



June 18, 2020

**Dear Shareholders,**

Sun Peak Metals Corp. ("Sun Peak") is pleased to announce final assay results for Sun Peak's recent diamond drill program on the Shire and Meli Projects in Ethiopia, which was completed in March 2020. The drill program consisted of 19 diamond drill holes totalling 2,167 meters on the Terer and Meli exploration licenses which are owned by Axum Metals, the Joint-Venture Company between Sun Peak and Ezana Mining Development Plc. Drilling was halted due to restrictions on field work because of the global COVID-19 pandemic.

David Daoud, VP of Exploration stated, "The initial drill program in Ethiopia exceeded expectations, particularly from the Meli Target which intercepted significant gold and copper mineralization in every drill hole. The results demonstrate the potential of the Meli Target to host significant volcanogenic massive sulphide ("VMS") gold and copper deposits. We are looking forward to the next drill program planned for the fall 2020 that will follow-up on drilling in Meli, but also focus on some of our other primary targets on Nefasit, Terer and Meli licenses."

"Despite being cut short by COVID-19, the first round of drilling had some unexpected successes. It demonstrates the quality of the ground Sun Peak is exploring and the proven method the team has developed over decades," stated Greg Davis, President and CEO.

**Drill Result Highlights:**

At the Meli Target, drill holes ML-001, ML-002, and ML-003 intercepted thicker VMS mineralized intervals and show the Meli Zone to be open down dip and along strike.

- ML-001 – 15.30 meters averaging 3.18 g/t gold, 25.0 g/t silver, 2.2% copper, and 1.4% zinc
- ML-002 – 37.23 meters averaging 2.45 g/t gold, 29.4 g/t silver, 2.4% copper, and 1.3% zinc
- ML-003 – 35.43 meters averaging 2.52 g/t gold, 22.3 g/t silver, 1.8% copper, and 1.5% zinc

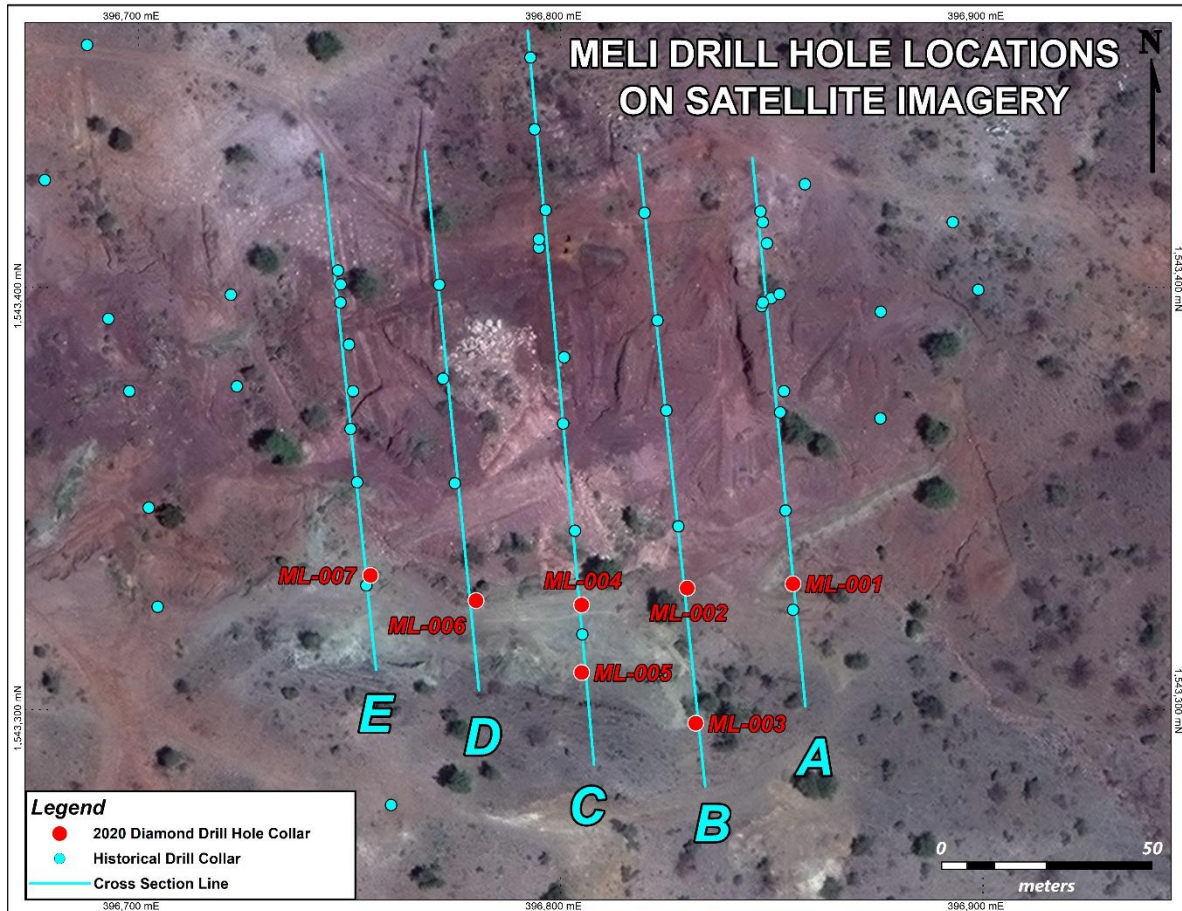
On the Terer License, drilling confirmed VMS mineralization from previous drilling at the Mai Argab ("Argo") and Adi Ekele ("Keel") Targets.

