

**Sunshine Gold Limited (formerly Pelican Resources)
 Pre-Quotation Disclosure Notice**

The following information is required to be provided to ASX Limited (ASX) for release to the market in connection with the admission to the official list of, and official quotation of, fully paid ordinary shares in Sunshine Gold Limited ACN 063 388 821 ('SHN' or the 'Company'). Unless otherwise defined, capitalised terms used in this notice have the meaning given to them in the prospectus lodged by the Company with ASIC on 25 September 2020 (Prospectus).

1. The Company confirms satisfaction of the conditions to the Offers including shareholder approval for the essential resolutions in SHN's notice of Annual General Meeting held on 26 October 2020.
2. The Company confirms satisfaction of the conditions precedent in the MOU between the Company and Vendors of XXXX Gold Pty Ltd ('XXXX Gold') and completion of the acquisition of 100% of the capital of XXXX Gold.
3. The Company confirms completion of the North Queensland Tungsten Sale and Licence Agreement.
4. The Company confirms there are no legal, regulatory, statutory or contractual impediments to SHN entering the granted tenements as set out on page 23 of the Prospectus and carrying out exploration activities such that SHN will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).
5. The Company confirms that Messrs Paul Chapman and Les Davis and Dr Damien Keys have been appointee directors of SHN effective from 24 November 2020.
6. The distribution schedule of the numbers of holders Fully Paid Shares to be quoted set out in the following table:

| Holding Ranges | Holders | Total Units | Issued Share Capital |
|-------------------|---------|-------------|----------------------|
| 1 to 1,000 | 42 | 15,806 | 0.00% |
| 1,001 to 5,000 | 32 | 87,183 | 0.02% |
| 5,001 to 10,000 | 21 | 160,164 | 0.05% |
| 10,001 to 100,000 | 122 | 8,682,648 | 2.44% |
| 100,001 and over | 282 | 347,765,817 | 97.49% |

7. The Company confirms the following securities are subject to ASX restrictions and the respective restriction period applied to those securities:

| Security Code | Security Type | Number of Securities | Restriction Period |
|---------------|--|----------------------|-------------------------------------|
| PELE24A | Vendor Fully Paid Shares | 88,000,000 | 24 months from date of re-admission |
| PELE24B | Vendor Fully Paid Deferred Shares | 100,000,000 | 24 months from date of re-admission |
| PELOPT4 | Unlisted Option @ \$0.03 Exp 30 Sep 2025 | 71,000,000 | 24 months from date of re-admission |
| PELPR | Performance Rights | 17,000,000 | 24 months from date of re-admission |

8. The Company's capital structure is set out in the following table:

| Security Code | Security Type | Number of Securities |
|---------------|--|----------------------|
| PEL | Fully Paid Shares ^{1 & 2} | 444,711,618 |
| PELE24B | Vendor Deferred Fully Paid Shares ³ | 100,000,000 |
| PELOPT4 | Unlisted Option @ \$0.03 Exp 30 Sep 2025 | 71,000,000 |
| PELPR | Performance Rights | 17,000,000 |

Notes:

- Includes 88 million vendors shares which are subject to 24 month escrow.
- The number of fully paid shares on page 72 of the Prospectus differs from the table above. In determining Entitlements, any fractional entitlement was rounded down to the nearest whole number resulting in the actual number of shares issued under the Entitlements Offer being lower.
- The Deferred Fully Paid Shares will only be issued on the relevant performance hurdles being met.

9. The Company confirms the following terms of waivers granted by ASX to SHN:

(i) Waiver Decision Listing Rule 2.1 condition 2

In connection with the acquisition of all the issued capital of XXXX Gold ('Proposed Acquisition') and a proposed capital raising via an underwritten 1:4 entitlement offer at \$0.02 per fully paid ordinary share ('Share') to raise approximately \$1,280,000 and an underwritten broker offer at \$0.02 per Share to raise \$750,000, ('Broker Offer') ('Capital Raising'), a waiver from listing rule 2.1 condition 2 to the extent necessary to permit the Company to issue up to 101,342,366 Shares pursuant to the Capital Raising ('Capital Raising Shares') at an issue price of less than \$0.20 per Capital Raising Share, subject to the following conditions:

- The issue price of the Capital Raising Shares is not less than \$0.02 per share;
- The terms of this waiver are disclosed to the market and, along with the terms and conditions of the Capital Raising Shares, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under Listing Rule 11.1.2 for the Proposed Acquisition and in the prospectus to be issued in respect of the Capital Raising;
- The Company's shareholders approve the issue price of the Broker Offer Shares in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the Proposed Acquisition; and
- The Company completes a consolidation of its capital structure in conjunction with the Proposed Acquisition such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date of the suspension of the Company's securities from official quotation, to achieve a market value for its securities of not less than two cents each.

