

Sun Peak Metals Corp. And Saudi Discovery Company Announce Strategic Business Combination

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Creating A Leading Arabian Nubian Shield Exploration And Development Company

[Sun Peak Metals Corp.](#) ("Sun Peak") (TSXV:PEAK) (OTCQB:SUNPF) and Saudi Discovery Company SPV Limited ("Saudi Discovery Company" or "SDC") today announced that they have entered into a non-binding Letter of Intent dated September 17, 2025, to combine their respective businesses (the "Transaction"). The Transaction will create a leading exploration and development company focused on the highly prospective Arabian-Nubian Shield.

SDC is a privately held mineral exploration company with a portfolio of six existing exploration licenses covering 340 km² over four projects and other pending licenses covering an additional ~700 km² in the Kingdom of Saudi Arabia. The licenses are located within highly prospective Volcanogenic Massive Sulfide ("VMS") trends of the Arabian-Nubian Shield and future exploration will focus on both gold-copper VMS and orogenic gold targets.

Sun Peak is a Canadian exploration company listed on the TSX Venture Exchange (the "TSXV") focused on gold and copper within Ethiopia's Arabian-Nubian Shield, anchored by its 1,450 km² Shire Project consisting of six exploration licenses. The Sun Peak Team has over two decades of experience of exploration and development in the region.

This strategic combination of SDC and Sun Peak will leverage technical and capital markets expertise, Arabian-Nubian Shield experience, and complementary asset bases of both companies to unlock significant value across one of the world's most underexplored and promising mineral belts. Sun Peak will immediately be able to begin aggressive exploration work on the projects in Saudi Arabia.

Greg Davis, President & CEO of Sun Peak, commented: "We are very pleased to announce this strategic agreement with Saudi Discovery Company, which positions Sun Peak to move quickly into on-the-ground exploration and development. The project area hosts highly prospective gold and VMS targets in one of the most geologically promising and underexplored regions globally. With our proven expertise within the Arabian-Nubian Shield, we are well equipped to execute efficiently and create long-term value. This marks a significant step in our strategy to scale the business, strengthen our asset base, and deliver sustained growth for our shareholders."

Jim Paterson, Director of Saudi Discovery Company, added: "This combination represents a transformative opportunity to deploy exceptional talent and resources across the Arabian-Nubian Shield. The combined company will benefit from a strong board, increased scale, greater access to capital, a track record of significant discovery successes, and second to none regional connections and experience. We are honoured to work together with the Sun Peak team to take this company forward to the benefit of all shareholders."

SDC - Key Highlights:

- First-mover advantage in Saudi Arabia
 - First foreign owned junior explorer awarded 100% owned exploration licenses in Saudi Arabia.
 - Operating in a newly opened, underexplored region with exceptional geological potential in the Arabian-Nubian Shield.
 - Well-established network within Saudi Arabia's mining and finance industry.
- Strategic, high-impact exploration portfolio
 - 340 km² of high-potential ground secured in 6 licenses granted, with additional applications accepted covering approximately 700 km² in VMS trends within Saudi Arabia.
 - Focus on VMS and gold mineralization (copper, zinc, gold, silver).
 - Early sampling results show high-grade mineralization with highlight results up to 17g/t Au, 7% Cu, 19% Zn, and 240g/t Ag.
 - Further details of the exploration licenses will be forthcoming.
- Geological and economic opportunity
 - As stated by Saudi Arabia's Ministry of Industry & Mineral Resources, there is potential for USD\$2.5 trillion in untapped mineral wealth and significant exploration opportunities¹
 - 650,000 km² of Arabian-Nubian Shield in Saudi Arabia that remains largely underexplored with modern exploration techniques.
- Supportive jurisdiction
 - Strong government and Ministry support with incentives for mining and junior explorers.
 - Ability to begin aggressive exploration work immediately, with stable regulatory framework, permitting processes, and infrastructure, all aligned with Saudi Arabia's Vision 2030 economic diversification plan.
- Strategic location and market access
 - Located in a G20 country with high GDP growth and global trade relevance.
 - Access by world leading infrastructure.

Key Highlights and Synergies of the Transaction

- Geographic synergy across the Arabian-Nubian Shield
 - Unlocks exploration, cost, technical and regulatory advantages across multiple jurisdictions by combining complementary regional expertise and assets.
- Clear vision for growth
 - Focused on accelerating the discovery and development of significant precious and base metal deposits through advanced geological knowledge, skills and ESG-aligned strategies.

- Strong leadership and governance
 - Headquartered in Vancouver, the combined company will benefit from experienced leadership teams with a proven track record of success from both organizations.
- Strategic advantages of scale
 - Improved access to capital markets and investor networks.
 - Expanded exploration pipeline and resource potential in underexplored regions.
 - Enhanced operations strength with nearly 25 years of exploration expertise in VMS-rich terranes.
- Commitment to sustainability and community
 - Unified approach to responsible exploration, environmental stewardship, and meaningful community engagement, all in accordance with Sun Peak's Human Rights Policy.