- KL-006 - 17.85 meters averaging 3.95 g/t gold, 45.5 g/t silver, 1.4% copper, and 1.6% zinc
- AR-001 - 6.57 meters averaging 1.34 g/t gold, 54.3 g/t silver, 6.3% copper and 1.7% zinc
- AR-005 - 13.16 meters averaging 1.35 g/t gold, 16.9 g/t silver, 1.1% copper, and 1.7% zinc

## Meli Target

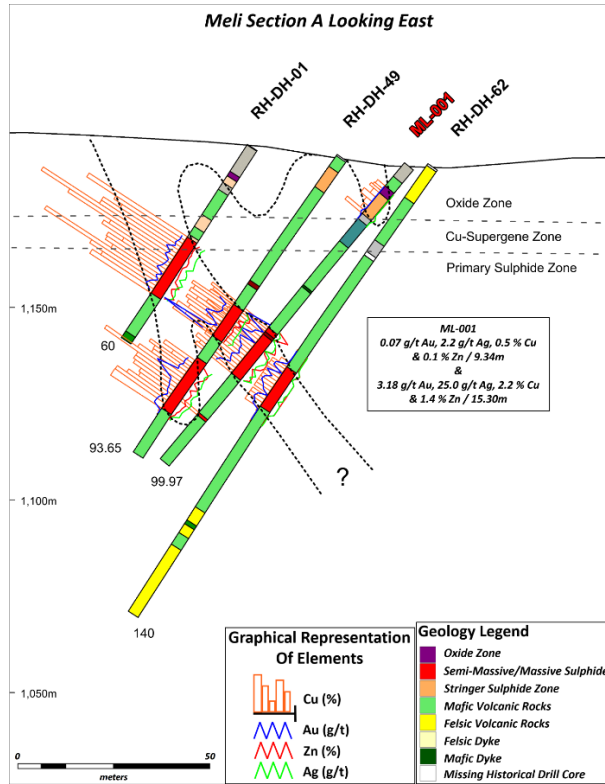
There were 7 diamond drill holes for 746.4 meters drilled at Meli Main (Eastern) VMS gossan.

