

ASX Release

21 September 2023

Share Placement to Advance Greater Liontown Exploration Drilling at Highly Prospective Coronation Copper Gold Target to Commence

Highlights

- Strong demand for a share placement to raise \$3.0 million to institutional and sophisticated investors.
- Funds raised will be applied to rapidly advance exploration at the recently completed Greater Liontown acquisition.
- First program will commence next week at the highly prospective Coronation copper-gold target, situated just 3kms from the historic high-grade Highway-Reward Mine.
- Highway Reward produced **3.9Mt @ 5.4% Cu, 1.1 g/t Au** (215Kt of Cu and 138Koz of Au).
- Coronation is a geological analogue to Highway Reward, with an initial 9 hole program to test 6 strong gravity anomalies, inferred to be massive sulphide pipes.
- Following Coronation, drilling will move to other high priority targets including Liontown, Tigertown, Plateau and Wilbur's Hill. Drilling is expected to be ongoing for the next 2-3 months.
- The Liontown Project has a JORC Resource of 4.9Mt @ 12.0% ZnEq (32% Indicated and 68% Inferred). Planned drilling will add to 96 holes drilled since the last Resource estimation. A Resource upgrade is scheduled for December 2023.

Sunshine Metals Limited (ASX:SHN, "Sunshine") is pleased to announce that it has secured commitments for a placement of \$3.0 million (before costs) at an issue price of \$0.014 to accelerate drilling activities at the Ravenswood Consolidated Project.

Sunshine Managing Director, Dr Damien Keys, commented *"The placement paves the way for an exciting period of drilling for Sunshine. Drilling will commence at the highly prospective Coronation Cu-Au target which is analogous to the nearby high-grade Highway-Reward Mine which produced 3.9Mt @ 5.4% Cu, 1.1 g/t Au. The Coronation drilling will test 6 strong gravity anomalies inferred to be massive sulphide pipes.*

Drilling will then move to Liontown (Zn-Au-Cu) and commence first step out drilling on the extremities of the Resource. Resource growth drilling will focus on a sparsely drilled zone between the Liontown and Liontown East Resource known as the Gap, where one historic intersection assayed 1.75m @ 50.02% ZnEq including 16.42g/t Au and 6.27% Cu (ASX 8 May 2023).

Further drilling will test exciting shallow gold prospects at Tigertown (Au) and Plateau (Au).

This all amounts to continuous news flow and an exciting period ahead for Sunshine and we would like to thank our shareholders, new and existing, for the continued support and we look forward to reporting on a busy end to 2023."

Placement Details

The Company has secured commitments for a placement of \$3.0 million (before costs) at an issue price of \$0.014 to institutional and sophisticated investors (“Placement”). Participants will receive one (1) free attaching option for every three (3) New Shares allocated in the Placement, exercisable at \$0.03 with a 30 September 2025 expiry (“Attaching Options”).

The Company expects to complete the Placement and therefore issue the New Shares to institutional and sophisticated investors on or about 26 September 2023. The proposed issue of the Attaching Option will be completed on obtaining the requisite shareholder approval at the Annual General Meeting in November 2023.

The issue of the New Shares pursuant to the Placement will be made under the Company’s existing placement capacity whereby 62,827,305 shares will be issued under Listing Rule 7.1A and 151,458,409 shares will be issued under Listing Rule 7.1.

Indicative Timetable

Event	Date
ASX announcement / Resume trading	Thursday, 21 September 2023
Settlement of New Shares under the Placement	Tuesday, 26 September 2023
ASX quotation of New Shares under the Placement	Wednesday, 27 September 2023
Annual General Meeting / Approval for Attaching & Broker Options	Tuesday, 21 November 2023
Issue of Attaching & Broker Options	Thursday, 23 November 2023

Canaccord Genuity (Australia) Limited acted as the sole lead manager for the Placement and will receive a fee equal to 6.0% of the Proceeds of the Placement. Canaccord will be entitled to receive 15 million Broker Options exercisable at a 50% premium to the Placement issue price with an expiry three years from the date of the issue. The proposed issue of the Broker Options will be completed on obtaining the requisite shareholder approval at the Annual General Meeting in November 2023.

