



ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Sunshine Metals Limited
ABN 12 063 388 821
ASX: SHN



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Queensland projects. Big potential.

Sunshine Metals is focused on discovery and development of its high quality projects in Queensland, led by the Ravenswood Consolidated Project.

Corporate Directory

Board of Directors

Alec Pismiris (Chairman)
Damien Keys (Managing Director)
Paul Chapman (Non-Executive Director)
Leslie Davis (Non-Executive Director)
Antonio Torresan (Non-Executive Director)

Company Secretary

Shaun Menezes

Registered Office and Principal Business Office

Unit 1, 23 Mackley Street
Garbutt, Queensland 4814

Postal Address

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Garbutt, Queensland 4814

Telephone

(+61 8) 6245 9828

Share Registry

Automatic Registry Services
Level 5, 191 St Georges Terrace
Perth, Western Australia, 6000
Investor Enquiries: 1300 288 664

Auditor

HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling Street
Perth, Western Australia, 6000
Telephone: (+61 8) 9227 7500

Securities Exchange Listing

ASX Limited (Australian Securities Exchange)
ASX Codes: SHN

Website

www.shnmetals.com.au

ABN

12 063 388 821

Chairman's Letter

The Australian small cap mining sector has been under pressure this past year to say the least with more than half of ASX-listed participants in the sector suffering market cap slides. This is despite historic gold price highs, and copper prices touching US\$4.59/pound during the financial year. Comparatively, Sunshine Metals has held its ground against a long list of downward external forces by returning solid and consistent progress as the company relentlessly executes its strategy.

The 2024 financial year got off to a terrific start with the completion of the fully funded acquisition of Greater Lontown at our flagship Ravenswood Consolidated Project near the historic mining town of Charters Towers in north Queensland in September 2023.

Covering ~1,760km², the Ravenswood Consolidated Project hosts a Zn-Au-Cu-Pb-Ag volcanic massive sulphide (VMS) Resource of 5.45 million tonnes (Mt) at 12.0% recoverable zinc equivalent, a 5 - 8 Mt copper-molybdenum exploration target at Titov, a 50Koz gold resource at the Plateau Breccia, and a plethora of top shelf drilling targets.

Ravenswood Consolidated is rich with opportunity within a district which has collectively produced over 20 million ounces (Moz) gold, and 14 Mt of VMS ore (copper-gold, zinc-lead). We now control around 80% of the prospective Mt Windsor Volcanic belt, a highly prospective gold and base metal sequence.

We are pleased to report that during the financial year, the company completed three drilling campaigns at Lontown and reported some outstanding intersections, which validated our refined geological model and gold-copper focused footwall target.

In November, Sunshine confirmed a gold-copper rich zone, with multiple hits highlighted by a 17m @ 22.14g/t Au intersection from 67m including 6m @ 58.74g/t Au. A later intersection of 20m @ 18.21g/t Au from 114m including 10m @ 34.79g/t Au from 115m increased our exploration confidence at Lontown and served to delineate a high-grade gold zone ~300m x 140m in dimension.

Our first pass drilling results in combination with around 19,000m of drilling since 2020 lead to a 21% increase in Lontown's JORC 2012 Mineral Resource in February to 2.94Mt @ 10.6% zinc equivalent. This Resource contained a 10% increase in contained gold to 132koz and a 60% increase in contained copper to 29kt Cu.

Sunshine's exploration success continued in June when the company's step out diamond drilling campaign 250m east of the Lontown Resource intersected high-grade gold and copper mineralisation in the Gap Zone. Results included 16.2m @ 4.54g/t Au with 1.11% Cu including 6.2m @ 9.00g/t Au with 2.52% Cu.

The financial year was rounded out at the commencement of further Resource drilling at Lontown. Metallurgical studies have also commenced and results from drilling and studies will be incorporated into a Resource upgrade, due in December 2024.

Drilling Highlights

Throughout the year, Sunshine completed three drilling campaigns at Liontown, returning impressive intersections of gold and copper with results including:

- **17m @ 22.1 g/t Au** from 67m (23LTRC002)
 - **20m @ 18.21 g/t Au** from 114m (24LTRC005)
Including **10m @ 34.79 g/t Au** from 115m
 - **16.2m @ 4.54g/t Au, 1.11% Cu** from 319m (24LTDD024)
Including **6.2m @ 9.00g/t Au, 2.52% Cu**
 - **16.7m @ 3.73g/t Au, 0.53% Cu** from 238m (24LTDD011)
Including **7.7m @ 6.43g/t Au, 0.85% Cu**
 - **3m @ 6.81 g/t Au** from 186m (24LTRC004)
-



Meanwhile, Sunshine's shareholder registry was strengthened significantly with Melbourne's Lion Selection Group and Toronto's 1832 Asset Management supporting the company's \$4 million placement in March. Their contribution along with the enduring support of our valued shareholders means we are well funded to continue focused exploration at priority gold-copper prospects across the Ravenswood Consolidated Project.

On 26 August 2024, the Company entered into a binding sale and purchase agreement with Dart Mining NL, to divest the Triumph Gold Project for a total consideration of \$2 million, comprised of \$1 million in cash and \$1 million in Dart fully paid ordinary shares, subject to completion.

