

Sun Summit Signs Definitive Option Agreement to Acquire the JD Project in the Toodoggone Gold-Copper District, North-Central B.C.

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Vancouver, January 9, 2024 - [Sun Summit Minerals Corp.](#) (TSXV: SMN) (OTCQB: SMREF) (the "Company" or "Sun Summit") is pleased to announce, further to the Company's news release dated November 9, 2023, that it has entered into a definitive option agreement (the "Option Agreement") with Victor F. Erickson, V.F. Erickson Consultants Limited and T. Cameron Scott (collectively, the "Optionors"), arm's length parties to the Company, to acquire a 100% interest in the JD Project in the Toodoggone gold-copper district in north-central British Columbia.

Highlights:

- Significant mineralization in the prolific Toodoggone mining district: The 15,000 hectare JD Project contains numerous under-explored epithermal-related gold-silver targets as well as porphyry-related copper-gold targets.
- High-grade gold and silver mineralization in historic drill holes: Results from historical drill programs highlight the high-grade gold and silver potential of near-surface epithermal systems. Select historical drilling results include the following:
 - 35.7 m* of 7.26 g/t Au including 1 m of 215.4 g/t Au (JD95-047¹, Finn Zone),
 - 77 m of 2.4 g/t Au including 12.6 m of 10.8 g/t Au (JD12-003², Finn Zone),
 - 22.0 m of 12.5 g/t Au including 0.8 m of 171.5 g/t Au (JD95-064¹, Finn Zone),
 - 22.0 m of 11.7 g/t Au including 4.0 m of 61.2 g/t Au (CZ97-008³, Creek Zone).
- Strong discovery potential at multiple targets: Historical rock sampling across the Finn to Creek corridor yielded encouraging high-grade gold-silver results, including:
 - 35.4 g/t Au and 44.8 g/t Ag at the Wolf target (sample 1710255⁴),
 - 18.9 g/t Au and 300 g/t Ag at the Schmitt target (sample 1710256⁴),
 - 14.8 g/t Au and 910 g/t Ag at the Ag Carbonate target (sample 1710529⁴).
- Porphyry-related copper-gold discovery potential: Numerous porphyry-related targets have been identified and represent significant potential for copper-gold mineralization, including one historic drill hole that bottomed in 0.46% Cu over 1.4 m (JD-13-025⁴).
- Diversified and expanded project portfolio: The JD Project provides the Company with an exciting opportunity to explore two projects in a mining-friendly jurisdiction while providing shareholders exposure to new discoveries and ongoing value creation.

* Note intervals are downhole core lengths. True widths are unknown.

Sharyn Alexander, Sun Summit's President, stated: "This acquisition provides the Company with an excellent opportunity to expand and diversify its position in district-scale gold and copper exploration in British Columbia. The JD Project shows notable epithermal gold and silver mineralization, as well as potential for porphyry-related copper and gold systems, in an area that has been underexplored. We look forward to beginning work on JD, which will include a robust data compilation and review to define and rank high-priority exploration targets. In addition, we look forward to advancing our flagship Buck Project, which we intend to advance to an initial Mineral Resource Estimate early next year."

JD Project Overview

The JD Project comprises over 15,000 hectares of contiguous mineral claims in the prolific Toodoggone gold-copper mineral district in north-central British Columbia. The project is adjacent to Thesis Gold's

Lawyers and Ranch projects, north of TDG Gold's Baker project, and near the historic Kemess copper-gold mining camp controlled by Centerra Gold.

The JD project is host to epithermal-related gold-silver systems and porphyry-related copper-gold systems (Figure 1). Historic exploration across the project has included drilling, soil geochemistry and project-wide geophysics. Numerous high-priority targets are under-explored.

