ASX Announcement
29 October 2021

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

Sunshine Gold Limited (ASX:SHN, "**Sunshine Gold**", "**the Company**") is pleased to present its Quarterly Activities Report for the period ended 30 September 2021.

HIGHLIGHTS

- Work focussed on the Ravenswood West Au-Cu-REE Project ("**Ravenswood West**") with a total of 5,546 m of RC drilled for the quarter.
- Completion of a 34 hole (3,558 m) RC program at Dreghorn, Ravenswood West. Results included:
    - 21DRRC029 **1m @ 6.81 g/t Au** from 7m (Rejoice)
    - 21DRRC010 **1m @ 5.85 g/t Au** from 68m (Queenslander)
    - 21DRRC007 **1m @ 1.10 g/t Au** from 51m (Albion)
    - 21DRRC020 **1m @ 8.06 g/t Au** from 9m (Dreghorn Regional)
    - 21DRRC016 **1m @ 1.12 g/t Au** from 41m and **1m @ 2.06 g/t Au** from 46m (Dreghorn Regional)
- Completion of an 8 hole (1,550 m) RC program at Titov, Ravenswood West. Subsequent to the end of the quarter assays were returned for the first two holes drilled and included:
    - 21TVRC001 **121m @ 0.35 % Cu, 0.11 % Mo, 1.99 g/t Ag**, from 1m
        - Incl. **1m @ 1.38 % Mo, 1.86 g/t Ag**, from 13m
        - Incl. **4m @ 0.86 % Mo, 4.72 g/t Ag**, from 31m
    - o 21TVRC002 **91m @ 0.25 % Cu, 0.05 % Mo, 1.37 g/t Ag**, from surface
        - **8m @ 0.26 % Cu, 0.06 % Mo, 1.49 g/t Ag**, from 109m
        - **14m @ 0.25% Cu, 0.04 % Mo, 1.24 g/t Ag**, from 135m
- Completion of 4 RC holes (550 m) at Keans Cu-Mo-Au-Ag, Ravenswood West. All assays remain outstanding.
- An extensive mapping and soil sampling campaign at various prospects at Ravenswood West Au-Cu-REE Project including:
    - Collection of 249 soil samples and 24 rock chip samples in the Keans – Elphinstone Creek prospect areas (assays pending); and
    - Rock chip sampling and mapping at Gagarin (assays pending).
- All outstanding assays were received for the 1,588 sample soil survey completed over Dreghorn. A significant gold in soil anomaly (>50ppb Au) extends for over 1km and appears to be an extension of the historic Kirkers line of workings. The area is undrilled and will be a focus area for future work at Dreghorn.
- Assays were received for soil sampling at the Campbell Creek Prospect, part of the Hodgkinson Au Project ("**Hodgkinson**"). A zone of Au soil anomalism has been defined over 3km of strike length, with a peak soil sample of 243ppb Au.

QUEENSLAND OPERATIONS

Field work and drilling focussed on Ravenswood West for the September 2021 quarter. First works have now been conducted at Dreghorn, Elphinstone Creek, Keans, Gagarin and Titov (Figure 1). Keans, Gagarin and Titov are Cu-Mo-Au-Ag prospects located along a 15 km segment of the Podosky Fault.