### Meli Eastern gossan drill hole collar locations and cross sections

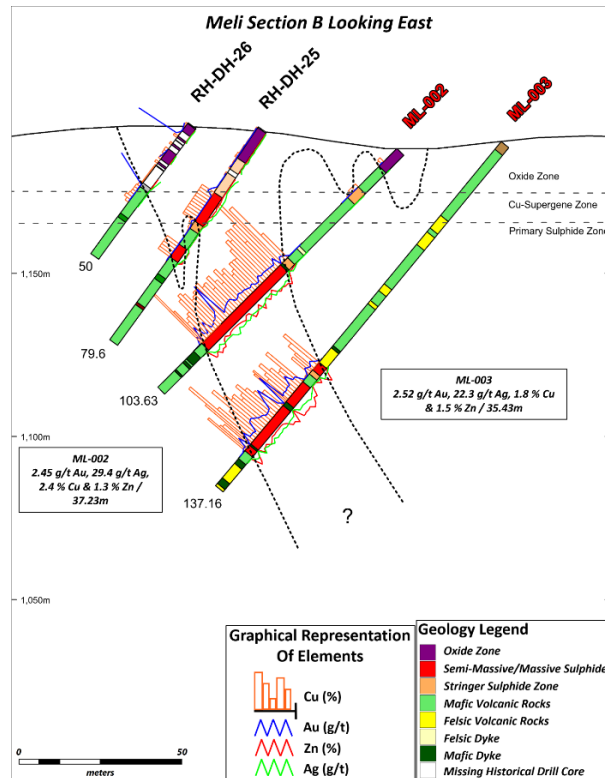


The Meli primary sulfide zones are copper and gold rich VMS style mineralization. The higher gold grades could imply the mineralization is near a VMS vent (or vents) and potential of massive sulfide mineralized layers near to these vents. The mineralized intervals intersected by drill holes ML-001, 002 and 003 are thickening to the east. The VMS mineralization is open along strike and to depth.

