Sunshine Gold Ltd
ABN 12 063 388 821
ASX Code: SHN

Quarterly Report

For the quarter ended
30 September 2022

shngold.com.au

Sunshine Gold is developing four projects in north Queensland in proven districts with high prospectivity for gold, copper, molybdenum and rare earths elements.

Highlights

RC drilling across Ravenswood West near Townsville is returning exceptional results. At the end of the quarter, over 3,300m of drilling had been completed across 19 holes (average depth 174m).

- Strong intercepts returned at Titov Cu-Mo Prospect.
- Connolly Au Prospect shows potential to be large scale and high-grade.
- The Bank Cu-Au-Ag-Mo Prospect returns strong intercepts in drilling.
- Rare Earth Elements (REEs) confirmed at Elphinstone Creek Prospect.
- Two high-quality drill targets confirmed at Wilbur's Hill Prospect.
- Induced Polarisation (IP) survey delineates untested, coincident chargeability and conductive anomaly at Gagarin Prospect.
- AGM – The Company's AGM will be held at 2.00pm (AWST) Friday, 11 November 2022, Epworth Room, Conference Centre, Trinity on Hampden, 230 Hampden Road, Crawley, WA.

Triumph Project

Gold
Ownership 100% | Queensland

Sunshine Gold released a 118,000 ounce JORC 2012 Mineral Resource ("Resource") grading 2.03g/t Au in March 2022. The initial Resource is a product of the successful drilling programs completed to date. Further drilling, to be completed in 2023, is expected to grow the Resource in both the Southern and Northern Corridors.

The Resource comprises three zones totalling ~1.25km of strike within the >5km long Southern Corridor and one zone in the Northern Corridor. Over 90% of the Resource ounces are within 100m of surface. Rock chip sampling and broad spaced drilling have defined mineralisation beyond the Resource limits along the remaining 3.75km of the Southern Corridor. This presents a clear opportunity for future Resource growth.

The Resource is presently classified as Inferred as diamond drill assays and metallurgical studies were not available at the time of its release. It is anticipated that the incorporation of this data will result in a proportion of the Inferred Resource being reclassified to Indicated in an April 2023 Resource update.

The initial Resource is expected to grow with future drilling and an update is expected in April 2023.

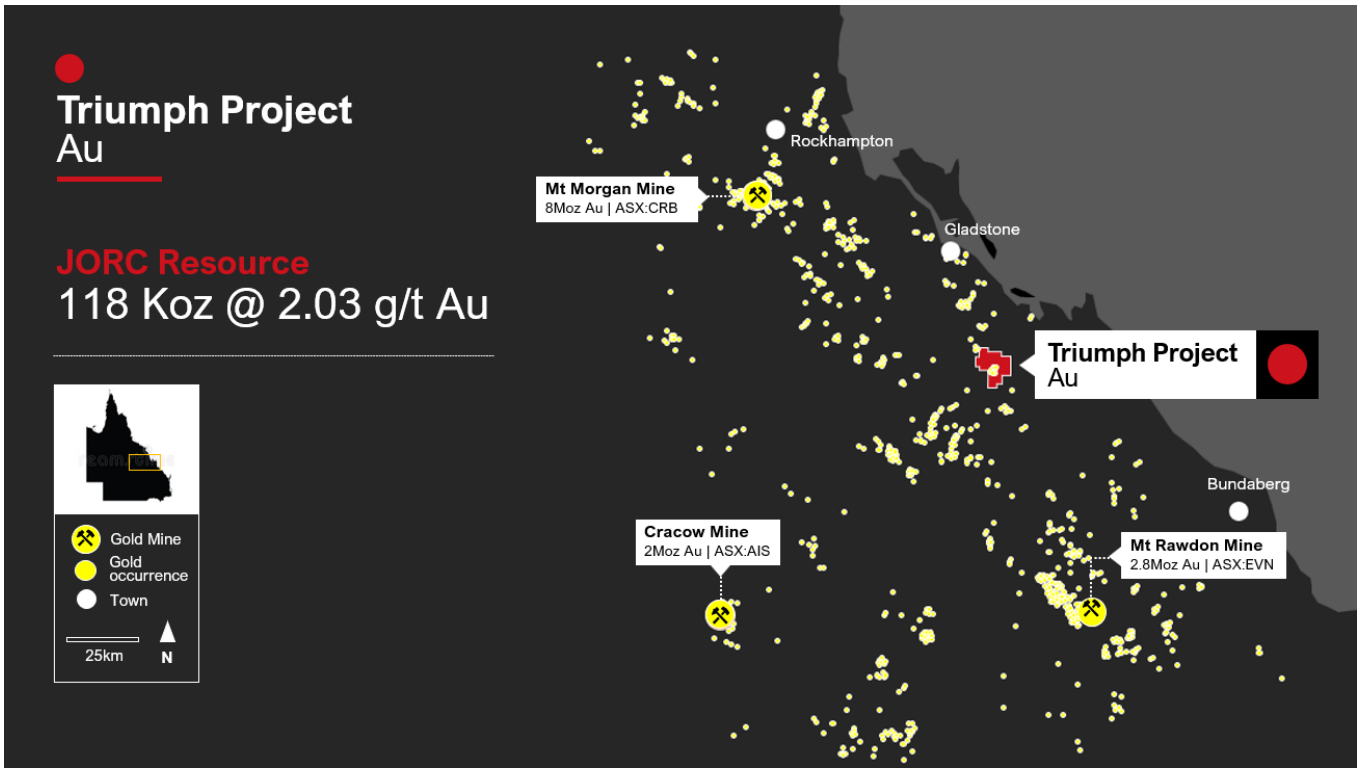

Figure 1. Triumph Project location.