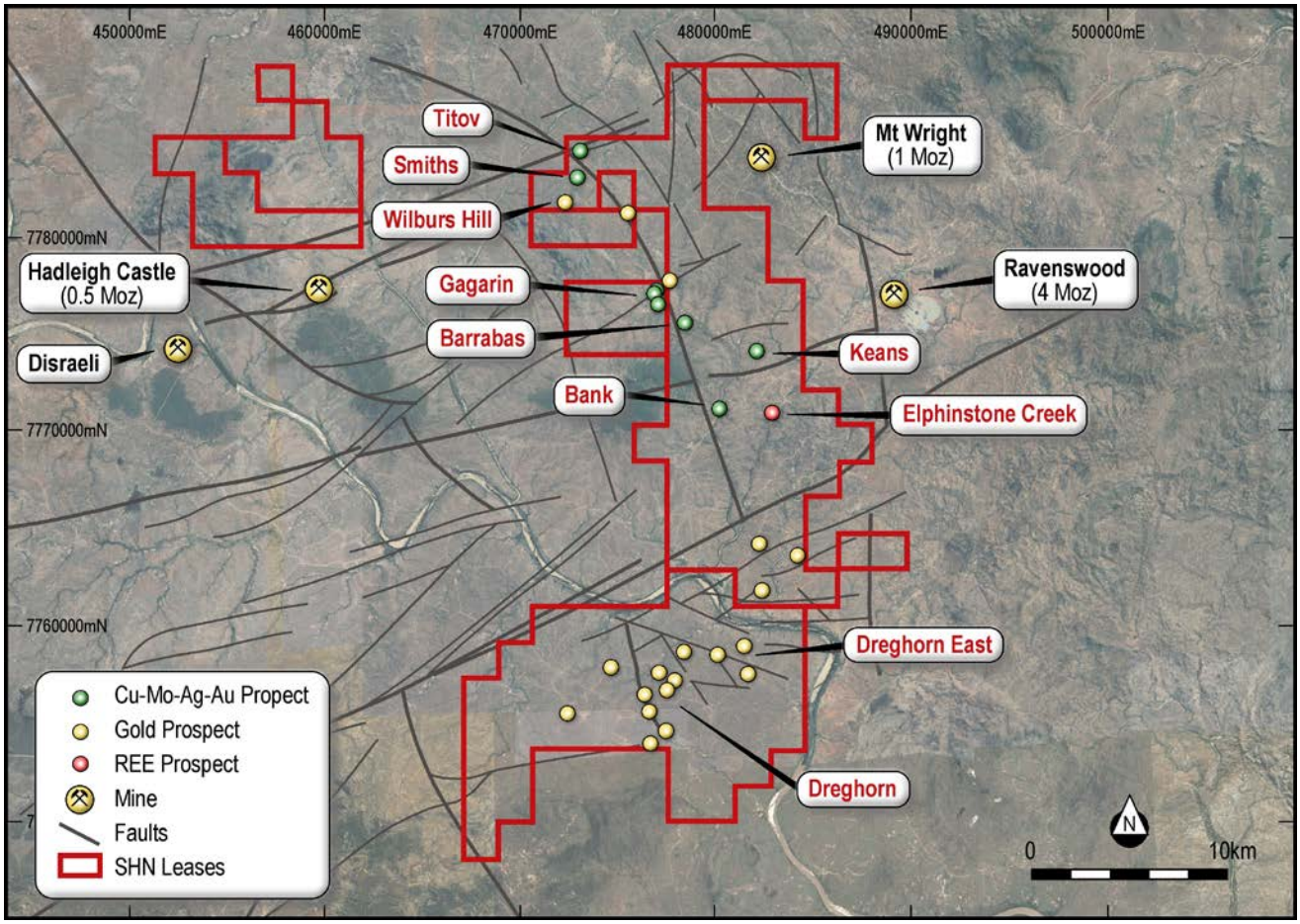

Figure 1. Prospect map of Ravenswood West.

SAFETY AND PRODUCTIVITY

The quarter was safe and productive. Key performance indicators for the September 2021 quarter are shown below:

- Dreghorn drilling activities were conducted between 30 June 2021 and 24 July 2021 at Ravenswood West. Drilling recommenced at Titov on 16 September 2021. Operations were productive and safe with nil reportable incidents; and
- 5,546 m of RC drilling was completed during the quarter.

DREGHORN AU, RAVENSWOOD WEST (SHN 100%)

The historic Dreghorn gold field contains numerous historical workings and gold soil anomalism of >50 ppb Au over a >9 km strike length. A detailed soil sampling and field mapping program was designed to infill broad spaced data in the western portion of Dreghorn. Soil samples were collected on a regular 100m x 100m grid. Despite a significant portion of the area being obscured by a thin veneer of cover (<2m), the soils survey has confirmed several mineralised trends. Assays have been returned for all 1,588 soil samples. This constitutes approximately half of the broader Dreghorn survey. Soil samples containing >100ppb Au are typically considered highly anomalous. The assays have delineated several anomalous trends, including the highly anomalous ENE extension to the historic Kirkers line of workings. The area is undrilled and will be a focus area for future work at Dreghorn in 2022 (Figure 2).

