

NEWS RELEASE 19-10

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SUN METALS REPORTS 86.40 METRES GRADING 1.65% COPPER, 1.56 G/T GOLD AND 28.8 G/T SILVER OR 3.00% COPPER EQUIVALENT AT FIRST STEP-OUT TO THE NORTH IN 421 ZONE AT STARDUST PROJECT

Vancouver, B.C. – Sun Metals Corp. (“Sun Metals” or the “Company”) (TSXV: SUNM) reports additional results from drilling in the 421 zone at its 100% owned Stardust project in northcentral British Columbia. Drill hole DDH19-SD-437 is the first drill hole to be drilled north of DDH18-SD-421 in the 421 zone and has returned an 86.40 metre intersection grading 3.00% copper equivalent (CuEq)² and ended in mineralization. The Company believes this result confirms continuity of the mineralization, within a more intense skarn alteration envelope to the north in the 421 zone.

Drill hole DDH19-SD-437 was drilled on section 2150N and returned 86.40 metres⁽¹⁾ of 1.65 percent (%) copper, 1.56 grams per tonne (g/t) gold, 28.8 g/t silver and 0.28% zinc. In metal equivalent terms, this polymetallic interval is 3.00% CuEq² or 4.75 g/t gold equivalent (AuEq)² (See [figure 1](#) and [figure 2](#) and Table 1). A higher-grade interval within the reported intercept includes 21.30 metres of 5.39% CuEq or 8.52 g/t AuEq (Table 1). The drill hole was lost due to stuck rods in an area with multiple voids, within the mineralization.

Table 1: Significant Intervals

Drill Hole Name	From (m)	To (m)	Length (m) ⁽¹⁾	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)	Copper Equivalent (%) ²	Gold Equivalent (g/t) ²
DDH19-SD-437	537.60	624.00	86.40	1.65	1.56	28.8	0.28	3.00	4.75
<i>including</i>	585.70	607.00	21.30	3.13	2.14	51.4	1.08	5.39	8.52

(1) True widths of the reported mineralized intervals have not been determined

(2) Assumptions used in USD for the copper equivalent calculation were metal prices of \$3.00/lb Copper, \$1,300/oz Gold, \$18/oz Silver, \$1.25/lb Zinc and recovery is assumed to be 100% as no metallurgical test data is available. The following equation was used to calculate copper equivalence: $CuEq = \text{Copper (\%)} + (\text{Gold (g/t)} \times 0.6319) + (\text{Silver (g/t)} \times 0.0087) + (\text{Zinc (\%)} \times 0.4167)$. The following equation was used to calculate gold equivalence: $AuEq = (\text{Copper (\%)} \times 1.5824) + \text{Gold (g/t)} + (\text{Silver (g/t)} \times 0.01385) + (\text{Zinc (\%)} \times 0.6593)$.

The drill holes reported here, combined with information from the four previously reported drill holes in the 421 zone, have provided Sun Metals with additional information regarding the orientation of the host rocks and controlling structures. Sun Metals geologists have interpreted mineralization in the 421 zone to be hosted in a parasitic fold hinge of a broad anticline within recumbently folded limestone, just below the contact with overlying clastic sedimentary rocks; all part of the Permian aged Cache Creek Group. The trend of the fold hinge is interpreted to be plunging down at 20 to 30 degrees to the north-northwest. The package is cut by several east – west faults which appear to result in minor offsets to the local geologic units, down to the north.

On section 2125N, drill hole DDH19-SD-431 and DDH19-SD-435 were drilled 50 metres and 25 metres updip of the mineralized intercept in drill hole DDH18-SD-421 and cored only minor mineralization, establishing the upper boundary to mineralization on this section. On this same section, drill holes DDH19-SD-428 and 430 (previously reported in press release at <https://sunmetals.ca/news/2019/>) returned thick intervals of mineralization in the downdip direction from DDH18-SD-421. DDH19-SD-433 was drilled to test the further downdip extension of mineralization from these holes but was terminated well before reaching target depth when it deviated from the planned course. Drill hole DDH19-SD-434 was drilled as a follow-up of 433 hitting the target area from a different approach angle and cored minor mineralization

within a 206m envelope of skarn alteration, confirming the lower boundary to the 421 zone on this section.

On section 2075N, 50 metres to the south, DDH19-SD-432 was drilled 70 metres down dip from drill hole DDH19-SD-429 and intercepted 140 metres of weakly mineralized skarn alteration with an 11.80 metre interval grading 1.04% CuEq, defining the lower edge of mineralization on that section.

Steve Robertson, President & CEO of Sun Metals stated, “The careful execution of our drill plan is revealing the continuity and overall trend of 421 zone mineralization. The observation of stronger skarn alteration to the north confirms our belief that the mineralizing fluids that created this system came from that direction and that the overall focus will remain there.”

Diamond drilling at Stardust was initiated in late May with two drills. To date, the drills have completed 5,967 metres over 13 drill holes and drill holes DDH19-SD-441 and DDH19-SD-442 are in progress. The primary focus of the diamond drill program is to explore around the mineralization identified in drill hole DDH18-SD-421 (see press release at <https://sunmetals.ca/news/2018/>) which returned a 100.00 metre interval of 2.51% copper, 3.03 g/t gold, and 52.5 g/t silver for a 5.05% CuEq or a 8.00 g/t AuEq^(1,2). Visual logging of drill core to date indicates that skarn alteration is increasing to the north in both physical footprint and intensity.

Directional diamond drilling has been used in all the 2019 drilling at Stardust which has increased the accuracy of drilling step-outs. The directional drilling incorporates the use of pilot holes which has resulted in a 30% reduction in metres drilled to this point in the program. Drill core is also retrieved using an oriented core system which aids in gathering of structural information critical to the geologic teams’ interpretation of the 421 zone genesis. Both drills will continue to explore around the 421 zone along strike, up dip and down dip for the remainder of the exploration program.

Graphics & Table

A plan map of the 2019 drill program (Figure 1), a cross section of section 2150N (Figure 2) and a full table of results to date from the 2019 drill program (Drill Results Table) are available on the Company website:

Figure 1: https://sunmetals.ca/site/assets/files/3739/august_26_figure_1.jpg

Figure 2: https://sunmetals.ca/site/assets/files/3739/august_26_figure_2.jpg

Drill Results Table: https://sunmetals.ca/site/assets/files/3739/master_drill_results_table.pdf

Quality Assurance / Quality Control

Drill core samples have been shipped to the Bureau Veritas (“BV”) laboratory in Vancouver, BC. Drilling completed on the project in 2019 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 BV in Vancouver BC for analysis. BV’s quality control 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 (ICPES/MS 4 acid digestion). Gold assaying was completed with FA330, a 30-gram fire assay with ICP-ES finish. Base metal overlimits were finalized with titration and a silica wash was used between high grade samples to ensure no sample carry over.

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, 604-697-4953, or Steve Robertson, President and CEO of Sun Metals, at srobertson@sunmetals.ca, (604) 697-4952.

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, 43-101 resource estimate published by the Company in January 2018. GeoSim Services Inc. provided the following estimate.

Stardust Project - Canyon Creek zone Mineral Resource Estimate⁽³⁾:

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.

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.

For further information please visit Sun Metals' website at www.Sunmetals.ca.

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; the 2019 drill program; 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; 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. 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; and title to properties as well as those factors discussed in the Annual Information Form of the Company dated May 28, 2019 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.