Ravenswood West Project

Au-Cu-REEs-Mo-Ag
Ownership 100% | Queensland

Located adjacent to Queensland's largest gold mine at Ravenswood, the polymetallic Ravenswood West Project is highlighted by up to 14 major prospects from Titov in the north to Connolly in the south. The project has porphyry copper-gold-molybdenum, intrusion-related gold and REE potential.

Reverse Circulation (RC) drilling returning strong results

RC drilling across Ravenswood West near Townsville is returning exceptional results. At the end of the quarter, over 3,300m of drilling had been completed across 19 holes (average depth 174m).

Strong intercepts returned at Titov Cu-Mo Prospect

At Titov, 12 drill holes tested the extent of the "Main Zone" lode, defining mineralisation over a 500m strike length and showing it to be open at depth. Notable assays include:

- 103m @ 0.57% CuEq* from surface (22TVRC012)
- 42m @ 0.34% CuEq* from 15m (22TVRC011)
- 16m @ 0.50% CuEq* from 15m (22TVRC022)

Figure 2. Ravenswood West Project location

Additionally, three holes at Titov South intercepted higher-grade Cu-Mo bearing veins in a similar structural orientation to the Main Zone, including:

- 5m @ 0.95% CuEq* from 201m and 5m @ 0.79% CuEq* from 229m (22TVRC018)

Meanwhile, three of four shallow holes drilled 300 to 500m north of Titov Main (to test a coincident shallow east-west conductor and Cu-Ag bearing float) returned anomalous Au.

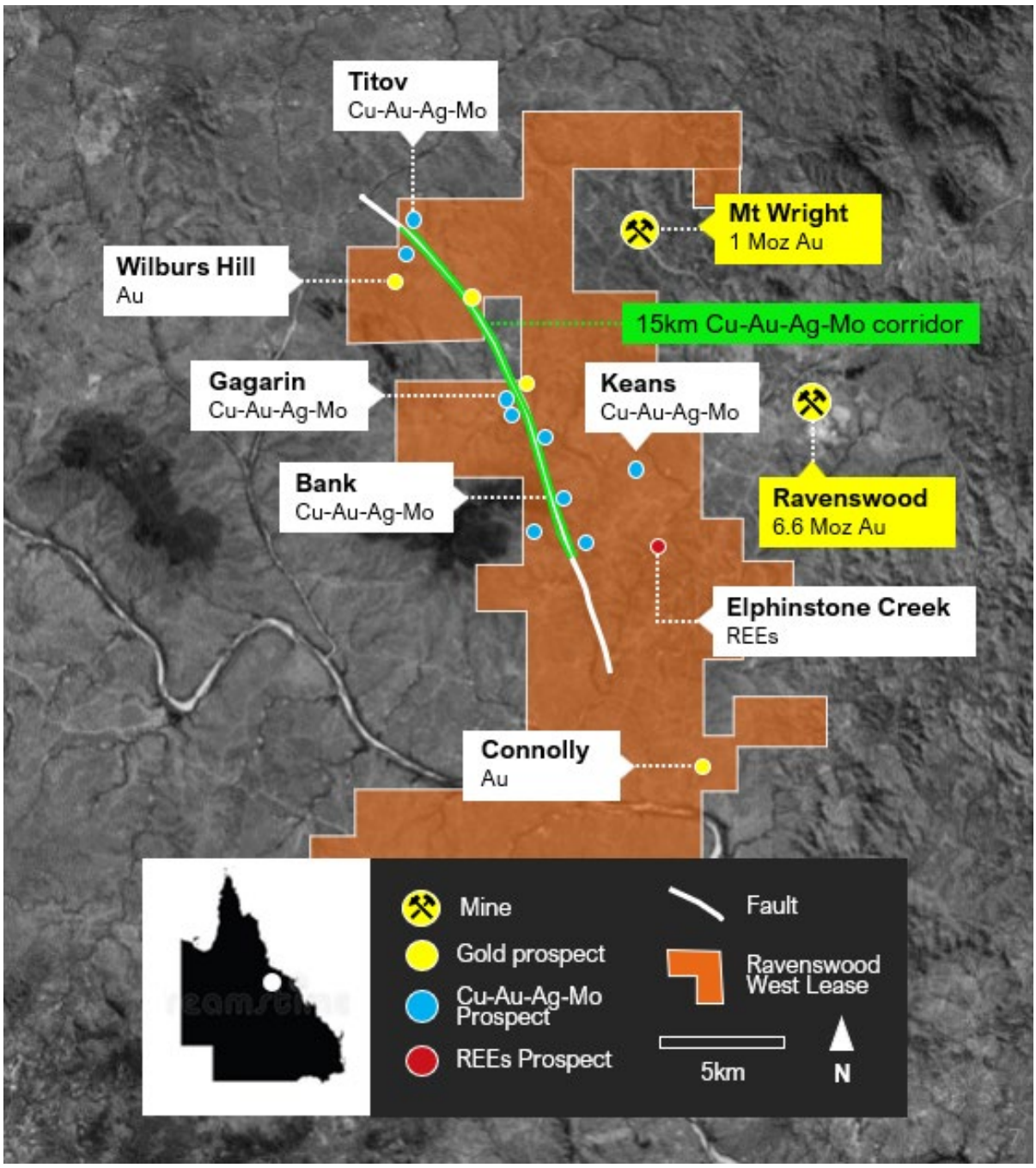

Figure 3. *The polymetallic Ravenswood West Project is highlighted by up to 14 major prospects from Titov in the north to Connolly in the south*

** recoverable copper equivalent accounts for metallurgical recovery, cost and other parameters. All assumptions are listed in ASX release 11th August 2022, Table 1, Data Aggregation Methods*

Connolly Au Prospect shows potential to be large scale and high-grade.

Recent soil sampling at the Connolly Au Prospect, 15km south of the Ravenswood Gold Mine and in the north of the Dreghorn trend, has defined a large-scale 1.8km x 2.5km >50 ppb Au soil anomaly, with ~15% of samples returning assays >50ppb Au, with a max of 1.47 g/t Au.

