Length = Copper Equivalent (%) x Length (m)

DDH18-SD-421 has intersected significantly longer and higher-grade intervals of mineralization than has ever been observed in the 406 drill holes (approx. 80,000 metres) of historic Stardust drilling. The average length of intercepts comprising Stardust’s NI 43-101 resource is 4.3 metres.

*“We have intersected the strongest mineralization ever observed at Stardust and this drill hole is a game changer for the project and the district. We have crossed into a new area of mineralization that has not been tested previously. The mineralization is stronger and more pervasive providing support that we are moving in the right direction to find more of these longer intercepts of consistently higher-grade mineralization. The Canyon Creek Skarn zone is clearly open for expansion,”* said Steve Robertson, President and CEO, Sun Metals.

*“These kinds of grades, coupled with the multiple repeated mineralization stages readily seen in core, suggest we’re on a major mineralization fluid pathway. The textures suggest we’re still pretty distal, so there should be plenty of room to follow this high-grade skarn back towards the source of the system,”* said Dr. Peter Megaw, Chair of Sun Metals’ Technical Advisory Committee.

The Company believes this drilling has revealed the distinct pattern of encountering larger bodies of more persistent and higher-grade mineralization closer to the source of the mineralizing fluids that formed the skarn system. It is a pattern typical of many other known skarn zones associated with carbonate

replacement deposits. Disciplined and focused exploration of the distal parts of skarn systems may result in tracking the mineralizing pathway back into the proximal part of the system where greater thickness and higher grades exist. DDH18-SD-421 intersected the longest and most significant intercept in the long history of Stardust and gives Sun Metals a clear focus on how to proceed with further exploration.

Other drilling reported includes hole DDH18-SD-411, which targeted extension to an open area in the resource model and returned 14.40 metres grading 1.32% copper, 1.03 g/t gold and 2.12% zinc from the 101 Lens and 2.15 metres grading 3.81% copper, 0.75 g/t gold and 498.4 g/t silver from an extension of the 113 Lens. Drill hole DDH18-SD-412 targeted geophysical anomaly C, a VTEM anomaly identified in the 2018 airborne survey. The hole intersected a zone of mineralization that was separated into gold rich and silver/zinc rich mineralization. Together, this zone returned 7.65 metres grading 1.31 g/t gold and 62.3 g/t silver. Along strike from hole DDH18-SD-412, targeting a geochemical response, hole DDH18-SD-417 intersected 7.30 metres grading 0.48 g/t gold and 7.42% zinc.

*Table 2. Select significant results, 2018 Stardust drill program*

Hole	From	To	Interval	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Copper Equivalent <sup>(1)</sup>	USD/Tonne <sup>(2)</sup>	Grade • Length (%m) <sup>(3)</sup>	Zone
DDH18-SD-411	174.70	189.10	14.40	1.32	1.03	22.9	2.12	-	3.05%	\$ 188.44	44.0	Canyon Creek Skarn
<i>Incl</i>	178.20	183.90	5.70	1.57	1.38	33.1	5.20	-	4.92%	\$ 303.70	28.1	Canyon Creek Skarn
DDH18-SD-411	226.75	228.90	2.15	3.81	0.75	498.4	23.31	3.71	19.35%	\$ 1,194.38	41.6	Canyon Creek Skarn
DDH18-SD-412	42.75	50.40	7.65	0.03	1.31	62.3	0.78	0.45	1.81%	\$ 111.86	13.9	GD/Anom-C
DDH18-SD-417	50.50	57.80	7.30	0.04	0.48	7.7	7.42	0.06	3.61%	\$ 222.51	26.3	GD Zone

<sup>(1)</sup> Assumptions used in USD for the copper equivalent calculation were metal prices of \$2.80/lb Cu, \$1,200/oz Au, \$15/oz Ag, \$1.20/lb Zn and recovery is assumed to be 100% as no metallurgical data is available. The following equation was used to calculate copper equivalence:

Copper Equivalent = Cu (%) + (Au (g/t) x 0.6252) + (Ag (g/t) x 0.007815) + (Zn (%) x 0.4286).