Sunshine's Queensland projects have big system potential. We look forward to the next 12 months as our team delivers on our commitment to return increasing value to all shareholders.

The Company would like to thank its loyal shareholders, management and staff for their continued support.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'Alec Pismiris', with a stylized, flowing script.

Alec Pismiris
Chairman, Sunshine Metals Ltd

Review of Operations



Ravenswood Consolidated Project

Gold, Copper, Molybdenum, Zinc, Lead

Ownership 100% / Earning 75% (Lighthouse JV)

The 1,760km² Ravenswood Consolidated Project near Charters Towers is located within a prolific mining district which hosts some of Queensland's largest mines and has collectively produced over 20 million ounces (Moz) gold, and 14 Mt of volcanogenic massive sulphide (VMS) ore (copper-gold, zinc-lead). The project holds a Au-Cu, Zn-Pb-Ag VMS Resource of 5.45mt @ 12.0% ZnEq (47% Indicated, 53% Inferred¹).

Significant Increase in Liontown Resource

On 7 February 2024, Sunshine announced an increase in the Resource at the Liontown deposit, of 21% to 2.94mt @ 10.6% ZnEq. This features an impressive 116% increase in the Indicated category to 1.85mt @ 10.9% ZnEq, now comprising 63% of the Liontown Resource all achieved with an increase in grade.

The Resource contained a 10% increase in contained gold to 132koz Au and 60% increase in contained copper to 29kt Cu, further supporting Sunshine's recent Au-Cu focus. The Resource increase at Liontown has increased the Ravenswood Consolidated Project's total Resource to 5.45mt @ 12.0% ZnEq, a 10% increase with the Indicated Resource now at 47% of the total.

A Resource update is scheduled for December 2024.

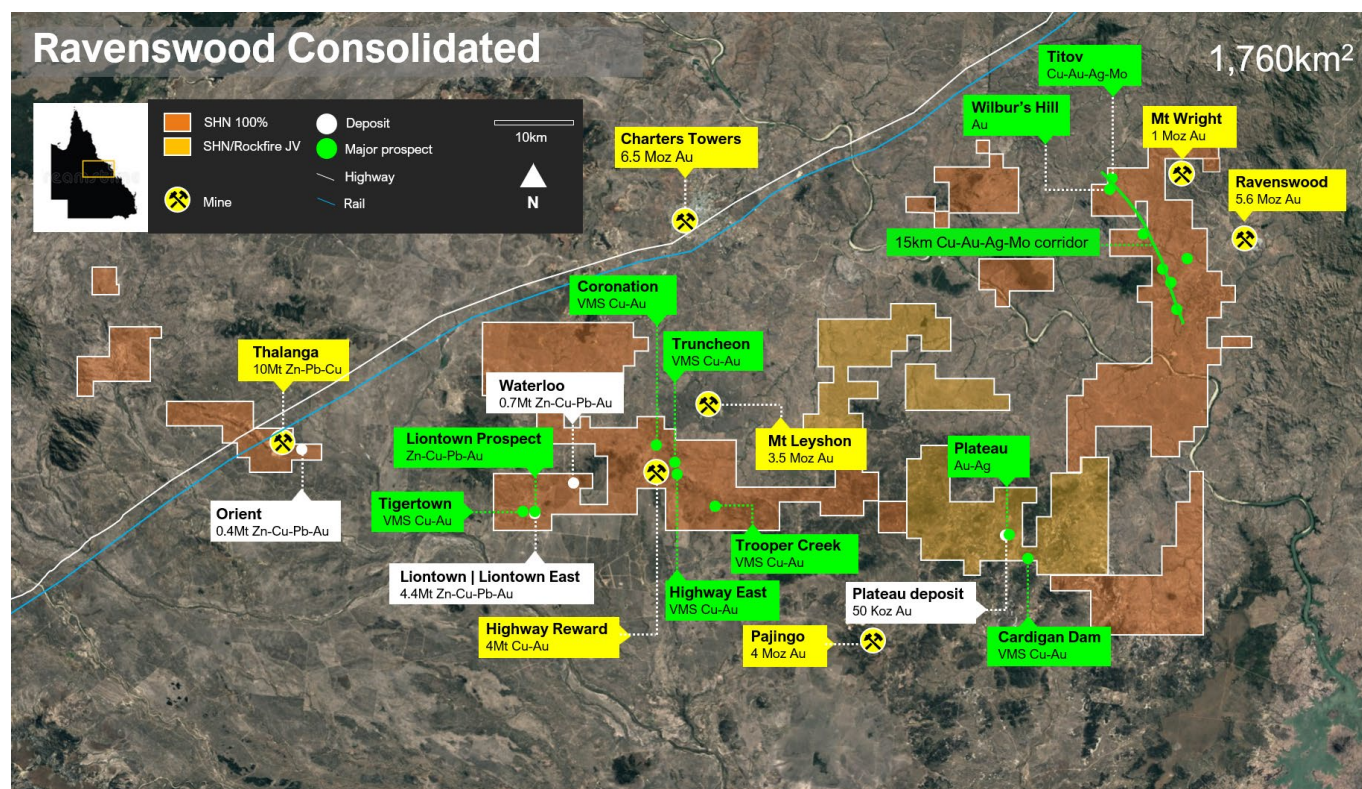


Figure 1. Ravenswood Consolidated Project acreage

¹ SHN ASX Release, 7 February 2024, "Significant Increase in Liontown Resource"