In addition to scale at Connolly, there is potential for high-grade Ravenswood-style mineralisation.

The Bank Cu-Au-Ag-Mo Prospect returns strong intercepts in drilling.

The first drilling campaign in over 50 years at the Bank Cu-Au-Ag-Mo Prospect has seen all five reconnaissance RC holes (716m) intersecting broad zones of disseminated and vein hosted sulphides within intensely altered host granodiorite.

The Bank has a coherent and highly elevated Cu (> 700ppm) and Mo (>20ppm) in soil concentric anomaly around a localised porphyritic intrusion. This porphyry is in contact with the Barrabas Adamellite to the southeast (host to the Elphinstone Creek Au-REE prospect) and a granodiorite to the north and south.

Two holes (22BKRC001 and 22BKRC002) were drilled in the north of the Bank and towards the east to target a chargeable IP anomaly which coincided with a major north-south trending structure and molybdenite-bearing veins on surface. A significant amount of pyrite with chalcopyrite and molybdenite was intercepted and explains the chargeability anomaly observed in the historical IP.

Three holes (22BKRC003 to 22BKRC005) drilled within the soil geochemistry anomaly all intercepted disseminated chalcopyrite within broad hydrothermal (largely sericitic) alteration zones with mineralised intervals open at depth in all three.

Drill hole 22BKRC003 returned 45m @ 0.15% Cu from 97m which remains open at depth. The entire hole is mineralised and averages 140m @ 0.10% Cu (bulk interval – no cut off). Drill hole 22BKRC004 returned 11m @ 0.22% CuEq (from 143m) within a bulk (no cut off) zone of 72m @ 0.14% CuEq from 82m. Further south again, 22BKRC005 was strongly sericitized and reported 70m @ 0.22% CuEq (from 102m).

The increased alteration and mineralisation seen within drill holes 22BKRC003 to 22BKRC005 indicates the holes are closing in on the core of the system with potentially increasing grades at depth or towards the contact with the central porphyry. Follow up field work to delineate future drill targets has commenced.

REE potential confirmed at Elphinstone Creek Prospect

Elphinstone Creek is hosted within the Barrabas Adamellite, a quartz monzonite occupying an area of 27km^2. The target was initially generated from elevated REE and Au in stream sediment sampling. The anomalous samples were collected from tributaries to Elphinstone Creek (Figure 4) where exploration in 2018 returned significant stream sediment assay results.

Soil Sampling Study

Soil sampling at Elphinstone Creek has demonstrated that the Barrabas Adamellite is enriched in REE, with > 90% of the Barrabas Adamellite soil samples grading > 400 ppm TREO. Despite the high overall TREO content of the soil samples over the Barrabas Adamellite, discrete zones of highly anomalous (> 750 ppm TREO) are observed. In general, TREO grades are highest in the west and north-east of the Barrabas Adamellite, centred around a zone of elevated magnetics (Figure 4).

Importantly, the average Neodymium + Praesodymium oxide content of the TREO is 20.3%. Nd+Pr are used in permanent magnets and constitute an estimated 90% of global REE value.

Gold anomalism appears to be focussed on Elphinstone Creek and may be related to drainage from the nearby Ravenswood Gold Mine. Further reconnaissance is required as soils up to 395 ppb Au appear unrelated to drainage and a historic rock chip sample grading 25.0 g/t Au is recorded near a small shaft in the Barrabas Adamellite.

Assays for the soil sampling program will be reimbursed to a total of $34,050 via a Collaborative Exploration Incentive grant from the Queensland Department of Resources. We acknowledge and appreciate the support of the Queensland Department of Resources.