(ii) Waiver Decision- Listing Rule 1.1 Condition 12

In connection with the acquisition of all the issued capital of XXXX Gold and a proposed capital raising via an underwritten 1:4 entitlement offer at \$0.02 per fully paid ordinary share ('Share') to raise approximately \$1,280,000 and an underwritten broker offer at \$0.02 per Share to raise \$750,000, ('Broker Offer') ('Capital Raising'), a waiver from listing rule 1.1 condition 12 to the extent necessary

to permit the Company to issue up to 71,000,000 options ('Options') and 17,000,000 performance rights ('Performance Rights') with an exercise price of less than \$0.20, subject to the following conditions:

- (a) The exercise price of the Options is not less than \$0.03 each;
- (b) The terms of this waiver are disclosed to the market and, along with the terms and conditions of the Options and Performance Rights, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under listing rule 11.1.2 for the Proposed Acquisition and in the prospectus to be issued in respect of the Capital Raising;
- (c) The Company's shareholders approve the exercise price of the Options in conjunction with the approval obtained under listing rule 11.1.2 for the Proposed Acquisition; and
- (d) The Company's shareholder approve the issue of the Performance Rights in conjunction with the approval obtained under listing rule 11.1.2 for the Proposed Acquisition.

(iii) Waiver Decision – Listing Rule 10.13.5

In connection with the acquisition of all the issued capital of XXXX Gold and a proposed capital raising via an underwritten 1:4 entitlement offer at \$0.02 per fully paid ordinary share ('Share') to raise approximately \$1,280,000 and an underwritten broker offer at \$0.02 per Share to raise \$750,000, a waiver from listing rule 10.13.5 to the extent necessary to permit the Company not to state in its notice of meeting that it will issue up to 100,000,000 deferred consideration shares ('Deferred Consideration Shares') to the vendors of XXXX Gold within 1 month of the date of the meeting, subject to the following conditions:

- (a) The Deferred Consideration Shares are issued no later than three years from the date of completion of the Proposed Transaction and are only issued on the achievement of the following milestones:
 - 1. 150,000,000 Shares on announcing to the ASX within 3 years of completion of the Proposed Transaction ('Completion') that it has a JORC 2012 compliant inferred resource of 100,000 ounces of gold or gold equivalent at a minimum 1 gram per tonne cut off tenements owned by or being acquired or applied for by XXXX Gold at Completion; and
 - 2. a further 50,000,000 Shares on announcing to the ASX within 3 years of Completion that it has a JORC 2012 compliant inferred resource of 200,000 ounces of gold or gold equivalent at a minimum 1 gram per tonne cut off tenements owned by or being acquired or applied for by XXXX Gold at Completion;
- (b) The relevant terms and conditions of the Deferred Consideration Shares are clearly set out in the notice of meeting pursuant to which the Company will seek the approval required under listing rule 11.1.2 for the Proposed Acquisition ('Notice');
- (c) The Notice states that the maximum number of Deferred Consideration Shares to be issued is 100,000,000;

- (d) The circumstances of the Company, as determined by the ASX, have not materially changed since the Company's shareholders approved the issue of the Deferred Consideration Shares;
- (e) The terms of the waiver are clearly disclosed in the Notice and in the prospectus to be issued in respect of the Capital Raising;
- (f) If the milestones are achieved, the achievement of the milestones is announced to the market and the basis for the Directors determining that the milestone has been achieved, along with the number of Deferred Consideration Shares to be issued;
- (g) For any annual reporting period during which the Deferred Consideration Shares are issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Deferred Consideration Shares issued during the reporting period, the number that remain to be issued and the basis on which they may be issued; and
- (h) In any half year or quarterly report for a period during which the Deferred Consideration Shares are issued or remain to be issued, PEL includes a summary statement of the number issued during the reporting period, and the number that remain to be issued and the basis on which they may be issued.