Liontown drilling delivers thick, high-grade results

Throughout the year, Sunshine completed three drilling campaigns at Liontown. 34 RC holes were drilled (4,191m) and four diamond drill holes were completed (1,220.6m). Drilling targeted underexplored gold and copper rich lodes in the footwall of the main Liontown Resource. Drilling returned impressive intersections of gold and copper with results including:

- **17m @ 22.1 g/t Au** from 67m (23LTRC002)²
- **20m @ 18.21 g/t Au** from 114m (24LTRC005)³
Including 10m @ 34.79 g/t Au from 115m
- **16.2m @ 4.54g/t Au, 1.11% Cu** from 319m (24LTDD024)⁴
Including 6.2m @ 9.00g/t Au, 2.52% Cu
- **16.7m @ 3.73g/t Au, 0.53% Cu** from 238m (24LTDD011)⁴
Including 7.7m @ 6.43g/t Au, 0.85% Cu
- **3m @ 6.81 g/t Au** from 186m (24LTRC004)³

On 27 May 2024, Sunshine announced the identification of a new Cu-rich footwall lode (Sapindinus Lode) from shallow RC drilling at Liontown. The drilling focused on a line of historic shafts located deeper into the footwall sequence than the gold-copper rich footwall lode. The Sapindinus Lode can be traced in wide spaced historic drilling over ~200m of strike and is open in all directions. Sunshine intersected:

- **8m @ 2.73% Cu, 0.69g/t Au, 1.55% Zn, 1.79% Pb, 24g/t Ag** from 38m (24LTRC014)
Including 3m @ 6.96% Cu, 0.61g/t Au, 3.95% Zn, 3.77% Pb, 60g/t Ag from 38m (24LTRC014)

Historic Sapindinus intersections in broad spaced drilling include:

- **5.6m @ 2.06% Cu, 7.45g/t Au, 2.99% Zn** (from 99.7m, LTDD19030)
- **2m @ 6.57% Cu, 2.45g/t Au** (from 58m, LLRC186)



Figure 2. Gold and sulphide bearing quartz-barite veins in a zone which returned 8.5m @ 5.47g/t Au (LTDD22068)

² ASX: SHN, 24th November 2023, 17m @ 22.1g/t Au Confirms Liontown Feeder Zone

³ ASX: SHN, 13th March 2024, 20m @ 18.21g/t Au Extends Au-Cu Rich Footwall at Liontown

⁴ ASX: SHN, 4th June 2024, Step Out Holes Hit Thick High-Grade Gold-Copper Liontown

Previous owners of Liontown drilled, but hadn't logged or sampled, 25 diamond holes. Of these, assays for 10 holes were announced previously (SHN Annual Report 2023) with the remaining 15 holes' assays received during the reporting period, including:

- **7.0m @ 2.50g/t Au, 0.41% Cu, 11.89% Zn, 5.04% Pb** from 94.0m(LTDD22070)
- **10.1m @ 1.52g/t Au, 1.67% Cu, 5.25% Zn** (12.51% ZnEq, from 78.0m, (LTDD22080)
- **3.9m @ 0.24g/t Au, 8.30% Cu** (23.30% ZnEq, from 99.0m, (LTDD22074)
- **8.5m @ 5.47g/t Au, 0.39% Cu** (10.17% ZnEq, from 73.5m, (LTDD22068)
Including 2.8m @ 15.64g/t Au, 0.4% Cu (from 76.3m)
- **3m @ 7.63g/t Au and 0.34% Cu** from 298m (LTDD22069A)
Including 2m @ 11.27g/t Au and 0.36% Cu (from 299m)