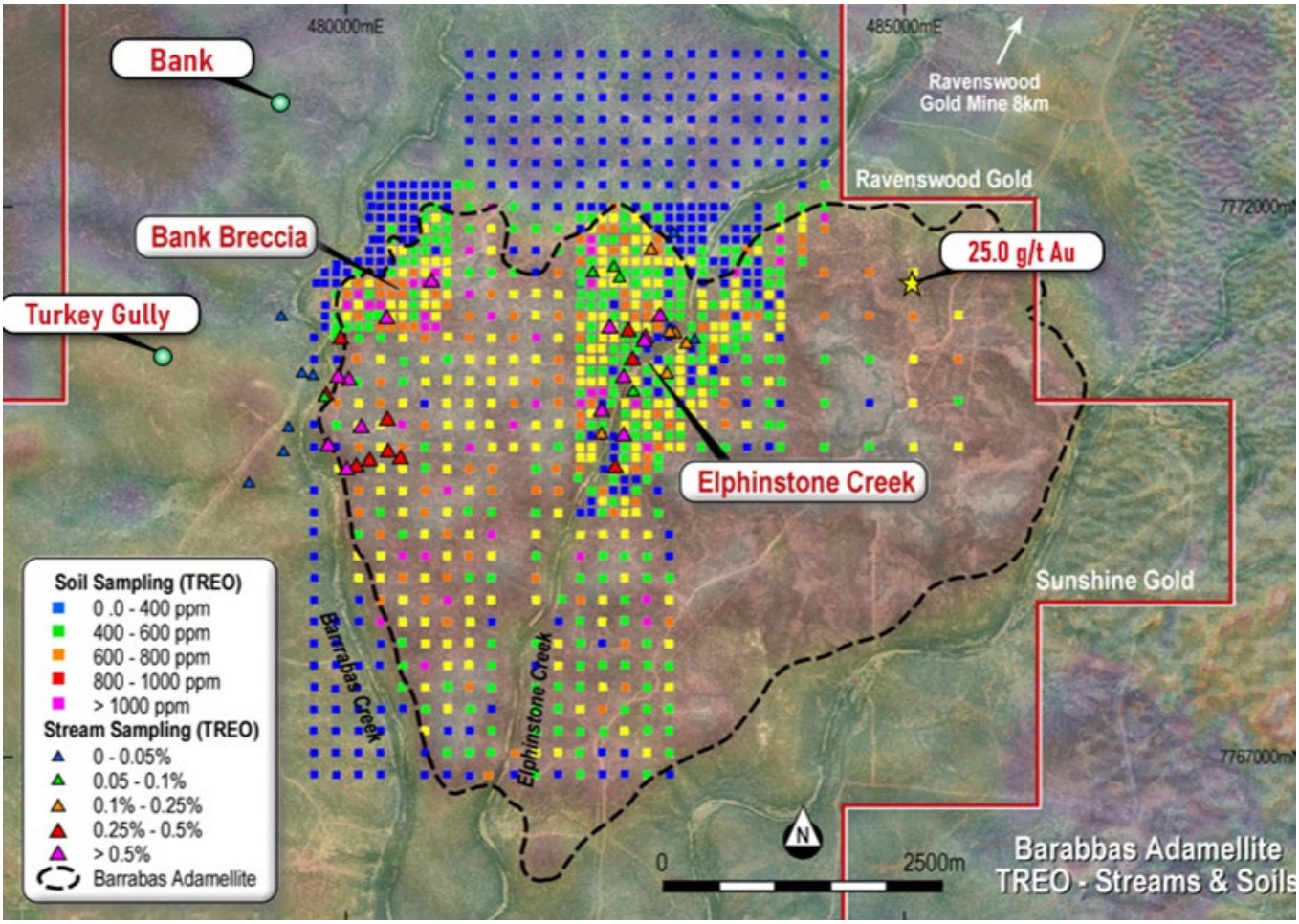

Figure 4. TREO distribution in soil sampling at Elphinstone Creek

Mineralogical Study

Sunshine Gold engaged rare-earth specialist Ross Chandler (ANU), to undertake a preliminary mineralogical investigation into the mineral host to the high REE grades and any implications this may have for the exploration for economic concentrations of REE in the Elphinstone Creek area.

The material provided for study comprised two samples (ANU001 and ANU002) consisting of ~750g of stream sediment sieved to 80 mesh (<177 µm). The samples underwent heavy liquid mineral separation and identification with a focus on constraining the mineral(s) responsible for the high REE identified in stream sediment sampling. The produced mineral concentrates were observed as being composed of:

- ANU001 (Figure 5): Ilmenite (40%), monazite (25%), magnetite (25%), zircon (8%), K-feldspar (1%), quartz (1%), plagioclase (trace), xenotime (trace), thorite (trace), cordierite (trace)
- ANU002: Ilmenite (50%), magnetite (20%), monazite (15%), zircon (5%), hornblende (5%), K-feldspar (3%), quartz (2%), plagioclase (trace), cordierite (trace)

Both samples showed a similar mineralogy with monazite as the dominant REE-bearing mineral observed with trace xenotime and thorite. The monazite observed in the samples are largely fragments of larger grains, and rarely display pitted and altered textures. The monazite is classified as monazite-(Cerium), with no detectable europium and variable but generally high thorium. These geochemical observations, coupled with the location of the samples and associated mineral assemblage, indicates the source of the monazite is an evolved granitic system, the obvious candidate likely being the underlying Barrabas Adamellite. Potential also exists for there to be units within the Barrabas Adamellite such as pegmatites or late-stage intrusives with higher monazite concentrations.

Two high-quality drill targets conformed at Wilbur's Hill Prospect.

A TITAN IP-MT geophysical survey completed in September has identified two drill ready targets at Wilbur's Hill.

The first target is a strong conductive and chargeable pipe-like anomaly ~300m x 250m in dimension and defined to depths of 800m (from MT). The top of the anomaly is at 150m depth.

The TITAN IP-MT survey identifies sub-surface conductivity to 1,500m depth and resistivity and chargeability to depths of 750m.

A similar technique (MIMDAS) utilised over Mt Wright the 1990s concluded that the target showed coincident moderate chargeability and strong conductivity anomalism (Webb & James, 2001).

From the TITAN IP-MT survey similar responses are seen at Wilbur's Hill including:

- the rhyolite below Wilbur's Hill is ~40 times more conductive than the surrounding diorite and granodiorite intrusives and is likely caused by clay development through hydrothermal alteration, potentially associated with gold mineralisation; and
- a strong chargeability anomaly coincident with a resistivity low over ~300-400m of strike and likely relates to sulphide contained within the rhyolite.

The eastern area of the anomaly contains the most proximal pathfinder elements (Au, Bi, Cu and Te) and will be diamond drilled in October 2022.