### Meli Eastern gossan drill hole Cross Section A



### Meli Eastern gossan drill hole Cross Section B



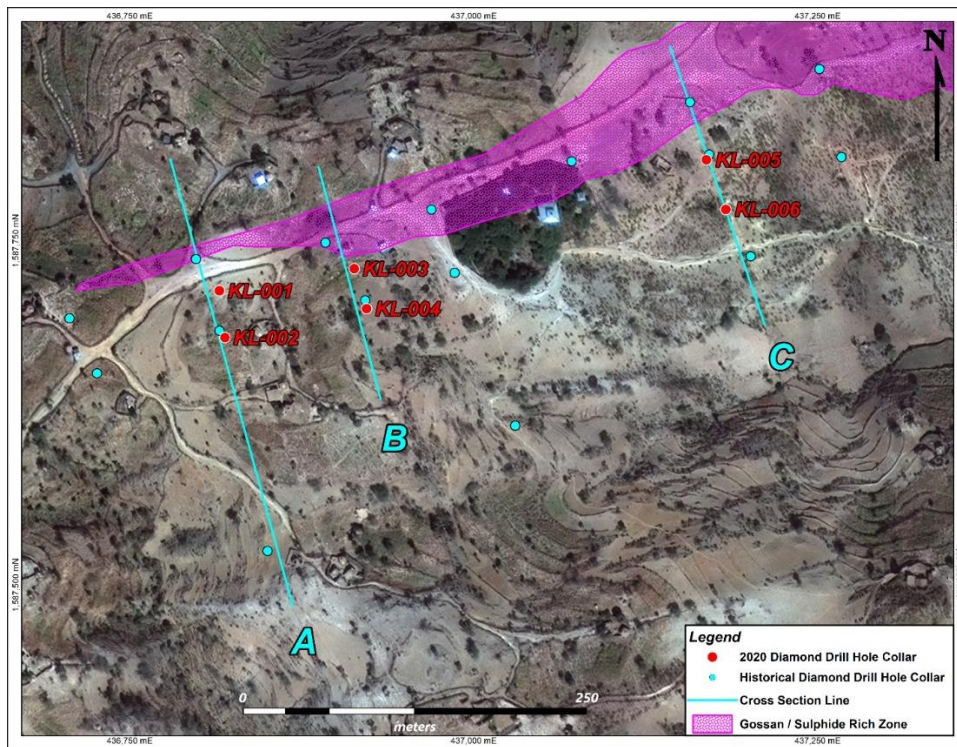
## Meli Drill Results

Hole	From (m)	To (m)	Interval (m)	Est. True Thickness (m)	Au (gpt)	Ag (gpt)	Cu (%)	Zn (%)
ML-001	7.86	17.2	9.34	9.11	0.07	2.2	0.5	0.1
ML-001	55.6	70.9	15.3	14.92	3.18	25.0	2.2	1.4
ML-002	47.37	84.6	37.23	35.96	2.45	29.4	2.4	1.3
ML-003	87.74	123.17	35.43	31.13	2.52	22.3	1.8	1.5
ML-004	72.46	83.2	10.74	10.19	3.34	27.3	1.8	1.0
ML-005	90.26	101.25	10.99	10.15	3.01	26.8	1.8	0.8
ML-006	70.95	74.79	3.84	3.79	2.57	30.3	1.9	0.7
ML-007	18.05	23.3	5.25	5.19	<0.01	3.3	2.3	<0.1
ML-007	34.05	35.17	1.12	1.11	3.07	45.2	5.7	<0.1
ML-007	39.32	40.82	1.5	1.48	1.19	12.9	0.1	<0.1
ML-007	52.55	53.53	0.98	0.97	4.34	38.9	5.4	<0.1
ML-007	61.03	63.32	2.29	2.26	2.97	24.2	1.5	0.65

## Keel Target

There were 6 diamond drill holes for 850.45 meters drilled at Keel.

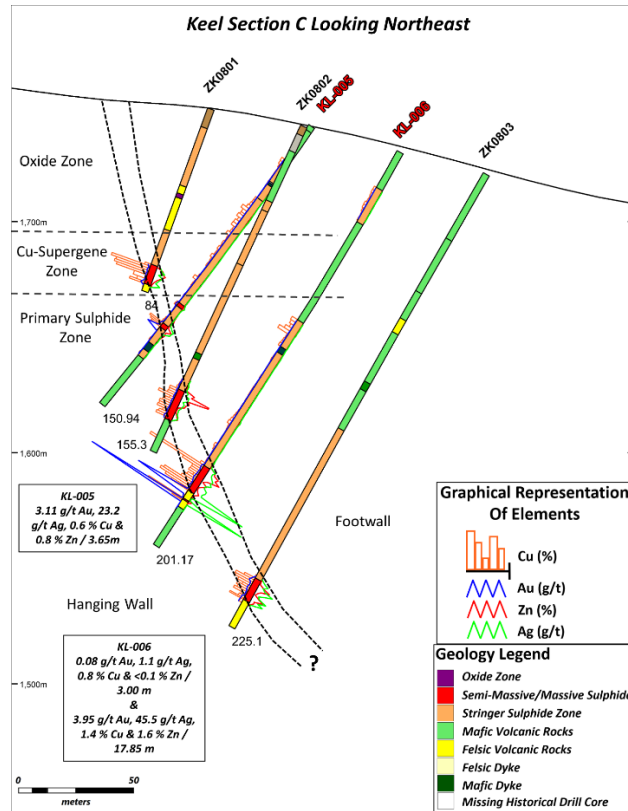
### Keel drill hole collar locations and cross section lines





The diamond drilling program at Keel VMS prospect confirm the presence of massive sulfide mineralization for over 400m along strike. The drill assay results appear to show a precious metal enrichment towards the east where the geology and geophysics indicate that this VMS system is still open for over 700m. The VTEM geophysical data of and ground detailed gravity combined with the geological mapping show another sub-parallel VSM anomaly located just 200m to the north of the Main VMS zone.