Figure 1: JD Project Overview

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/6142/193648_6d8b50a6b4a6592b_001full.jpg

Most of the historic drilling was focused on the Finn target where a broad zone of near-surface, epithermal related gold-silver mineralization, hosted primarily in the hanging wall along a gently north-dipping fault, was defined. Highlights from historic drilling at the Finn target include:

- 35.7 m of 7.26 g/t Au including 1 m of 215.4 g/t Au (JD95-047¹),
- 77.0 m of 2.4 g/t Au including 12.6 m of 10.8 g/t Au (JD12-003²),
- 22.0 m of 12.5 g/t Au including 0.8m of 171.5 g/t Au (JD95-064¹),
- 91 m of 1.0 g/t Au (JD12-009²) in the under-explored Finn zone foot wall.

Additional zones of epithermal-related gold and silver mineralization are dispersed along a 3.5 kilometre trend west of the Finn zone in the Finn to Creek mineralized corridor. These targets include Wolf, Schmitt, Ag Carbonate and Creek, where previous rock-chip sampling yielded encouraging high-grade results such as 35.4 g/t Au and 44.8 g/t Ag (sample 1710255⁴, Wolf target), 27.30 g/t Au and 43 g/t Ag (sample 1710555⁴, Wolf target), 14.8 g/t Au and 910 g/t Ag (sample 1710529⁴, Ag Carbonate target) and 18.9 g/t Au and 300 g/t Ag (sample 1710256⁴, Schmitt target).

Sparse drilling at the Creek target defined an open zone of high-grade gold-silver mineralization, highlighted by drill hole CZ97-008³ that intersected 87 m of 3.6 g/t Au including 22 m @ 11.7 g/t Au and including 4.0 m @ 61.2 g/t Au. These targets are open and have yet to be systematically drill tested.

Numerous porphyry-related copper-gold targets have also been defined and warrant follow-up exploration efforts. Many of the targets (e.g., McClair, Moosehorn, Ferricrete) are untested or poorly tested. Five drill holes spanning over a distance of 850 metres located east and topographically below the Finn zone intersected broad zones of strong porphyry-related alteration, including one hole that bottomed in 0.46% Cu over 1.4 m at 230 metres depth (JD-13-025⁴). These results suggest significant potential for porphyry-related systems below the epithermal targets and in the valley bottoms.

Option Agreement

Pursuant to the terms of the Option Agreement, in order to exercise the option, Sun Summit must make cash payments, issue post-Consolidation (as defined below) common shares of Sun Summit (each, a "Post-Consolidation Share") to the Optionors and incur expenditures on the JD Project over six years as follows:

- complete cash payments in the aggregate amount of \$1,175,000, consisting of \$175,000 in installments in the first year of the Option Agreement (\$25,000 of which has been paid to date), and \$200,000 by each of the first through fifth anniversaries of the Option Agreement;
- issue an aggregate of 8,000,000 Post-Consolidation Shares to the Optionors, consisting of 2,000,000 Post-Consolidation Shares issued following TSX Venture Exchange ("TSXV") approval of the Option Agreement and the Consolidation, and 1,000,000 Post-Consolidation Shares by each of the first through sixth anniversaries of the Option Agreement; and
- incur an aggregate of \$22,500,000 in exploration expenditures on the JD Project, starting at \$2,500,000 by the first anniversary of the Option Agreement, and increasing by \$500,000 each year, until which \$5,000,000 being required in the sixth year.

The Option Agreement is subject to a prior consolidation of Sun Summit's outstanding common shares on the basis of one post-consolidation common share for every three pre-consolidation common shares (the "Consolidation"). For more details about the Consolidation, please refer to the Company's news release dated November 9, 2023.

In the event of a change of control of Sun Summit, the Optionors may accelerate the issuance of remaining Post-Consolidation Shares issuable under the Option Agreement.