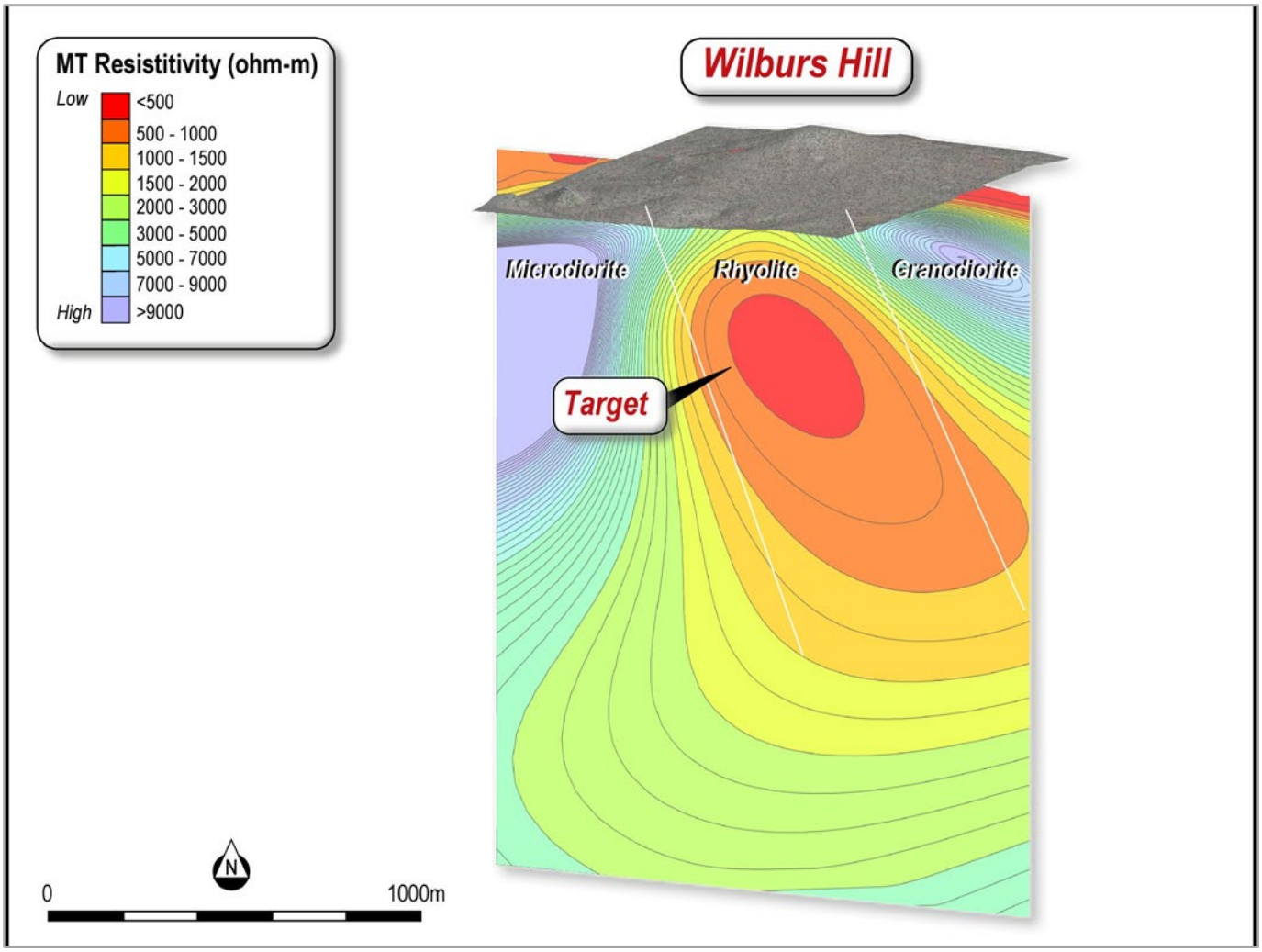

Figure 5. MT resistivity under Wilbur's Hill on section 7782300N, showing the high conductivity/low resistivity drill target

A second chargeable anomaly is seen in the northernmost line of TITAN IP-MT survey. This anomaly dips moderately to the west and is interpreted to be a north-east striking fault zone.

In addition to the above anomalies, the TITAN IP-MT survey shows an additional area of interest ~1km north of Wilbur's Hill. Additional soil sampling has been completed in this area and shows continuation of pathfinder elements (including Ag, As, Bi, Cu, Pb, Sb, Te, Zn) for >1.5km to the north.

Induced Polarisation (IP) Survey delineates untested, coincident chargeability and conductive anomaly at Gagarin Cu-Au-Ag-Mo Prospect.

Sunshine Gold commissioned a dipole-dipole IP survey over Gagarin designed to assist with drill target definition. The survey comprised six north-south oriented IP lines, 200m apart, with 50m spacing between survey stations along each line. The survey has delineated two discrete chargeable anomalies. The main chargeability anomaly coincides with a low resistivity zone and Cu soil anomaly which has been shallowly drill tested. Historical drilling however did not reach the top of the chargeability anomaly. Gagarin now presents as an exciting opportunity for another porphyry Cu-Au-Ag-Mo discovery. Follow up drilling will test both the core of the IP anomalism at depth and the mineralised faulting to the north of the IP anomaly.