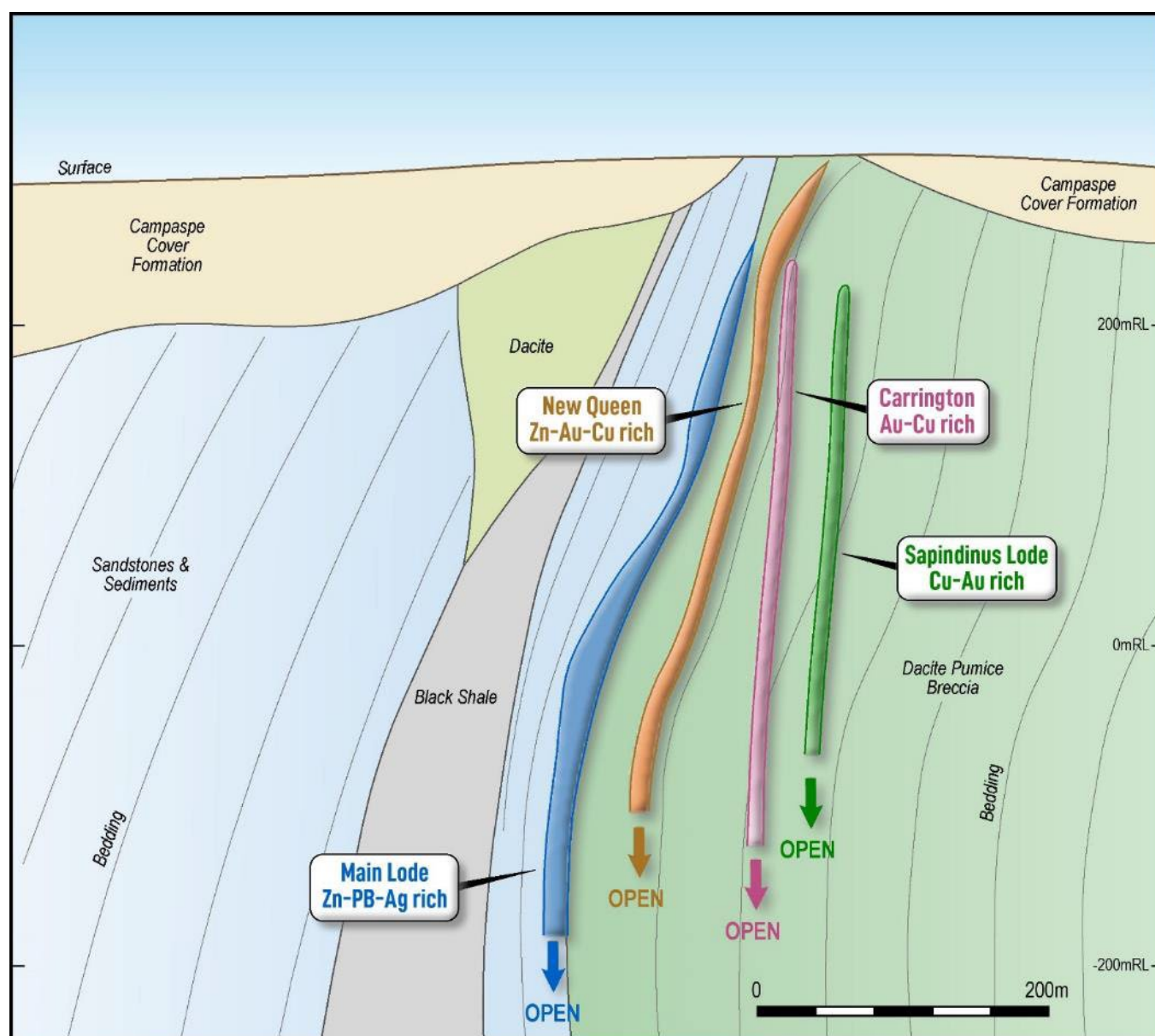


Figure 3. Schematic cross section (looking west) of the various lodes at Liontown. Highlighted are the stratigraphy parallel Main (blue) and New Queen (orange) Lodes and the sub-vertical Carrington (pink) and Sapindinus (green) Lodes

Au-Cu Focussed Geophysical Surveys

On 6 May 2024, Sunshine announced results from the three induced polarisation (“IP”) geophysical surveys at the Liontown, Truncheon and Highway East prospects. Truncheon and Highway East are proximal to the historic Highway-Reward mine (3.9Mt @ 5.4% Cu & 1.1 g/t Au mined).

The Reward and Highway deposits were discovered in 1987 and 1989 respectively. Geologically, they are comprised of massive pyrite-chalcopyrite pipes situated within the margins of rhyolitic domes. The pipes were enveloped by a halo of pyrite-sphalerite-chalcopyrite-galena-barite which exhibited a significant geochemical footprint of Cu, Pb and Zn anomalism.

IP played a significant role in the discovery of the Conviction Lode at Highway-Reward. Discovery hole RPHY816 (drilled by RGC Exploration, 1998) targeted a coincident low resistivity – moderate chargeability zone and intersected 86m @ 1.32g/t Au (CR_30836). IP also was the targeting tool used in the discovery at Liontown East which currently stands at an Inferred Resource of 1.47mt @ 11.0% ZnEq.

The IP program generated seven exciting targets based on chargeable anomalies coincident with gold and base metal soil anomalism at Liontown, Truncheon and Highway East.

The IP anomalism at Truncheon is coincident with strong gold, copper and lead soil anomalism. The two shallower targets at Truncheon have seen limited historical drilling and no dedicated gold exploration. A deep IP resistive low, presents a second target at Truncheon.

Two continuous, strong IP chargeability anomalies extend over 400m at Highway East. The westernmost anomaly is coincident with Cu-Pb-Zn anomalism in soil. No gold assays are recorded for the soil surveys.

One line of dipole-dipole induced polarisation (“DDIP”) was undertaken at Liontown as a validation and infill line against a broader survey conducted in 2017. As well as delineating the Liontown lodes, two undrilled chargeability anomalies of similar intensity were identified ~500m south and 1km north of Liontown.