### Keel drill hole Cross Section C line



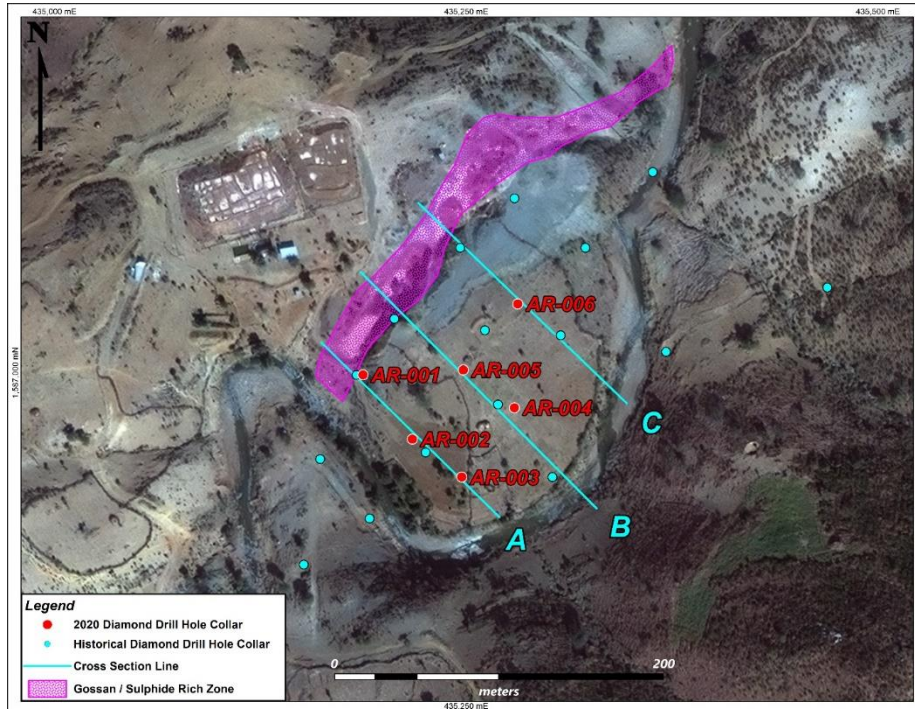
### Keel Drill Results

Hole	From (m)	To (m)	Interval (m)	Est. True Thickness (m)	Au (gpt)	Ag (gpt)	Cu (%)	Zn (%)
KL-001	52.78	58.7	5.92	4.1	5.01	176.2	<0.1	<0.1
KL-001	59.44	79.6	20.16	13.8	0.78	18.4	0.6	2.3
KL-002	100.25	133.91	33.66	23.1	0.92	22.6	0.9	2.7
KL-003	63.15	78.35	15.2	10.4	0.84	20.2	1.1	1.3
KL-004	113.13	122.05	8.92	5.7	0.58	16	0.4	<0.1
KL-004	132.7	134.63	1.93	1.2	0.88	10.9	0.2	0.4
KL-005	106.71	110.36	3.65	2.9	3.11	23.2	0.6	0.8
KL-006	89.68	92.68	3	2.2	0.08	1.1	0.8	<0.1
KL-006	160.45	178.3	17.85	12.9	3.95	45.5	1.4	1.6

## Argo target

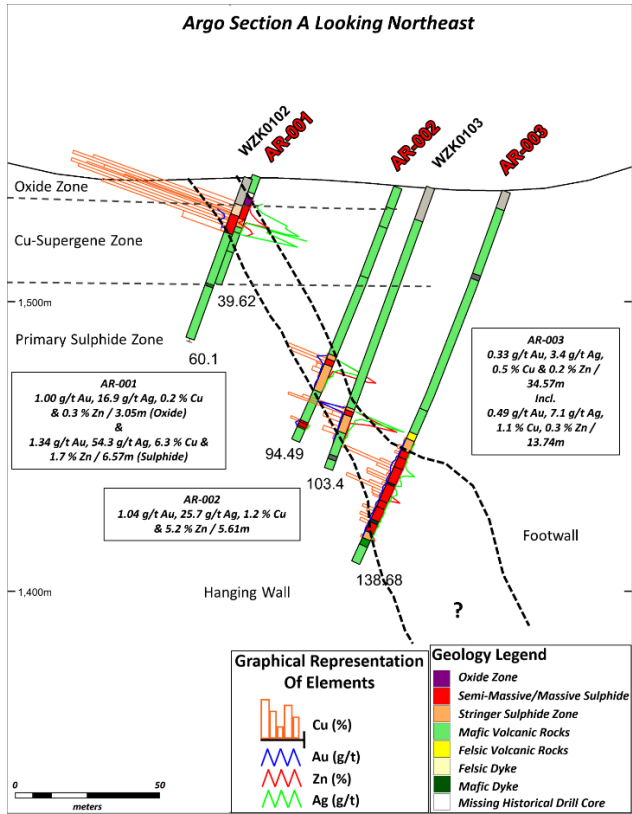
There were 6 diamond drill holes for 570 meters drilled at Argo.