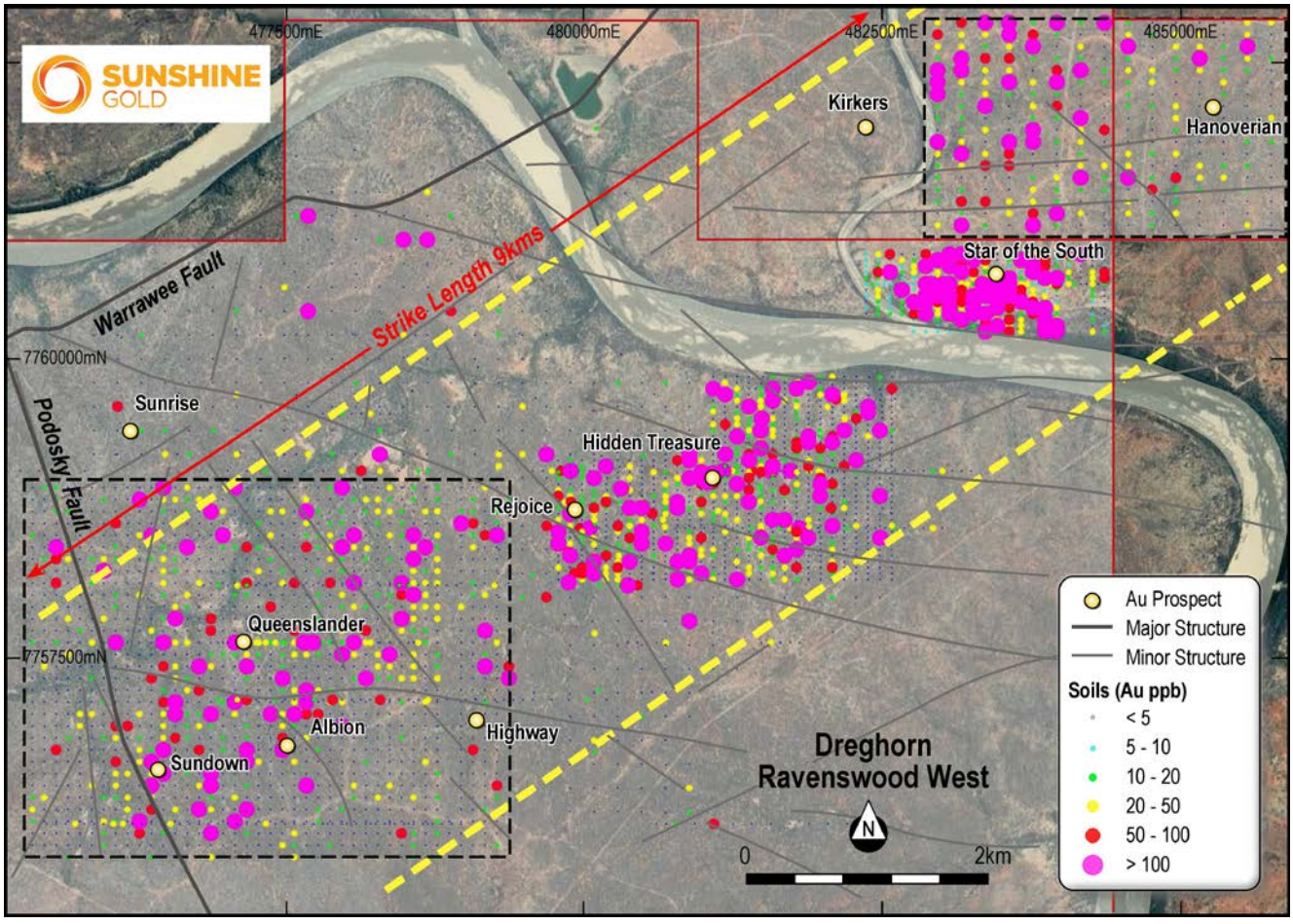

Figure 2. Assays returned from soil sampling (black dashed boxes) at Dreghorn.

Reconnaissance RC drilling was completed at Dreghorn on the 24 July 2021. Historic drilling in the area was sparse and largely ineffective. In total, 34 holes were drilled (33 for the quarter) testing potential for high-grade mineralisation beneath zones of coincident magnetic, gold in soil and gold in rock chip anomalism. This approach identified three dominant fault orientations in the target area. The program also tested extensions to historically mined gold at Albion, Rejoice and Queenslander (Figure 2).

Albion

Rock chip samples show galena–chalcopyrite–sphalerite in sericite altered quartz–carbonate vein selvages. DRC5 (2000) intersected **2m @ 2.00 g/t Au (36m)** and **2m @ 5.23 g/t Au (94m)** in the only effective drill test at Albion. Sunshine Gold drilled three holes into the Albion system. The holes defined two shallow west-dipping lodes, including:

- 21DRRC007 **1m @ 0.65 g/t Au (25m)**
  1m @ 1.10 g/t Au (51m)
- 21DRRC009 **1m @ 0.93 g/t Au (32m)**
  1m @ 0.63 g/t Au (82m)

Queenslander

A rock chip sample collected from the shaft, assayed **49.66 g/t Au** (SHN ASX release 7 June 2021). Two holes (206m) were drilled in the program (21DRRC010, collared 45m south-west of the Queenslander shaft; 21DRRC011, collared 45m north-west of the shaft) and results included:

- 21DRRC010 **1m @ 5.85 g/t Au (68m)**

Rejoice

A Geological Survey report (1944) discussed a NW oriented, SW dipping lode being mined in segments over a length of 213m pre-WW1. The report stated that a bulk parcel of Rejoice ore returned 7% Cu, 10.6 g/t Au and 40.4 g/t Ag. Accordingly, four NE oriented, holes (388m) were drilled towards the Rejoice workings. A further four holes (388m) were drilled beneath a mapped zone of strong brecciation and sericite alteration with results including:

- 21DRRC029 **1m @ 6.81 g/t Au (7m)**

Regional drilling

Eight holes (922m) targeted a series of NNW oriented faulting. The targets were coincident magnetics and gold in soils anomalies. A series of shallow drill fences traversed the structures. Holes 21DRRC015 and 21DRRC016 tested the same NNW oriented fault. Holes 21DRRC020 and 21DRRC022 tested a separate NNW fault. Results included:

- 21DRRC015 **1m @ 0.91 g/t Au (10m)**
- 21DRRC016 **1m @ 1.21 g/t Au (41m)**
  1m @ 2.06 g/t Au (46m)
- 21DRRC020 **1m @ 8.06 g/t Au (7m)**
- 21DRRC022 **1m @ 0.75 g/t Au (92m)**

Thirteen holes (1,270m) were also drilled along a WNW striking fault north of Albion but did not to intersect significant mineralisation.