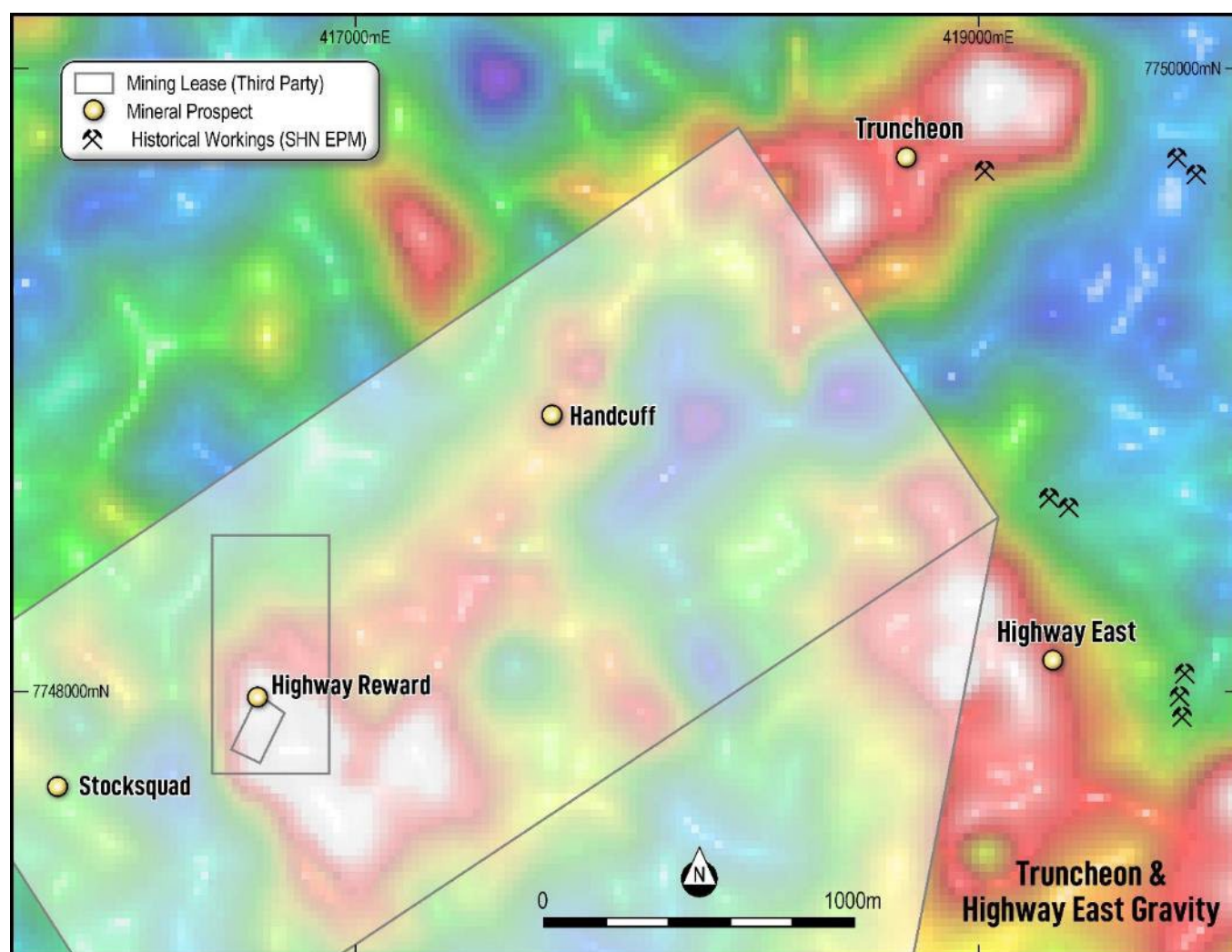


Figure 4. Gravity image showing historic 3.9mt Highway Reward Mine (5.4% Cu, 1.1g/t Au mined grade) and key prospects Truncheon and Highway East. Mines and targets are all coincident with strong gravity responses, inferred to be responses from massive sulphides.