Transaction Overview

Pursuant to the Transaction, Sun Peak will acquire all of the issued and outstanding shares of SDC (a private company), in exchange for common shares of Sun Peak. The Transaction is expected to be structured as a share exchange, with the final structure and exchange ratio to be set forth in the Definitive Agreement (as defined below). The parties anticipate that current Sun Peak shareholders will own approximately 60% of the combined company, and current SDC shareholders will own approximately 40% of the combined company on completion of the Transaction.

Conditions to Completion

The completion of the Transaction is subject to the negotiation of a definitive agreement (the "Definitive Agreement") which will include representations, warranties, covenants, indemnities, termination rights, and other provisions customary for a transaction of this nature. The Definitive Agreement will include several terms and completion conditions, including approval of both companies' shareholders (if required), TSXV acceptance, other applicable regulatory approvals, and the satisfaction of certain closing conditions customary for a transaction of this nature.

The Transaction is expected to be treated as a "Reviewable Transaction", but not a "Fundamental Acquisition", as such terms are defined in the TSXV Policy 5.3. The Transaction is expected to require the approval of Sun Peak shareholders at a special meeting by a simple majority of the votes cast by the Sun Peak shareholders, excluding the votes cast by certain persons.

The Transaction involves arm's length corporate parties.

No finder's fees will be payable in connection with the Transactions and Sun Peak will not be assuming any long term debt upon completion of the Transaction.

Board of Directors

Upon closing of the Transaction and in accordance with corporate law, the board of directors of the resulting issuer will be comprised of seven (7) members, including four (4) current directors of Sun Peak, and three (3) directors to be nominated by SDC, one of whom will be Jim Paterson.

As a director of Saudi Discovery Company, Mr. Paterson has led SDC's entrance into the Kingdom of Saudi Arabia, building a strong in-country network with key stakeholders and business leaders associated with the

mining industry, which led to SDC's early success. Mr. Paterson is a co-founder and principal of Discovery Group, with over 27 years of corporate development experience in the mining industry, including capital raises, acquisitions, joint-ventures, spin-outs, RTOs, and IPOs. He was a driving force behind \$80 million in equity financing for ValOre Metals Corp, which led to multiple discoveries at the Angialk uranium project in Nunavut and the Pedra Branca PGE project in Brazil. He was a long-standing and active director of Kaminak Gold Corp. (acquired by Goldcorp.), a founding director of [Northern Empire Resources Corp.](#) (acquired by Coeur Mining) and a director of [Great Bear Royalties Corp.](#) (acquired by Royal Gold). He founded Corsa Capital in 2007, whereby a 2010 transaction created an industry-leading metallurgical coal producer with a C\$250M market capitalization. Mr. Paterson has been an officer or director of companies which have raised \$200+ million in equity financings and participated in \$1+ billion in M&A transactions. This experience will be very important to Sun Peak as the company advances its projects in the Arabian-Nubian Shield.

The Shire Project

The Shire Project will remain the material property of the combined company following the Transaction.

The Company anticipates resuming exploration activities on the Shire Project in Tigray, Ethiopia, including drilling to test the high priority copper-gold VMS and gold targets developed over the past several years.

Qualified Person

The Sun Peak scientific and technical information contained in this news release was approved by Charles Greig, MSc, P.Geo. Mr Greig is a "Qualified Person" under National Instrument 43-101 and independent of Sun Peak.

Quality assurance and quality control protocols for rock samples disclosed herein follow industry standard practices. The rock samples were delivered directly to ALS Global Lab in Jeddah, KSA for analysis.

Note 1: From Saudi Arabia's Ministry of Industry & Mineral Resources' presentation dated September 2024. Please also see:

<https://www.reuters.com/world/middle-east/saudi-arabia-ups-mineral-resource-estimates-25-trillion-minister-2024-01-09>

ABOUT SUN PEAK METALS CORP.

Sun Peak is advancing the district-scale Shire VMS Project in the Tigray Region of northern Ethiopia. The project covers six exploration licenses totaling approximately 1,450 square kilometers within the highly prospective Arabian-Nubian Shield, the same geological environment as the Bisha Mine and the Asmara Projects in Eritrea. Two licenses (Meli and Terer) held in joint-venture with Ezana Mining, a private Ethiopian Company, while the remaining four are 100% owned by Sun Peak.

ON BEHALF OF THE BOARD OF DIRECTORS OF SUN PEAK METALS CORP.

Greg Davis,
President, CEO & Director

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SOURCE: Sun Peak Metals Corp.

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