## Argo drill hole collar locations and cross section lines



The diamond drilling at Argo VMS prospect is located about 1 km southwest of Keel VMS gossan. Section A tested the copper enriched supergene zone in hole AR-001, while AR-002 and AR-003 were deeper and encountered the primary sulfide mineralization. The geology appears to represent the hanging wall rocks for the Keel VMS body and could be a second VMS mineralized horizon.

## Argo drill hole Cross Section A line



Highlights of results reported from the drilling are included in tables below.

### Argo Drill Results

Hole	From (m)	To (m)	Interval (m)	Est. True Thickness (m)	Au (gpt)	Ag (gpt)	Cu (%)	Zn (%)
AR-001 oxide	7.62	10.67	3.05	2.3	1.00	16.9	0.2	0.3
AR-001	10.67	17.24	6.57	5	1.34	54.3	6.3	1.7
AR-002	64.05	69.66	5.61	4.2	1.04	25.7	1.2	5.2
AR-003	95.15	129.72	34.57	25.2	0.33	3.4	0.5	0.2
including	101.06	114.8	13.74	10	0.49	7.1	1.1	0.3
AR-004	86.24	111.85	25.61	23.4	0.82	14.2	1.2	2.4
including	86.24	100.44	14.2	13	1.07	23.9	1.7	4.2
AR-005	49.08	62.24	13.16	12.1	1.35	16.9	1.1	1.7
including	49.08	59.9	10.82	10	1.55	19.8	1.3	2
AR-006	44.76	64.58	19.82	18	0.63	15.9	0.4	2.5
including	44.76	51.58	6.82	6.2	0.68	25.3	0.6	4.6

## **QUALIFIED PERSON'S STATEMENT**

David K. Daoud, P. Geo, Vice President Exploration is the Qualified Person overseeing Sun Peak's exploration projects in Ethiopia and has reviewed and approved this press release.

All drill holes reported are diamond drill core holes.

A Quality Assurance/Quality Control program was part of the sampling program on the Keel, Argo and Meli prospects. This program includes the systematic submittals of standards, duplicates and blank samples into the flow of samples produced by the sampling.

Samples were prepared at ALS Laboratory in Addis Ababa, Ethiopia and analyzed at ALS Laboratory in Dublin, Ireland. Gold is assayed using a 50-gram of -75 micron-size pulp is fire assayed and finished by ICP-AES analysis to detect content between 0.01 and 10.0 ppm. Gold returning over limit values are re-assayed with higher detection limits using a gravimetric finish. As well, a 0.5 gram cut from the pulp of each rock sample is dissolved by aqua regia acid digestion and analyzed by mass spectrometry for a suite of 51 additional elements. Analytical values for silver, copper, zinc and lead over detection limits are re-assayed with higher detection limits, using aqua regia digestion. Drilling intercept lengths and estimated true thicknesses are reported in the tabulations.

## **ABOUT SUN PEAK METALS CORP.**

Sun Peak is an exploration company, focused in Ethiopia, targeting large, low-cost, high-quality, gold and base metal deposits. The Flagship Shire Project is located in the Arabian Nubian Shield, which is the same geological environment as the Bisha Mine and the Asmara Project in Eritrea. The Nefasit and Adi Dairo Licenses are 100% owned by Sun Peak while the Meli and Terer Licenses are part of a joint-venture agreement with Ezana Mining, a private Ethiopian Company. Numerous high priority gold and base metal targets have been defined on all four licenses. Sun Peak is currently pursuing a public listing on the TSX:V and the Preliminary Long Form Prospectus and supporting documents are available for viewing on SEDAR.com.

Sincerely,

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