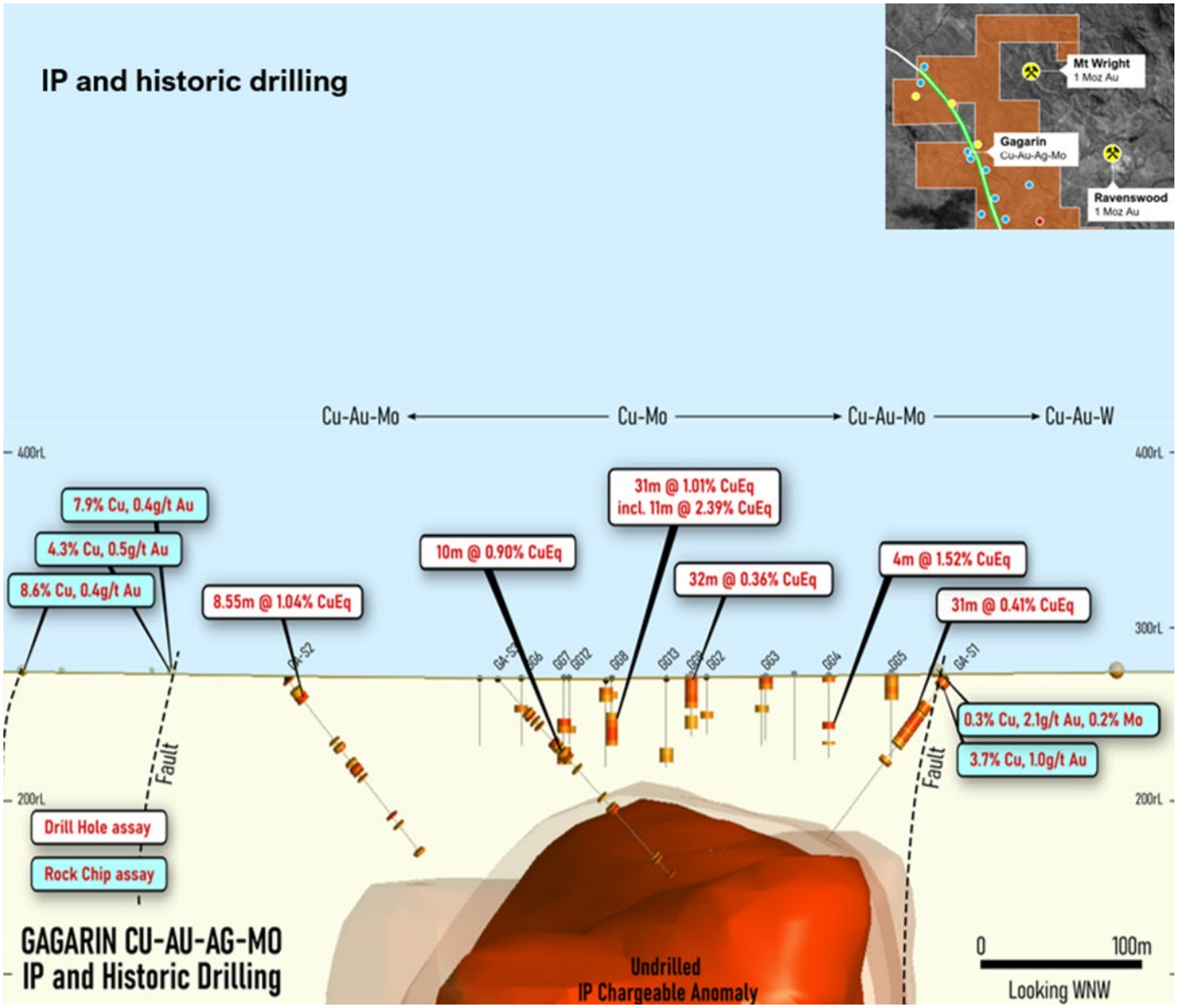

Figure 6. Cross section looking WNW displaying IP chargeability (red), drill intercepts and interpreted faulting at Gagarin.

Investigator Project

Copper
Ownership 100% | Queensland

First field mapping was undertaken at the Investigator Copper Project in February 2022. The project is geologically analogous to the Capricorn Copper Mine (61Mt @ 1.8% Cu) located 12km north.

The field mapping focused on refining the location and thickness of the east-west oriented Investigator Fault.

A particular focus will be placed on characterising fault fill and breccia type.

Electrical geophysical surveys and detailed magnetics are planned for mid-2023 and will be integrated with mapping data to refine targets for drill testing.

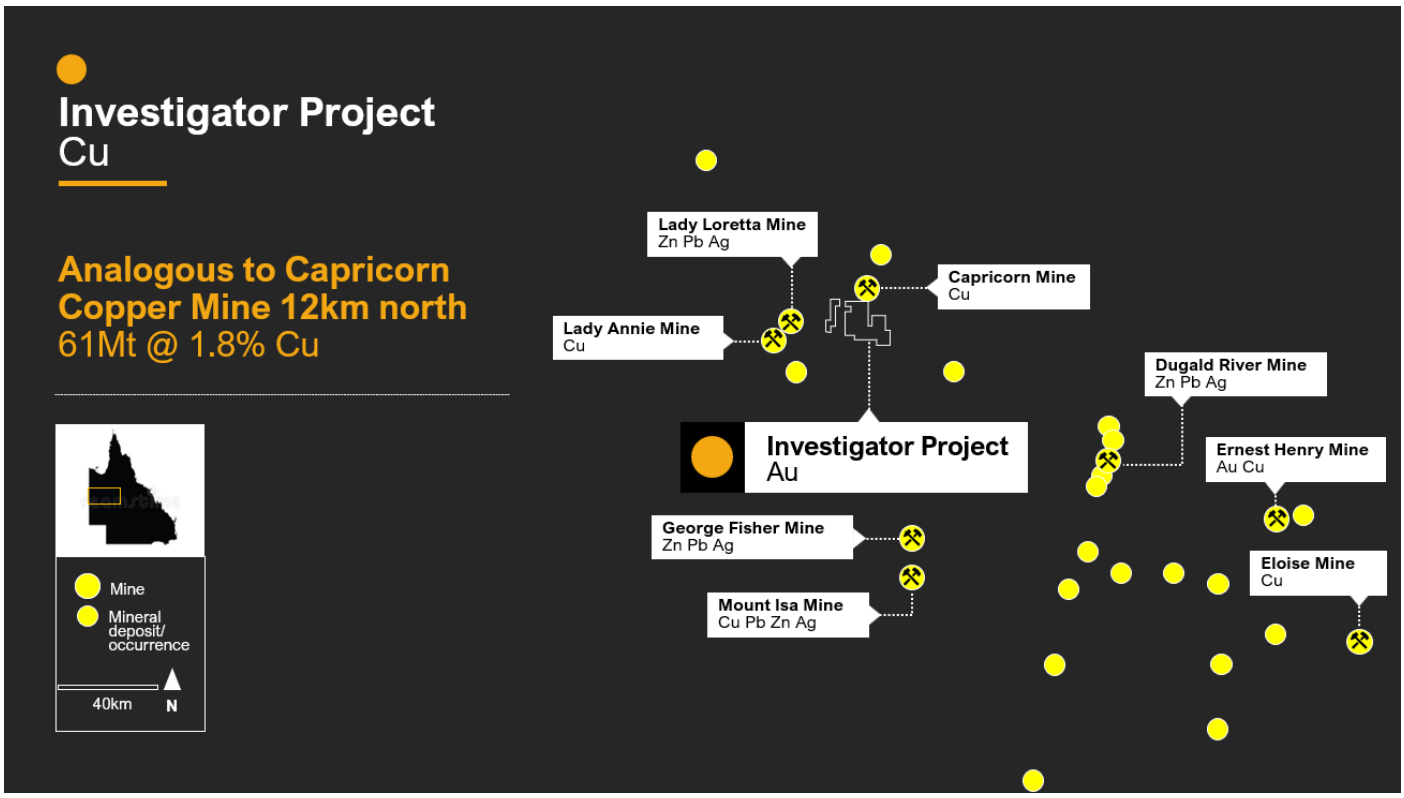

Figure 7. Investigator Project location

Hodgkinson Project

Gold | Tungsten
Ownership 100% | Queensland

A detailed review and integration of data from the magnetic survey completed (December 2020) and soil sampling completed (May 2021) has generated targets for drill testing in the northern area at Campbell Creek.