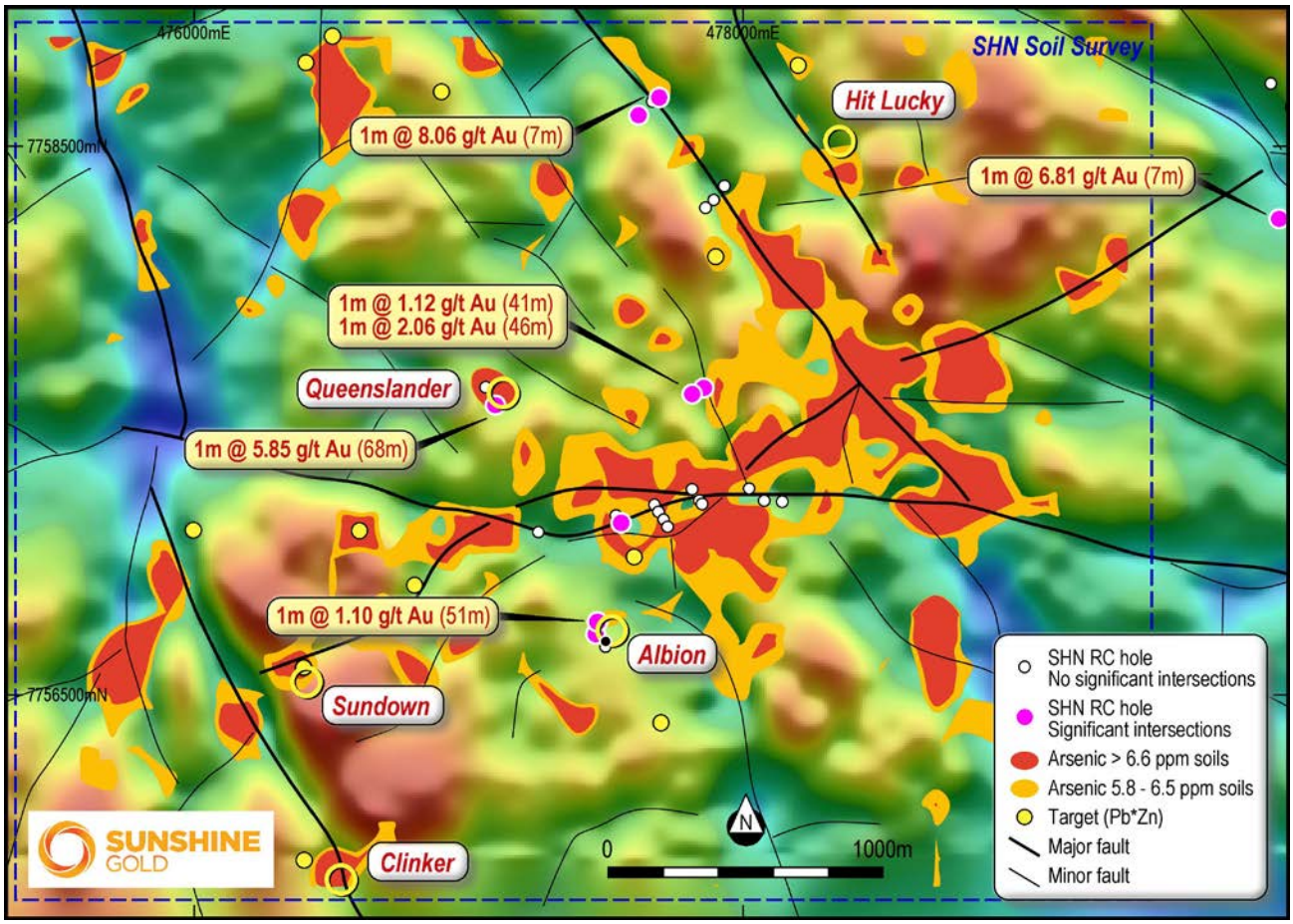

Figure 3. Significant intercepts over 1VD total magnetic intensity image. Elevated arsenic in soil correlates well with interpreted faulting.

TITOV CU-MO-AG, RAVENSWOOD WEST (SHN 100%)

Eight RC holes (1,550m) were drilled at Titov. Assay results have been returned for the first two holes drilled at Titov; 21TVRC001 and 21TVRC002. The holes, drilled from the same drill pad (-60 dip and vertical). Results include:

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Mo %	Ag g/t
21TVRC001	1	122	121	0.35	0.11	1.99
	135	137	2	0.36	-	1.93
	147	148	1	0.22	-	0.92
	167	168	1	0.40	-	1.37
	172	173	1	0.33	-	1.44
	176	177	1	0.21	-	0.69
21TVRC002	0	91	91	0.25	0.05	1.37
	109	117	8	0.26	0.06	1.49
	121	122	1	0.22	0.11	1.00
	135	149	14	0.25	0.04	1.24
	152	153	1	0.50	-	1.86
	155	156	1	0.24	-	1.17
	161	168	7	0.26	-	1.37
	182	185	3	0.26	-	1.92

Table 1. Assay results > 0.20% Cu for 21TVRC001 and 21TVRC002.

The Titov drill program's objectives were to:

- Confirm large thickness intervals of historic Cu-Mo drill intersections;
- Assess potential for Au-Ag mineralisation within the Cu-Mo mineralisation;
- Define the dip of the mineralised envelope;
- Define zones of high-grade mineralisation within the broader mineralised envelope; and
- Test the nature of the emerging IP chargeability anomaly at depth with downhole geophysics on the deepest drilling.

Drilling has confirmed that a large-scale quartz vein and chlorite-sericite alteration system is present (Table 1). The pale coloured alteration zone is visually distinct from the red-black coloured host granite (Figure 4). Molybdenite (MoS_2) and coarse chalcopyrite ($CuFeS_2$) are common in quartz veined intervals with fine chalcopyrite disseminated through the altered porphyry. A distinct south dipping footwall to the mineralisation is observed in all eight drill holes drilled to date. Discrete intersections of copper and silver are associated with quartz veining in the footwall to the main chlorite – sericite alteration system.

Gold is confined to discrete intervals with a peak value of 2m @ 0.19 g/t Au obtained in 21TVRC001 (54-56m). The gold results do not explain the surface rock chip anomalism from Titov (samples to 2.03 g/t Au) nor the significant 20ppb Au soil gold anomaly. The results from the remaining six holes will be assessed before a final determination on the gold prospectivity can be reached.

KEANS CU-MO-AU-AG, RAVENSWOOD WEST (SHN 100%)

The first four RC holes (550m) of a proposed fifteen-hole (1,800m) reconnaissance program were drilled at Keans Cu-Mo-Au-Ag. The drilling is testing a suite of outcropping quartz–sulphide veins and geophysical targets. The drilling to date has intersected discrete veins with chlorite–sericite alteration haloes. Hole 21KNRC004 has intersected a 3m zone of abundant chalcopyrite and molybdenite (Figure 4). Assays for all holes drilled remain outstanding.

Figure 4. RC Chips containing chalcopyrite and molybdenite in 21KNRC004.

Keans is a series of outcropping quartz–sulphide veins within a granodiorite that were initially worked for gold in the 1930s. The two shafts, Shaft A and Heuirs Shaft, were sunk to depths of ~20m and ~7m respectively. No production totals are available. However, Shaft A reported mined grades of 28 g/t Au near the top of the shaft decreasing to 3 g/t Au at the base. Heuirs Shaft reported 46 g/t Au mined grades at top of the workings decreasing to 15 g/t Au at base *(Company Report #465)*.