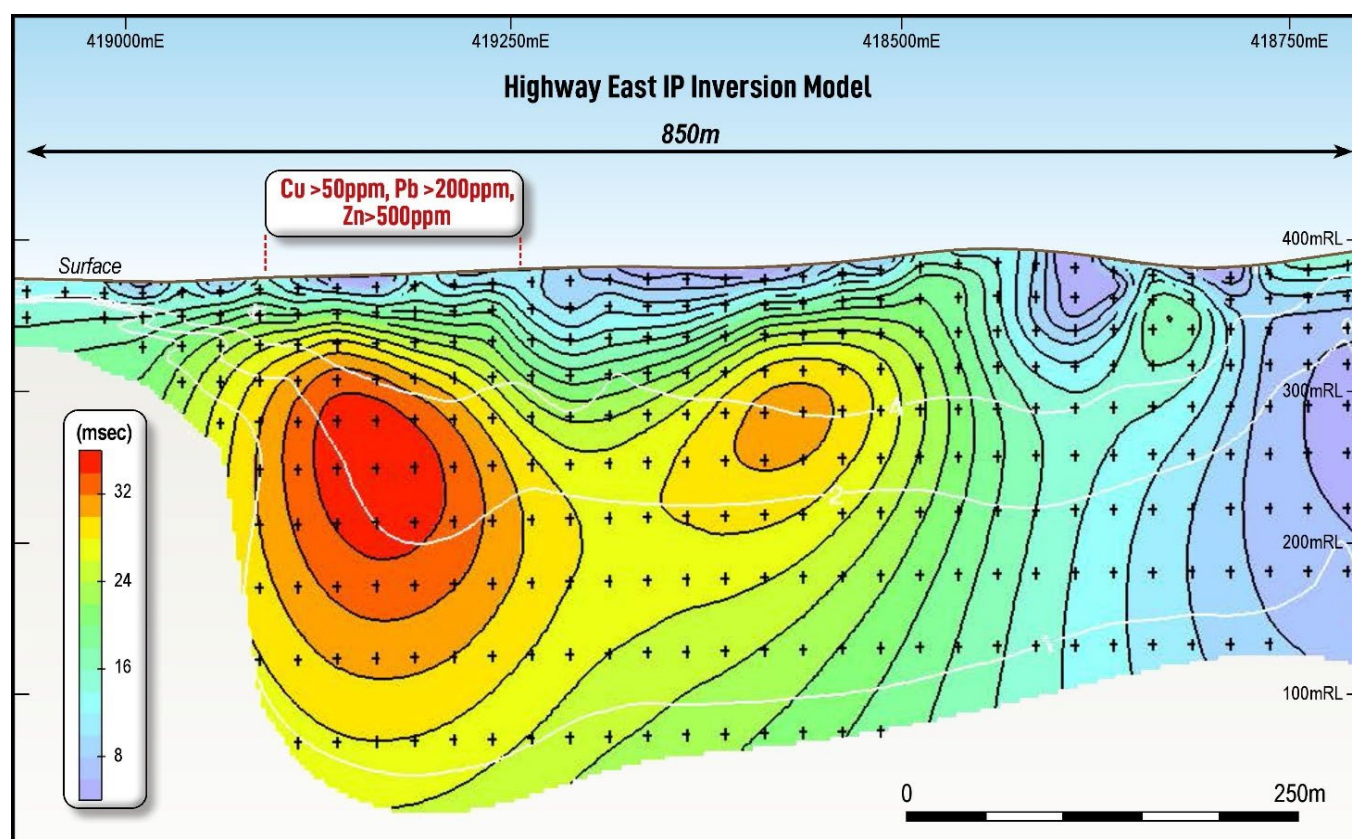


Figure 5. Chargeability section (L 7748000N) showing the westernmost anomaly at Highway East coincident with both a moderate conductor and elevated geochemistry in soil.

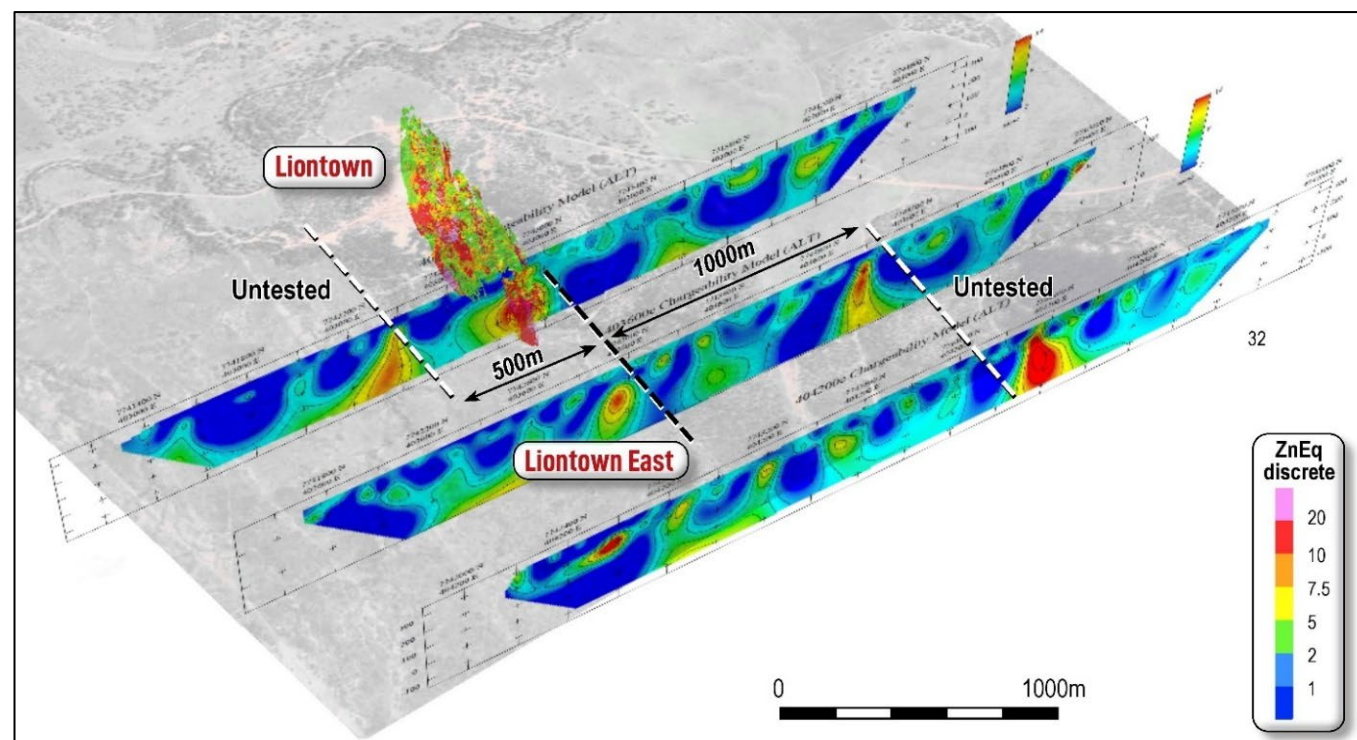


Figure 6. Chargeability sections from the 2024 & 2017 IP survey which show the Liontown-Liontown East chargeable trend. The Resource at Liontown provides a clear IP chargeable response as do the two nearby targets (red anomalies).