Campbell Creek is at the head of the Palmer River watershed. Palmer River has produced ~1.3Moz Au from largely alluvial sources since that late 1800's.

An integration of recently collected datasets (mapping, soils and magnetics) has determined the intersections of sandstone-dominant lithological packages and northwest or northeast oriented faulting as a locus for gold enrichment.

Three gold-in-soil anomalies were identified in May 2021 with the main anomaly field mapped in August 2021. The study showed quartz veining through Hodgkinson Formation sediments. The anomalies are flagged for future follow up work.

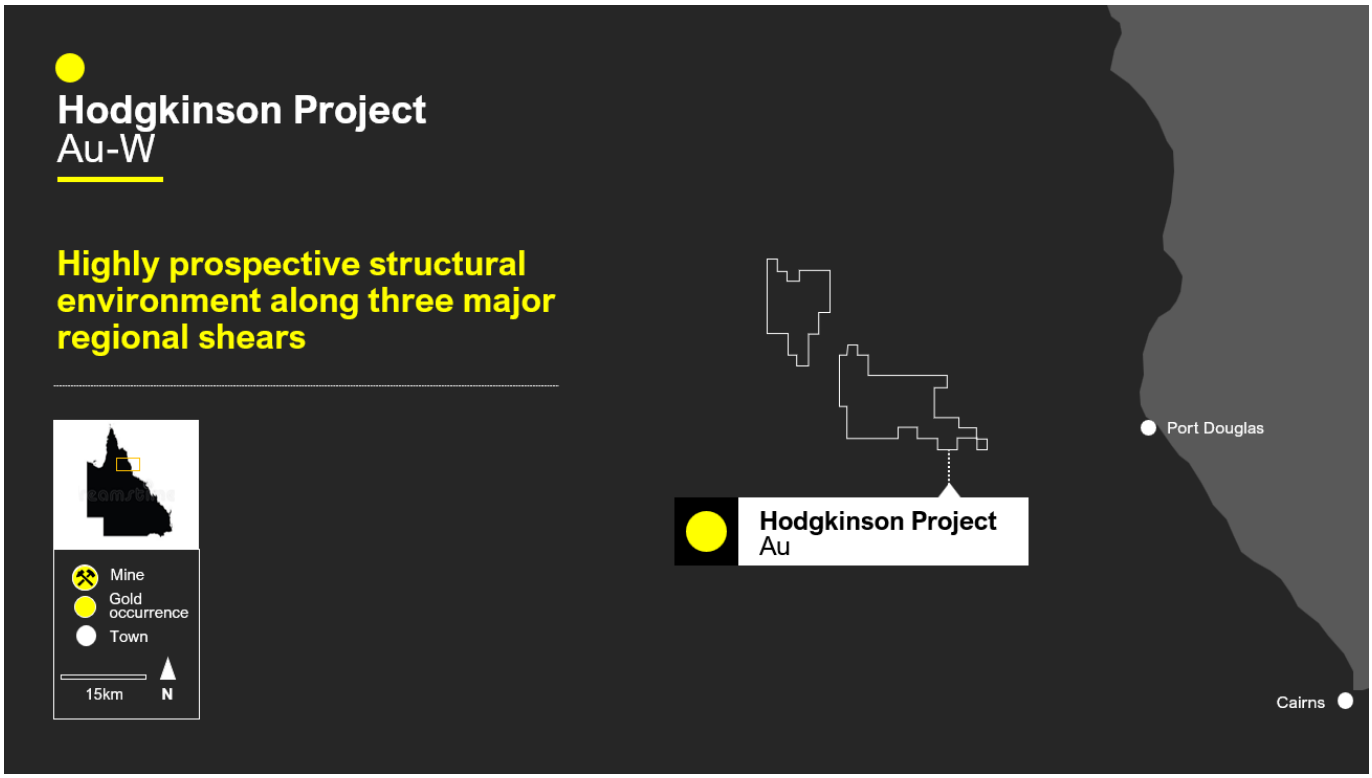

Figure 8. Hodgkinson Project location

Corporate

Cash Position

Sunshine Gold held cash reserves at the end of quarter of approximately $3.8 million.

Shareholder Information

As at 30 September 2022, the Company had 1,188 shareholders and 759,922,730 ordinary fully paid shares on issue with the top 20 shareholders holding 54.70% of the total issued capital.

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 is as follows:

Use of Funds	Use of Funds per Prospectus $	Current Quarter $	Actual to Date $
Exploration and evaluation (2 years)	3,330,000	895,084	6,464,908
Working capital (2 years)	1,506,000	424,042	2,024,704
Expenses of Offer and XXXX Gold acquisition	484,842	-	500,845
Total	**5,320,842**	**1,319,126**	**8,990,457**

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 $
Managing Director fees	66,853	66,550
Executive Director fees	-	-
Non-Executive Director fees	37,800	37,800
Company Secretarial fees	9,900	9,900
Total	**114,553**	**114,250**

Placement Details

The Company completed a Share Placement in August, issuing new shares to institutional and sophisticated investors at an issue price of $0.025 with commitments secured for $3.505 million before costs. Funds raised will be applied to rapidly advance on recent exploration successes at the Company's projects. There is a proposed issue of shares to directors to be completed on obtaining the requisite shareholder approval at the Annual General Meeting at 2.00pm (AWST) Friday 11 November 2022. Directors have committed to contribute a further $245,000 to the Share Placement bringing their total investment to ~$3 million.