Capital Structure

Post-Placement & shareholder approval of Broker and Attaching Options the capital structure will be as follows:

Quoted Securities	
Fully Paid Ordinary Shares	1,224,008,444
Unquoted Securities	
Deferred shares	50,000,000
Performance rights	8,500,000
Unlisted incentive plan options	27,633,334
Unlisted options @ \$0.03 expiring 30/09/2025	65,600,000
Unlisted options @ \$0.03 expiring 30/09/2025 (Attaching Options)	71,428,571
Unlisted options @ \$0.021 expiring 3 years from issue date (Broker)	15,000,000
Unlisted options @ \$0.0225 expiring 07/07/2027	20,000,000

Planned activities

The Company has a busy period ahead including the following key activities and milestones:

- Sept 2023: Drilling commences Greater Liontown, Ravenswood Consolidated
- Sept 2023: Annual Report
- Oct 2023: Drilling commences Lighthouse Farm-in, Ravenswood Consolidated
- Oct 2023: Quarterly Activities Report
- Dec 2023: Liontown Resource update
- 31 Oct – 2 Nov 23: IMARC 2023, Sydney
- 15 – 17 Nov 23: Noosa Mining Conference
- 21 Nov 2023: Annual General Meeting

Sunshine’s Board has authorised the release of this announcement to the market.

For more information, please contact:

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Competent Person’s Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr Matt Price, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG) and the Australian Institute of Mining and Metallurgy (AusIMM). Mr Price has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Price consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at Waterloo and Orient is based on information compiled and reviewed by Mr Stuart Hutchin, who is a Member of the Australian Institute of Geoscientists (AIG) and is a Principal Geologist employed by Mining One Pty Ltd. Mr Stuart Hutchin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Mineral Resources. Mr Stuart Hutchin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at Liontown and Liontown East is based on information compiled and reviewed by Mr Peter Carolan, who is a Member of the Australasian Institute of Mining and Metallurgy and was a Principal Geologist employed by Red River Resources Ltd. Mr Peter Carolan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Mineral Resources. Mr Peter Carolan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



About Sunshine Metals

Two projects. Big System Potential.

Triumph Project (Au): More than 85% of Triumph's Resource of 118,000oz @ 2.03 g/t Au¹ (100% Inferred) is <100m deep and largely located within 1.2km of strike within a 6km long trend. Recent drilling has confirmed Triumph's intrusion-related gold system is analogous to the large Ravenswood Mine (5.6Moz Au Resource).

Ravenswood Consolidated Project (Zn-Cu-Pb-Au-Ag-Mo): Located in the Charters Towers-Ravenswood district which has produced over 20Moz Au and 14mt of VMS Zn-Cu-Pb-Au ore. The project comprises:

- a Zn-Cu-Pb-Au VMS Resource of 4.94mt @ 12.0% ZnEq (32% Indicated and 68% Inferred);
- 26 drill ready VMS Zn-Cu-Pb-Au IP geophysical targets where testing of a similar target has already led to the Lontown East discovery which hosts a current Resource of 1.47mt @ 11.0% ZnEq (100% Inferred);
- the under-drilled Carrington Au Lode in the footwall of the Lontown VMS deposits with significant intersections including **3m @ 46.2 g/t Au from 20m** (LRC0018) and **2m @ 68.6 g/t Au from 24m** (LRC0043);
- advanced Au-Cu VMS targets at Coronation analogous to the nearby Highway-Reward Mine (4mt @ 6.2% Cu & 1.0 g/t Au mined);
- overlooked orogenic, epithermal and intrusion related Au potential with numerous historic gold workings and drill ready targets; and
- a Mo-Cu Exploration Target at Titov of 5-8mt @ 0.07-0.12% Mo & 0.28-0.44% Cu².

***Investigator Project (Cu):** Located 100km north of the Mt Isa, home to rich copper-lead-zinc mines that have been worked for almost a century. Investigator is hosted in the same stratigraphy and similar fault architecture as the Capricorn Copper Mine, located 12km north.

***Hodgkinson Project (Au-W):** Located between the Palmer River alluvial gold field (1.35 Moz Au) and the historic Hodgkinson gold field (0.3 Moz Au) and incorporates the Elephant Creek Gold, Peninsula Gold-Copper and Campbell Creek Gold prospects.

**A number of parties have expressed interest in our other quality projects (Investigator Cu and Hodgkinson Au-W). These projects will be divested in an orderly manner in due course.*

¹ SHN ASX Release, 31 March 2022, "Robust Maiden Resource at Triumph Gold Project".

No new information has been collected and all material assumptions remain unchanged.

² SHN ASX Release, 21 March 2023, "Shallow, High Grade Titov Cu-Mo Exploration Target Ravenswood West".

The Exploration Target has been prepared and reported in accordance with the 2012 JORC Code. The potential quality and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a JORC 2012 Mineral Resource ("Resource") for the Exploration Target. It is uncertain if further exploration will result in the estimation of a Resource.

Two projects. Big system potential.



- 01** Highly prospective projects in under explored Tier 1 jurisdiction.
- 02** Experienced, successful management team, North Queensland based.
- 03** Highly active explorer - 30km of drilling to date, delivered encouraging results
- 04** Leveraged to multiple high value metals with large-scale system potential
- 05** Transformational transaction to consolidate Ravenswood West and divest non-core assets