Upon exercise of the option, Sun Summit will grant net smelter returns ("NSR") royalties on the JD Project to the Optionors as follows:

- a 2.0% NSR royalty on the JD claims comprising the JD Project, which can be reduced by 50% to a 1.0% NSR royalty by Sun Summit making the payment to the Optionors of \$7,500,000 no later than the receipt of production financing for the JD Project or \$10,000,000 on or before commercial production being achieved on the JD Project;
- a 1.0% NSR royalty on the Belle claims comprising the JD Project; and
- a 1.0% NSR royalty on any interest acquired by Sun Summit in an area of interest north of the JD Project.

The Belle claims are also subject to a 2.0% NSR royalty in favour of a third party, which royalty obligation will be assumed by Sun Summit and can be reduced by 50% to a 1.0% NSR royalty by the payment of \$2,000,000 to the third party.

If the option is exercised, Sun Summit will make, until the commencement of any commercial production on the JD Project, advance royalty payments of \$250,000 to the Optionors on each anniversary of such exercise. Such payments will be credited against any royalty payments due to the Optionors after the commencement of commercial production. In the event that Sun Summit purchases one-half of the 2.0% NSR on the JD claims, 50% of the cumulative amount of the advance royalty payments will be credited towards the purchase of one-half of the 2.0% NSR. Within 30 days following the commencement of commercial production on the JD Project, Sun Summit will make an additional one-time payment of \$1,000,000 to the Optionors.

Sun Summit intends to pay a finder's fee to Dr. Christopher Leslie (the "Finder"), an arm's length party of the Company and the Optionors, of up to \$28,750 cash and 200,000 Post-Consolidation Shares over two years, equal to 5% of the cash and share amounts payable by the second anniversary under the Option Agreement, in consideration of his efforts in the Company being granted the option to acquire the JD Project.

The Post-Consolidation Shares to be issued under the Option Agreement and to the Finder will be subject to a hold period ending four months and one day after the date of issuance in accordance with applicable securities laws.

The Option Agreement, the finder's fee and the Consolidation are subject to approval by the TSXV.

National Instrument 43-101 Disclosure

This news release has been reviewed and approved by Sun Summit's Vice President Exploration, Ken MacDonald, P. Geo., a "Qualified Person" as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. He has not been able to verify the historical exploration data disclosed, including sampling, analytical and test data, underlying the technical information in this news release since such data is historical and the original drill core is not readily available. Technical information contained in this release is historical in nature and has been compiled from public sources believed to be accurate. The technical information has not been verified by Sun Summit and may in some instances be unverifiable dependent on the existence of historical drill core and grab samples.

Community Engagement

Sun Summit is engaging with First Nations on whose territory our projects are located and is discussing their interests and identifying contract and work opportunities, as well as opportunities to support community initiatives. The Company looks forward to continuing to work with local and regional First Nations with ongoing exploration.

About the Buck Project

The Buck Project is situated in a historic mining district near Houston, B.C., with excellent nearby infrastructure that allows for year-round, road-accessible exploration. The project is 60 kilometres southeast of Smithers and is located west of the past producing Equity Silver Mine (Newmont) and north of the Huckleberry copper mine (Imperial Metals).

The project is host to the Buck Main intermediate-sulfidation, epithermal-related, gold-silver-zinc system characterized by continuous zones of disseminated and breccia-hosted, bulk tonnage-style mineralization. Vein-hosted, high-grade mineralization has also been intersected near the center of Buck Main.

Exploration at the Buck Project is focused on investigating the lateral and vertical extent of gold-silver-zinc mineralization at the Buck Main system, and also defining additional drill targets across the entire land package through systematic exploration programs.

About the JD Project

The JD Project is located in the Toadoggonne mining district in north-central British Columbia, a highly prospective deposit-rich mineral trend. The project covers an area of over 15,000 hectares and is in close proximity to active exploration and development projects, such as Thesis Gold's Lawyers and Ranch projects, TDG Gold's Baker-Shasta projects, Centerra's Gold's Kemess East and Underground projects, as well as the past-producing Kemess open pit copper-gold mine.