<sup>(2)</sup> USD / Tonne calculation = Copper Equivalent (%) x copper price (USD)

<sup>(3)</sup> Grade x Length = Copper Equivalent (%) x Length (m)

A plan map (Figure 1) see link: [https://sunmetals.ca/site/assets/files/3677/plan\\_map\\_figure\\_1.jpg](https://sunmetals.ca/site/assets/files/3677/plan_map_figure_1.jpg) of the 22-hole 2018 drill program, cross-section (Figure 2) see link: [https://sunmetals.ca/site/assets/files/3677/cross\\_section\\_figure\\_2.jpg](https://sunmetals.ca/site/assets/files/3677/cross_section_figure_2.jpg) and long-section (Figure 3) see link: [https://sunmetals.ca/site/assets/files/3677/long\\_section\\_figure\\_3.jpg](https://sunmetals.ca/site/assets/files/3677/long_section_figure_3.jpg) of the updated interpretation of the Canyon Creek Skarn zone are provided here and displayed on the Company's website. A full table of results received to date is available on the company website located here: <https://sunmetals.ca/site/assets/files/3677/table01.png>. Photographs of select core intervals in hole DDH18-SD-421 are available on the Company's website.

For a video of Steve Robertson and Dr. Megaw showcasing core and explaining the significance of DDH18-SD-421, click here: <https://vimeo.com/296047506/95dc57cd41>

For other new videos providing commentary on Stardust, click here: <https://vimeo.com/user85397329>

2018 diamond drilling at Stardust focused on three types of targets as shown in Figure 1:

- Extensional targets which were designed to test for expansion of areas of know mineralization and define a larger resource.
- Geophysical targets which tested prospective areas based on results from the 2018 VTEM survey.
- Geologic targets which tested prospective areas based on geologic modelling.

The 2018 exploration program at Stardust, initiated in early June, consisted of mapping and prospecting, over 2,800 soil samples, a structural geology study, an airborne Lidar with photogrammetry survey and 1,103 line kilometers of 100-metre line spaced Heli-borne VTEM and Magnetics survey. Diamond drilling was initiated in early August with a second drill joining the program in mid-August. The drilling contractor completed 6,838 metres in 22 holes. Post drilling, a geophysical contractor was employed to complete a downhole EM survey using a Volterra Borehole EM system. Results from that survey are in process.

The Company is very pleased with the quality of work undertaken by the field crews under the direction of Sun Metals' VP Exploration Ian Neill. All planned activities were completed in full, with the exception of diamond drilling where the total meterage was short of the planned 15,000. The major targets were all tested during the program and importantly, the program accomplished the main goal of identifying the path forward. Although all results will need to be received and analyzed, further exploration of the Canyon Creek Skarn in the area of hole DDH18-SD-421 will dominate the next stage of exploration at Stardust.

### **Quality Assurance / Quality Control**

Drilling completed on the project in 2018 was supervised by on-site Sun Metals personnel who collected and tracked samples, and implemented a full QA/QC program using blanks, standards and duplicates to monitor analytical accuracy and precision. The samples were sealed on site and shipped to Bureau Veritas ("BV") in Vancouver BC for analysis. BV's quality system complies with global certifications for Quality ISO9001:2008. Core samples were analyzed using a combination of BV's AQ270 process for low level concentrations (ICP-ES/MS aqua regia) and the MA270 process for higher level concentrations (ICP-ES/MS 4 acid digestion). Gold assaying was completed with FA330, a 30 gram fire assay with AA finish. Base metal overlimits were finalized with titration and a silica wash was used between high grade samples to ensure no sample smearing.

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 Susie Bell, Investor Relations for Sun Metals at [sbell@sunmetals.ca](mailto:sbell@sunmetals.ca), 604-697-4953, or Steve Robertson, President and CEO of Sun Metals, at [srobertson@sunmetals.ca](mailto:srobertson@sunmetals.ca), (604) 697-4952.

On Behalf of the Board of Directors of

### **SUN METALS CORP.**

Steve Robertson  
Chief Executive Officer

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## **About Sun Metals**

Sun Metals is advancing its flagship, high-grade Stardust project located in northcentral British Columbia, Canada. Stardust is a high grade 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<sup>(1)</sup>:**

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

<sup>(1)</sup>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](http://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.*