Regional Exploration Drilling

Lighthouse Farm-In - Cardigan Dam and Plateau

On 19 January 2024, Sunshine announced encouraging first pass drilling results at Cardigan Dam, on the Lighthouse Farm-In ground.

Cardigan Dam is located 3.5km SE of the Plateau Au deposit and comprises a ~300m long, sub-cropping zone of brecciated and sheared granodiorites. Historic rock chip results from the Main Gossan include: 23.4 g/t Au, 15.6 g/t Au, 11.4 g/t Au and 9.9 g/t Au. The rock chips correlate with a 300m long, >50ppb Au soil anomaly and are coincident with a magnetic feature interpreted to be a large fault zone.

Drilling (3 holes, 327m) was spaced ~60m apart along the Main Gossan. Encouraging assay results returned:

- **3m @ 1.56 g/t Au, 3.93 g/t Ag** from 31m (23CDRC002)
- **1m @ 0.65 g/t Au** from 351m (23CDRC005)

A second gossan was identified, the Southern Gossan, and is located 480m south of the Main Gossan ridge. The gossanous zone of sheared volcanic has been defined in mapping over 180m strike, with rock chips assaying:

- **59.50 g/t Au, 41 g/t Ag** (CD23_059)
- **9.58 g/t Au** (CD23_004)

BHID	Cut-off	From	To	Interval	Au (g/t)	Ag (g/t)
23CDRC001	0.5 g/t Au	0	1	1	0.53	0.45
23CDRC001	0.5g/t Au	2	3	1	0.53	0.33
23CDRC001	0.5 g/t Au	18	19	1	0.52	0.89
23CDRC001	0.5g/t Au	56	57	1	0.60	2.33
23CDRC002	0.5 g/t Au	31	34	3	1.56	3.93
including	0.5g/t Au	31	33	2	1.90	4.75
23CDRC003	No significant intercepts					
23CDRC004	No significant intercepts					
23CDRC005	0.5 g/t Au	51	52	1	0.65	0.64

Table 1. Significant intercepts from Coronation RC drilling, Ravenswood Consolidated.

Outcropping gossans were first recognised at Plateau in 1976. Gold focused drilling (1,352m) was completed in 1985 by Esso with a best intersection of 86m @ 1.62 g/t Au. More recent infill and extensional drilling on the Plateau Breccia and Eastern Limb Fault Zones has culminated in an initial Resource of 961kt @ 1.66 g/t Au for 50k oz Au.

Sunshine completed five reconnaissance RC holes (505m) aimed at the undrilled northeast corner of the Plateau breccia pipe. Three of the five holes intersected rhyolitic breccia and four holes returned anomalous gold. Assays included:

- **1m @ 2.29 g/t Au** from 41m (23PLRC004)

BHID	Cut-off	From	To	Interval	Au (g/t)	Ag (g/t)	Zn (%)
23PLRC001	0.5 g/t Au	20	22	2	0.79	3.60	0.12
23PLRC002	0.5g/t Au	0	1	1	0.58	3.57	
23PLRC002	0.5 g/t Au	6	7	1	0.75	1.52	
23PLRC002	0.1% Zn	8	80	72	0.05	1.32	0.25
23PLRC003	0.5 g/t Au	9	12	3	0.74	1.99	
23PLRC004	0.5g/t Au	37	38	1	0.89	4.02	
23PLRC004	0.5 g/t Au	41	42	1	2.29	8.36	
23PLRC005	0.5g/t Au	No significant intercepts					

Table 2. Significant intercepts from Coronation RC drilling, Ravenswood Consolidated.

Coronation Prospect

Sunshine completed an initial eight hole (1,220m) drill campaign at Coronation which is located 2.7km north of the analogous Highway-Reward Cu-Au Mine (3.9mt @ 5.4% Cu & 1.1g/t Au mined) and ~32km, by sealed road, south of the mining centre of Charters Towers.

The RC program tested six gravity anomalies (CorG1 to CorG6) with seven holes drilled (1,235m, averaging 176m depth). One further short RC hole (41m) tested a 2m thick, pyritic jasper that was exposed during drill pad clearing.

Gold mineralisation in barite veining was observed above the historic Highway-Reward Mine. At Coronation in RC hole 23CORC004, a 13m zone of barite veining was encountered from 10m depth. The barite veined zone graded:

- **8m @ 1.29 g/t Au** from 10m (23CORC004),
Including **3m @ 2.23 g/t Au** from 10m (23CORC004)

Elevated zinc and lead were also intersected at Coronation with anomalous results including:

- **2m @ 1.79% Zn, 0.62% Pb, 0.17 g/t Au, 0.15% Cu** from 90m (23CORC003)

The barite vein intersection in 23CORC04 is the only drill test of the gold bearing vein system. Further drilling is planned to determine the extent of the gold bearing vein system.