The project is 450 kilometres northwest of the city of Prince George, and 25 kilometres north of the Sturdee airstrip. It is proximal to existing infrastructure in place to support the past-producing Kemess mine, including roads and a hydroelectric power line.

The JD Project is in a favourable geological environment characterized by both high-grade epithermal gold and silver mineralization, as well as porphyry-related copper and gold mineralization. Some historic exploration, including drilling, geochemistry and geophysics, has been carried out on the property, however the project area is largely underexplored.

About Sun Summit

Sun Summit Minerals (TSXV: SMN) (OTCQB: SMREF) is a mineral exploration company focused on expansion and discovery of district scale gold and copper assets in British Columbia. The Company's diverse portfolio includes the Buck Project in central B.C., and the JD Project in the Toadoggonne region of north-central B.C.

Sun Summit is committed to environmental and social responsibility, with a focus on accountable development and building respectful and beneficial relationships with Indigenous and local communities.

Further details are available at www.sunsummitminerals.com.

References

1. JD95-047 and -064 data: Krause, R.G. (1996), 1995 Geological Report on the JD Gold Silver Property, Toodoggone River Area, Omineca Mining Division, British Columbia, Assessment Report Indexing System, Report 24284, <https://apps.nrs.gov.bc.ca/pub/aris>.
2. CZ97-008 data: Hawkins, P.A. (1998), Exploration report on the Creek Zone, Toodoggone River Area, BC., for Antares Mining and Exploration Corporation and AGC Americas Gold Corp, (private report); reported in Assessment Report Indexing System, Report 25757, <https://apps.nrs.gov.bc.ca/pub/aris>.
3. JD12-003, JD12-009 data: McBride, S. (2013), 2012 Geological, geochemical and diamond drilling report on the JD Property, Assessment Report Indexing System, Report 33556, <https://apps.nrs.gov.bc.ca/pub/aris>.
4. JD13-025 and rock sampling data: McBride, S. and Leslie, C. (2014), 2013 Geological, geophysical and diamond drilling report on the JD Property, Assessment Report Indexing System, Report 34762, <https://apps.nrs.gov.bc.ca/pub/aris>.

Link to Figure

Figure 1: <https://sunsummitminerals.com/wp-content/uploads/2024/01/Fig-1-JD-Agreement-Jan-9.jpg>

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Forward-Looking Information

Statements contained in this news release that are not historical facts may be forward-looking statements, which involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In addition, the forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the forward-looking statements will not prove to be accurate, that the management's assumptions may not be correct and that actual results may differ materially from such forward-looking statements. Accordingly, readers should not place undue reliance on the forward-looking statements. Generally forward-looking statements can be identified by the use of terminology such as "anticipate", "will", "expect", "may", "continue", "could", "estimate", "forecast", "plan", "potential" and similar expressions. Forward-Looking statements contained in this press release may include, but are not limited to, potential mineralization on the JD Project and the Buck Project, obtaining regulatory approval for the Option Agreement, Consolidation and finder's fee, completing the Consolidation, acquiring the JD Project under the Option Agreement, exploration plans on the JD Project and engagement with First Nations communities. These forward-looking statements are based on a number of assumptions which may prove to be incorrect which, without limiting the generality of the following, include: risks inherent in exploration activities; the impact of exploration competition; unexpected geological or hydrological conditions; changes in government regulations and policies, including trade laws and policies; failure to obtain necessary permits and approvals from government authorities; volatility and sensitivity to market prices; volatility and sensitivity to capital market fluctuations; the ability to raise funds through private or public equity financings; environmental and safety risks including increased regulatory burdens; weather and other natural phenomena; and other exploration, development, operating, financial market and regulatory risks. The forward-looking statements

contained in this press release are made as of the date hereof or the dates specifically referenced in this press release, where applicable. Except as required by applicable securities laws and regulation, Sun Summit disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. All forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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