The first documented exploration at Keans in 1959, noted high amounts of molybdenite within the shaft spoils which led explorers to target porphyry-style mineralisation. Rock chip samples taken from the prospect were highly encouraging, including highest values of **25% Cu, 1.03% Mo, 8.7 g/t Au and 183 oz/t Ag** across various samples *(Company Report #465)*.

Eight diamond holes were drilled at Keans between 1959 and 1962. Assay information is limited to select intersections of Cu, Mo, Au and Ag. Both the drill core and the "drill sludge" were assayed. Assays from core record impressive Mo results including **3.3m @ 1.02% Mo** (Hole R1) and **13.8m @ 0.26% Mo** (Hole R4). Gold showed a best intercept of **3m @ 1.36 g/t Au** (Hole R2) from sludge sampling. This result, whilst deemed unreliable, highlights the potential for gold in the system. Elevated silver including **0.5m @ 61 g/t Ag** (Hole R6) was also recorded. No further drilling has been recorded at Keans.

Recent field mapping of Keans shows two dominant vein orientations. Mo and Cu (malachite and azurite) are commonly seen in both vein sets. A series of 1-4m thick, north-south oriented veins are mapped with a moderate, westerly dip and are laterally continuous for up to 200m in areas. Three east-west oriented costeans were cut in 1962 to sample prominent north-south veins. A second set of east-west oriented veins have also been mapped throughout the prospect. The east-west veins are often narrower (50cm-2m thickness) but are typically sheeted and are believed

to be the mineralisation host in Shaft A. Many of the significant rock chip assays reported have been sampled from the east-west oriented veining.

Figure 5. Sunshine Gold's MD, Damien Keys and Exploration Manager, Matt Price, mapping a 1962 costean at Keans. The 4m wide, N-S striking, quartz vein contained abundant fine-grained molybdenite.

A major regional fault, easily defined in magnetics, passes to the south of Keans (Figure 6). The fault is inferred to be the Buck Reef Fault, a key structural feature of the Ravenswood Gold Mine (>9 Moz Au). In the Ravenswood Gold Mine, higher gold grades are observed on structures near the intersection with the Buck Reef Fault.

The planned reconnaissance drilling program will test several veins south of Keans near the Buck Reef Fault for signs of enrichment. Sunshine Gold's Keans RC drill campaign aims to:

- Assess the Cu-Mo-Au-Ag prospectivity of both north-south and east-west oriented vein sets, especially near untested historic workings: and
- Assess veins in the south of the Keans prospect area that may be associated with the regionally significant Buck Reef Fault.

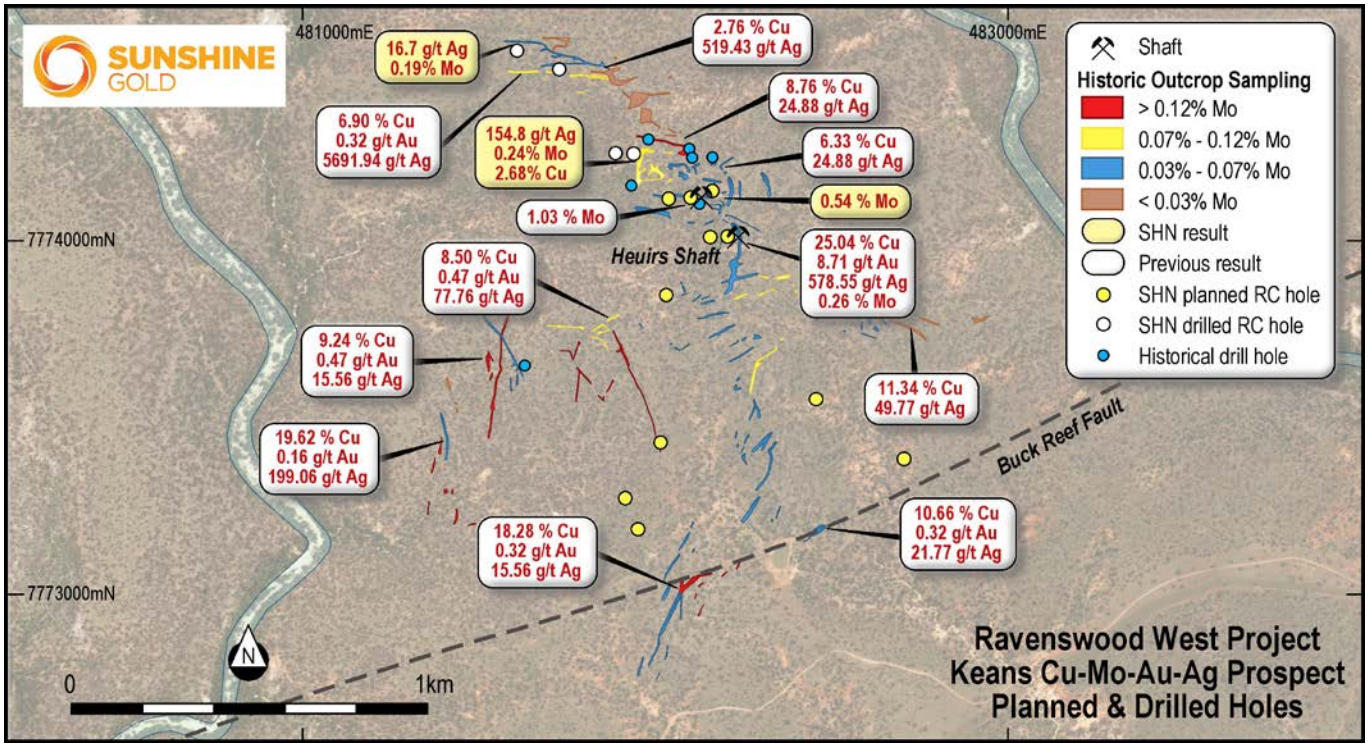

Figure 6. Rock chip anomalism and the location of holes drilled and planned at Keans.