The issue of the new shares pursuant to the Share Placement was made under the Company's placement capacity pursuant to Listing Rules 7.1 and 7.1A, whereby 47,041,590 shares were issued under the Company's placement capacity under Listing Rule 7.1A and 92,958,410 shares issued under the Company's placement capacity under Listing Rule 7.1.

Planned Activities

- Oct 2022: Diamond drilling of Wilbur's Hill (Au-Ag) Prospect (Ravenswood West)
- Nov 2022: Aircore drill transect of Elphinstone Creek REE Prospect (Ravenswood West)
- Oct – Dec 2022: Assay results for Wilbur's Hill and Elphinstone drill programs (Ravenswood West)
- 2 – 4 Nov 2022: Attending IMARC, Sydney
- 11 Nov 2022: Annual General Meeting
- Jan – Feb 2023: Extensional drilling Triumph Au

For further information

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

Competent Person 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.

Tenement Interests

Project	Tenement	Status	Beneficial Interest
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%
Investigator	EPM 28369	Application	100%
Ravenswood	EPM 26041	Granted	100%
Ravenswood	EPM 26152	Granted	100%
Ravenswood	EPM 26303	Granted	100%
Ravenswood	EPM 26304	Granted	100%
Ravenswood	EPM 27824	Granted	100%
Ravenswood	EPM 27825	Granted	100%
Ravenswood	EPM 28237	Application	100%
Ravenswood	EPM 28240	Application	100%
Triumph	EPM 18486	Granted	100%
Triumph	EPM 19343	Granted	100%

Mineral Resources and Ore Reserves

Sunshine Gold's initial Resource at 30 September 2022 was 1.8 million tonnes at 2.03 g/t Au for 118 koz of contained gold

There were no Ore Reserves at 30 September 2022.

Triumph Gold Project	Category	Tonnes	Grade	Contained Au
		,000 tonne	(g/t)	,000 ounces
Southern Corridor	**Inferred**	**1,497**	**2.1**	**100**
• *Big Hans*	*Inferred*	*493*	*2.3*	*37*
• *New Constitution*	*Inferred*	*690*	*2.0*	*44*
• *Super Hans*	*Inferred*	*314*	*1.9*	*19*
Northern Corridor	**Inferred**	**311**	**1.8**	**18**
Total	**Inferred**	**1,808**	**2.0**	**118**

Notes on Resource:

1. The preceding statement of Resources conforms to the ' Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition'.
2. All tonnages are reported as dry metric tonnes.
3. Data is rounded to thousands of tonnes and thousands of ounces gold. Discrepancies in totals may occur due to rounding.
4. Resources have been reported with varying cut-offs based on several factors discussed in the corresponding Table 1 which can be found with the original ASX announcement, 31st March 2022 "Robust Maiden Resource at Triumph Gold Project"

Quality Control

Sunshine Gold ensures that the Resource estimate quoted is subject to internal controls activated at a site and corporate level. All aspects of the Resource process follow a high level of industry standard practices. Contract RC and diamond drilling was overseen by experienced Sunshine Gold employees, with completed holes subject to downhole gyroscopic survey and collar coordinates surveyed with RTK GPS. Geological logging and sampling were completed by Sunshine Gold geologists. Sunshine Gold employs field quality control (QC) procedures, including addition of standards, blanks and duplicates ahead of assaying which was undertaken using industry standard fire assay at Intertek and ALS laboratories in Townsville. All drilling information is continually validated and managed by a database consultant. Geological models and wireframes were built using careful geological documentation and interpretations, all of which were validated by peer review. Resource estimation was undertaken by consultant Measured Group. Estimation techniques are industry standard and include block modelling using Ordinary Kriging. Application of other parameters including cut off grades, top cuts and classification are all dependent on the style and nature of mineralisation being assessed. All Resources are reported under JORC 2012. No Ore Reserve estimation has been completed or announced to date at Triumph.

No Material Changes

Sunshine Gold confirms that it is not aware of any new information or data that would materially affect the information included in the quarterly activities report dated 29 July 2022 and market announcements dated 1 August 2022, 11

August 2022 and 19 September 2022, and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed.

Competent Person Statement

The information in this report that relates to Resources is based on information compiled and reviewed by Mr Andrew Dawes, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Principal Geologist employed by Measured Group Pty Ltd. Mr Andrew Dawes 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 Andrew Dawes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Company Profile

Four projects. Tier one potential. Sunshine Gold is developing four projects with tier one potential in north Queensland over 1,000km^2 in proven districts with high prospectivity for gold, copper, molybdenum, and rare earths elements:

Triumph Project (Au) – More than 85% of Triumph's Inferred Resource of 118,000 ounces @ 2.03 g/t Au is less than 100m deep and largely located within 1.25km of strike within a 6km long trend called the Southern Corridor. Recent drilling has confirmed the project's intrusion-related gold system is characteristic of larger mines and deposits in the area including the Mt Morgan Mine and Evolution Mining's Mt Rawdon Mine

Ravenswood West Project (Au-Cu-REEs-Mo-Ag) – Adjacent to Queensland's largest gold mine, Ravenswood, jointly owned by EMR Capital and SGL listed Gold Energy and Resources. The Ravenswood Mine hosts a 9.8Moz resource within a district that has produced over 20Moz of gold historically.

Investigator Project (Cu) - The project is 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 a similar fault architecture as the Capricorn Copper Mine which is located 12km to the north.

Hodgkinson Project (Au-W) - 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.