



March 31, 2020

Dear Shareholders,

Sun Peak Metals Corp. ("Sun Peak") has been preparing for a public listing of Sun Peak shares on the TSX Venture Exchange ("TSXV"). Sun Peak had previously been targeting to complete the process by the end of March or early April 2020, but due to recent events outlined below, the Company is now targeting by the end of the second quarter.

The delay is a result of a combination of circumstances listed below:

- The British Columbia Securities Commission has provided comments on the draft prospectus which will take longer to address, largely in part to delays caused by the COVID-19 isolation of everyone involved.
- Given that it is clear we will not be public before the end of Q1 2020, it will now be necessary to include the full audited financial statements for 2019 in the prospectus. The audit will be complete by the end of April 2020.
- The special warrants from the recent financing will automatically be converted to common shares four months and 1 day from the date of issue, which will require further changes to the Prospectus.
- Sun Peak has now completed the first drill program and results are now being received for the first holes and full results are expected within 6 weeks. The prospectus and Technical reports will be updated to include the results from this program.

COVID-19 Measures

The Company has taken measures due to the spread of COVID-19 and imposed a travel ban on any employees, consultants, and contractors outside of Ethiopia. All Sun Peak personnel based in our Vancouver and Addis Ababa offices are mandated to work from home until further notice. We have scaled back our operations in Shire to local employees working in office and warehouse facilities. Distancing practices and extensive hygiene measures are in place and the situation is being monitored closely.

Drilling Update

The first drill program on the Shire Project by Sun Peak is now complete. This confirmation drill program consisted of 19 diamond drill holes totalling 2,162 meters on the Terer and Meli exploration licenses

which are owned by Axum Metals, the Joint-Venture Company with Sun Peak and Ezana Mining Development Plc.

On the Terer exploration license, 12 drill holes for **1420 meters** were drilled to test the massive sulfide style mineralization at the Argo and Keel VMS prospects. At Meli 7 diamond drill holes for **742 meters** were drilled at Meli Main (Eastern) VMS gossan.

The Company will keep the shareholders apprised on the timing of the TSXV listing and we will issue an update on drill results when the assays are available.

/s/ Greg Davis

Greg Davis
President and Chief Executive Officer
SUN PEAK METALS CORP.