CAMPBELL CREEK, HODGKINSON (SHN 100%)

Sunshine Gold completed a 334-sample soil geochemistry program over Campbell Creek to identify potential sources of alluvial gold that has been historically worked in the area. The sample grid was 2.5km wide x 4.6km long with 200m sample centres closing to 100m within the main area of interest. Lines were spaced 200m.

Assay results from the program have identified three discrete coherent anomalies (Figure 7) being Red Ridge North, Red Ridge South and West Point. The largest anomaly (Red Ridge North) extends north-south for 500m. Soil sampling at Red Ridge North was partially infilled to 100m x 100m spacing. The anomaly has a broad core of >20ppb Au and a high spot anomaly of 243ppb Au (or 0.24g/t Au). Subsequent check mapping of Red Ridge South identified a high quartz content in the area. Mapping also confirmed that the soil anomaly is coincident with a quartz-bearing ridge which is predominantly composed of psammite (micaceous, metamorphosed sandstone) which strikes north-northwest. The psammite grades locally to quartzite. Quartz float is abundant on the ridge and trends in the general direction of bedding and could represent an increased density of veining.

The ridge and the psammite dominant zone are interpreted to continue to the south where they coincide with another 300m long soil anomaly, Red Ridge South. A series of “gold in stone” and “reef” occurrences have been documented (2007 Annual Tenement Report EPM 11945; CR50773, 2007) between the two soil anomalous zones. The length of the gold anomalous zone is 3km.

Encouragingly, alluvial gold workings are also present in the creeks to the west and east of the Red Ridge North and South anomalies. The alluvials have been worked sporadically for >40 years.

The third anomaly, West Point, consists of two zones of anomalous gold in soils, separated by the Campbell Creek in an area known as Red Workings (alluvial). There has been no historical drilling at West Point.

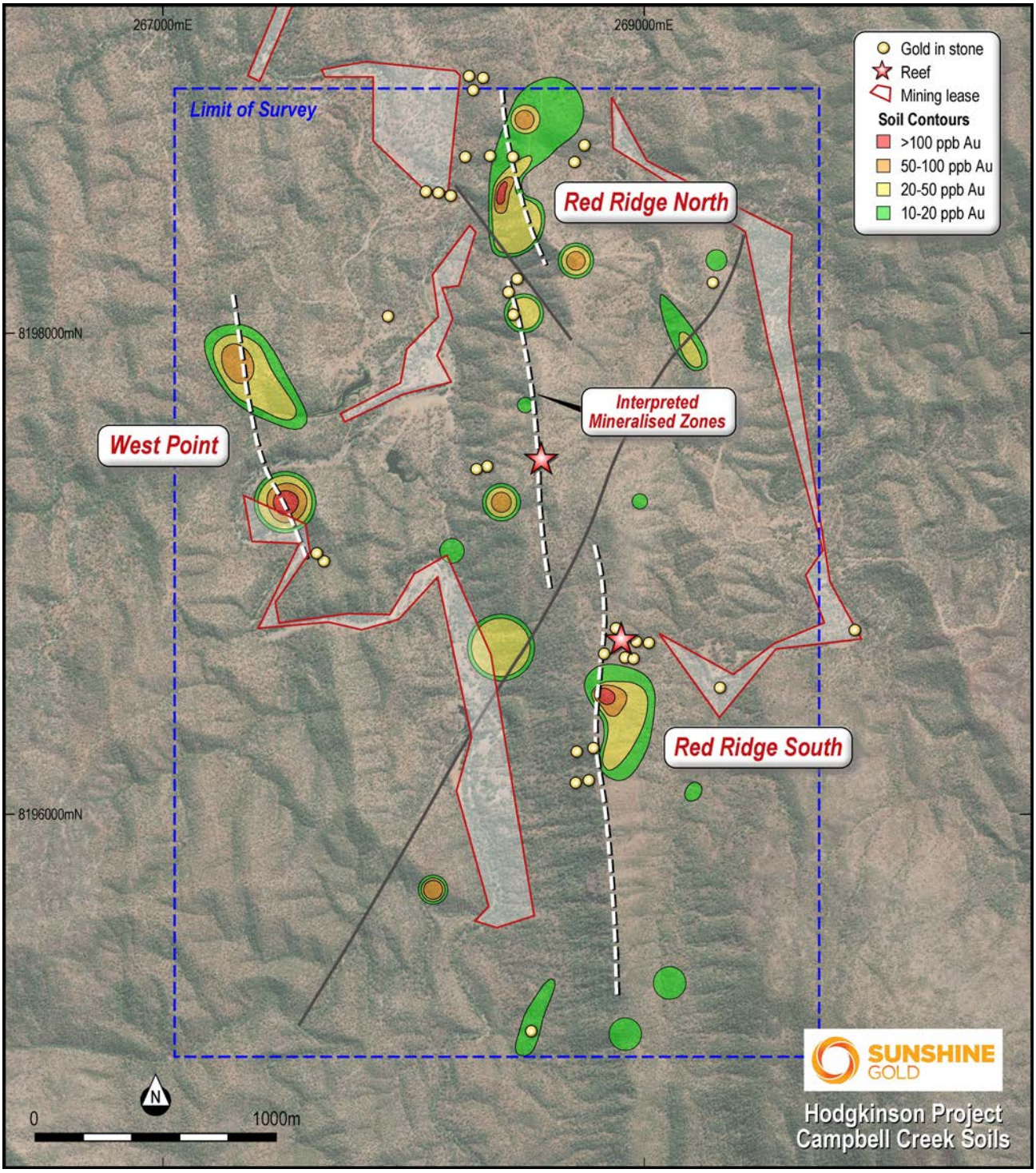

Figure 7. Soil anomalism and documented gold occurrences at Campbell Creek, Hodgkinson Project.

PLANNED ACTIVITIES

- Oct 2021 quarter: Infill and extensional drilling at Triumph Au Project.
- Oct 2021 quarter: Early-stage field work at Ravenswood West.
- 10-12 November 2021: Presentation at the Noosa Mining Conference.
- 18 November 2021: Annual General Meeting.
- November 2021: Diamond drill Titov Cu-Mo-Au-Ag.
- November 2021: Field mapping Investigator Cu Project.
- January 20222: Quarterly report.
- 10-11 February 2022: Presentation at the Australian Gold Conference, Sydney.
- 15-17 February 2022: Presentation at the RIU Explorers Conference, Fremantle.
- March 2022: Triumph maiden JORC Resource estimate.

TENEMENT INFORMATION

Project	Tenement	Status	Beneficial Interest
TRIUMPH	EPM 18486	GRANTED	100%
TRIUMPH	EPM 19343	GRANTED	100%
HODGKINSON	EPM 18171	GRANTED	100%
HODGKINSON	EPM 19809	GRANTED	100%
HODGKINSON	EPM 25139	GRANTED	100%
HODGKINSON	EPM 27539	GRANTED	100%
HODGKINSON	EPM 27574	GRANTED	100%
HODGKINSON	EPM 27575	GRANTED	100%
INVESTIGATOR	EPM 27343	GRANTED	100%
INVESTIGATOR	EPM 27344	GRANTED	100%
RAVENSWOOD WEST	EPM 26041	GRANTED	100%
RAVENSWOOD WEST	EPM 26152	GRANTED	100%
RAVENSWOOD WEST	EPM 26303	GRANTED	100%
RAVENSWOOD WEST	EPM 26304	GRANTED	100%
RAVENSWOOD WEST	EPM 27824	GRANTED	100%
RAVENSWOOD WEST	EPM 27825	APPLICAITON	100%

WESTERN AUSTRALIA
COCKATOO IRON NL

Sunshine holds 5,000,000 fully paid ordinary shares in Cockatoo Iron NL as a consequence of the sale of its interests in the Cockatoo Island Project. Cockatoo Iron NL is Pearl Gull Iron Limited's (ASX: PLG) largest shareholder, holding 43,250,001 fully paid ordinary shares, representing 43.24% of the total issued capital.

CORPORATE
SHAREHOLDER INFORMATION

As at 30 September 2021 the Company had 993 shareholders and 548,822,730 ordinary fully paid shares on issue with the top 20 shareholders holding 52.94% of the total issued capital.

SHARE PLACEMENT

During the quarter Sunshine secured commitments for a share placement to raise $5 million at an issue price of $0.045. The share placement was made under the Company's placement capacity pursuant to Listing Rules 7.1 and 7.1A. Institutional and sophisticated investors subscribed for $4,685,000 in the share placement, with directors contributing the remaining $315,000. Directors' participation in the share placement is subject to shareholder approval being sought at the Company's Annual General Meeting.

Directors further agreed to contribute an additional $162,000 through the exercise of unlisted options.

FINANCE AND USE OF FUNDS

Pursuant to the requirements of Listing Rule 5.3.4, the Company advises the proposed use of funds in section 1.6 of the Company's Prospectus in comparison to the actual use of funds as follows:

Allocation of Funds	**Prospectus**	**Current Quarter**	**Actual to Date**
Exploration and evaluation (2years)	$3,330,000	$779,850	$2,304,606
Working capital (2 years)	$1,506,000	$35,978	$700,693
Expenses of Offer and XXXX Gold Acquisition	$484,842	-	$500,845

Pursuant to the requirements of Listing Rule 5.3.5, a description of and explanation for payments to related parties and their associates per Section 6.1 of the Appendix 5B following this Quarterly Activities Report is set out in the below table.

Director Remuneration	**Current Quarter**	**Previous Quarter**
Managing Director fees	$60,500	$60,225
Executive Director fees	-	-
Non-Executive Director fees	$30,068	$36,000
Company Secretarial fees	$6,600	$9,000
Total payments to related parties of the entity and their associates	**$97,168**	**$105,225**

ENDS

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Mr Alec Pismiris
Director & Company Secretary
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E-mail: alec@lexconservices.com.au

This ASX announcement is authorised for market release by the Board of Sunshine Gold Limited.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Dr Damien Keys, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Dr Keys 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. Dr Keys 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 GOLD

Sunshine Gold is focused on its high-quality gold and copper projects in Queensland comprising a 100% interest in the Triumph, Hodgkinson, Investigator and Ravenswood West projects.

Ravenswood West Gold-Copper-Rare Earths Project (EPM 26041, EPM 26152, EPM 26303, EPM 26304: 100%)

Ravenswood West is comprised of a significant holding (392 km2) of highly prospective gold-copper ground within 5 kms of the Ravenswood Mining Centre (4 Moz Au produced, a further 4.3 Moz Au in Resource and 1.8 Moz in Ore Reserves). The Ravenswood Mining Centre was purchased by EMR Capital and Golden Energy & Resources Ltd. (SGX:AUE) in 2020 for up to $300m and is presently subject to a ~$200m upgrade. In addition, there are three other gold mills within 100 km, two of which are toll treating.

The Project is highly prospective for intrusion-related and orogenic gold, porphyry gold-copper-molybdenum and rare earth elements. Ravenswood West covers 20-25 km of strike along a major fault that links Pajingo (4 Moz) and Ravenswood (9.8 Moz) and contains numerous historic gold workings.

Triumph Gold Project (EPM18486, EPM19343: 100%)

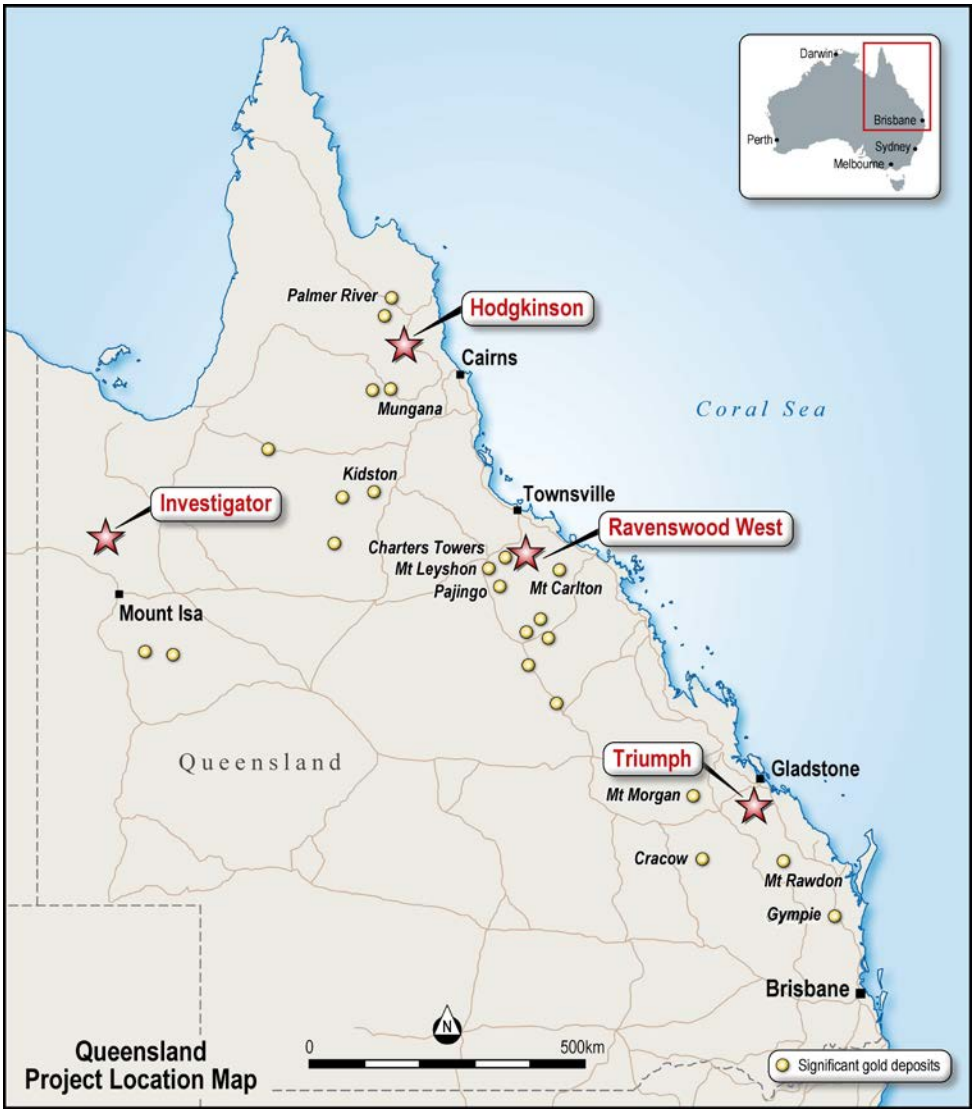
Triumph is centred around the historical Norton gold field from which ~20,000 oz of gold was extracted between 1879-1941. The project is located 50km south of the mining hub of Gladstone and comprises tenements covering 138km^2. Triumph is located within the Wandilla Province of the New England Orogen. Nearby large gold deposits include Mt Rawdon (2.8 Moz Au), Mt Morgan (8 Moz Au and 0.4 Mt Cu) and Cracow (2 Moz Au). Triumph is a 15km² intrusion related gold system which has the potential to host both discrete high-grade vein deposits and large-scale, shear hosted gold deposits.

Hodgkinson Gold Copper Project (EPM18171, EPM19809, EPM25139, EPM27539, EPM27574, EPM27575: 100%)

Hodgkinson is located 100km north east of Cairns in North Queensland. The project comprises tenements covering 365km^2. The project is situated 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. Hodgkinson has been extensively explored for tungsten, owing to its proximity to the Watershed and Mt Carbine tungsten deposits, but underexplored for gold. BHP-Utah International completed stream sediment sampling across the project in the late 1980's and confirmed that the area was anomalous in gold as well as tungsten.

Investigator Copper Project (EPM27344, EPM27345: 100%)

Investigator comprises tenements covering 115km^2. It is located 110km north of Mt Isa and 12km south of the Mt Gordon Copper Mine. Investigator has seen no modern exploration and importantly, no holes have been drilled in the most prospective stratigraphic and structural positions.


Darwin
Perth
Brisbane
Sydney
Melbourne
Palmer River
Hodgkinson
Cairns
Mungana
Coral Sea
Kidston
Townsville
Investigator
Ravenswood West
Charters Towers
Mt Leyshon
Pajingo
Mt Carlton
Mount Isa
Queensland
Triumph
Gladstone
Mt Morgan
Cracow
Mt Rawdon
Gympie
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0
500km
Queensland
Project Location Map
Significant gold deposits