BHID	Cut-off	From	To	Interval	Cu %	Pb%	Zn%	Au (g/t)	Ag (g/t)
23CORC003	0.5% Zn	86	88	2	-	0.33	0.65	-	-
23CORC003	1% Zn	90	92	2	0.15	0.62	1.79	0.17	1.98
23CORC004	0.5 g/t Au	10	18	8	-	0.24	-	1.29	5.68
<i>including</i>	1 g/t Au	10	13	3	-	0.28	-	2.23	8.30
and	1 g/t Au	16	17	1	-	0.20	-	1.51	5.38
23CORC004	0.5% Cu	120	121	1	0.59		0.68	0.07	5.05
23CORC007	0.5% Zn	32	35	3	-	0.20	0.56	-	-

Table 3. Significant intercepts from Coronation RC drilling, Ravenswood Consolidated.

Triumph Project

Gold

Ownership 100%

Sunshine Metals released a 118,000 ounce JORC 2012 Mineral Resource grading 2.03g/t Au in March 2022. The initial Resource is a product of the successful drilling programs completed to date.

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.

On 26 August 2024, the Company entered into a binding sale and purchase agreement with Dart Mining NL ("Dart"), to divest Triumph for a total consideration of \$2 million, comprised of \$1 million in cash and \$1 million in Dart fully paid ordinary shares, subject to completion.

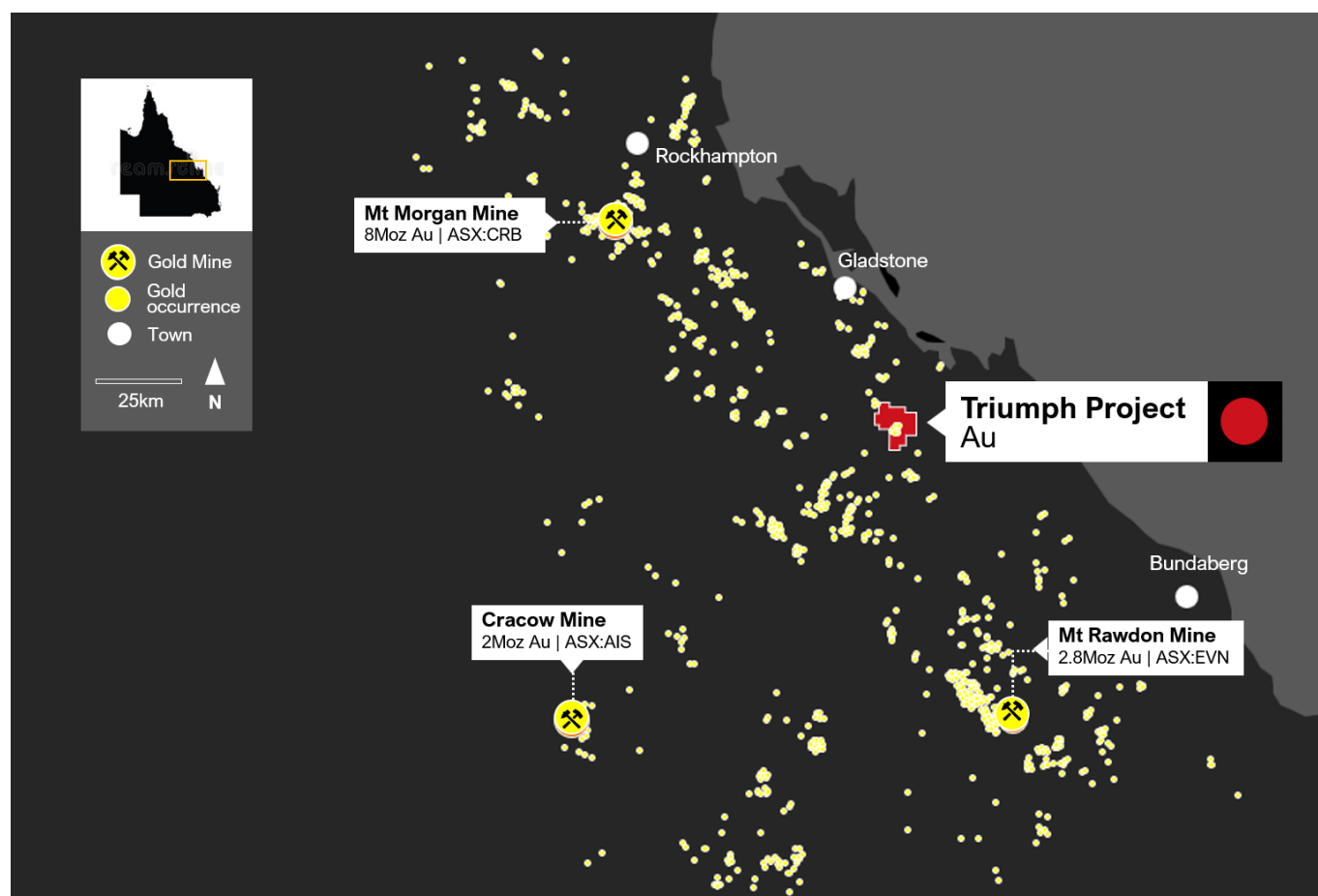


Figure 7. Triumph Project location.

Investigator Project

Copper

Ownership 100%

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.

First field mapping was undertaken at Investigator in February 2022, which focused on refining the location and thickness of the east-west oriented Investigator Fault.

Since that time, there have been no further significant activities undertaken at Investigator as the Company's focus was concentrated at its flagship Ravenswood Consolidated Project near Townsville.

A number of parties have expressed interest in the project which Sunshine plans to divest.

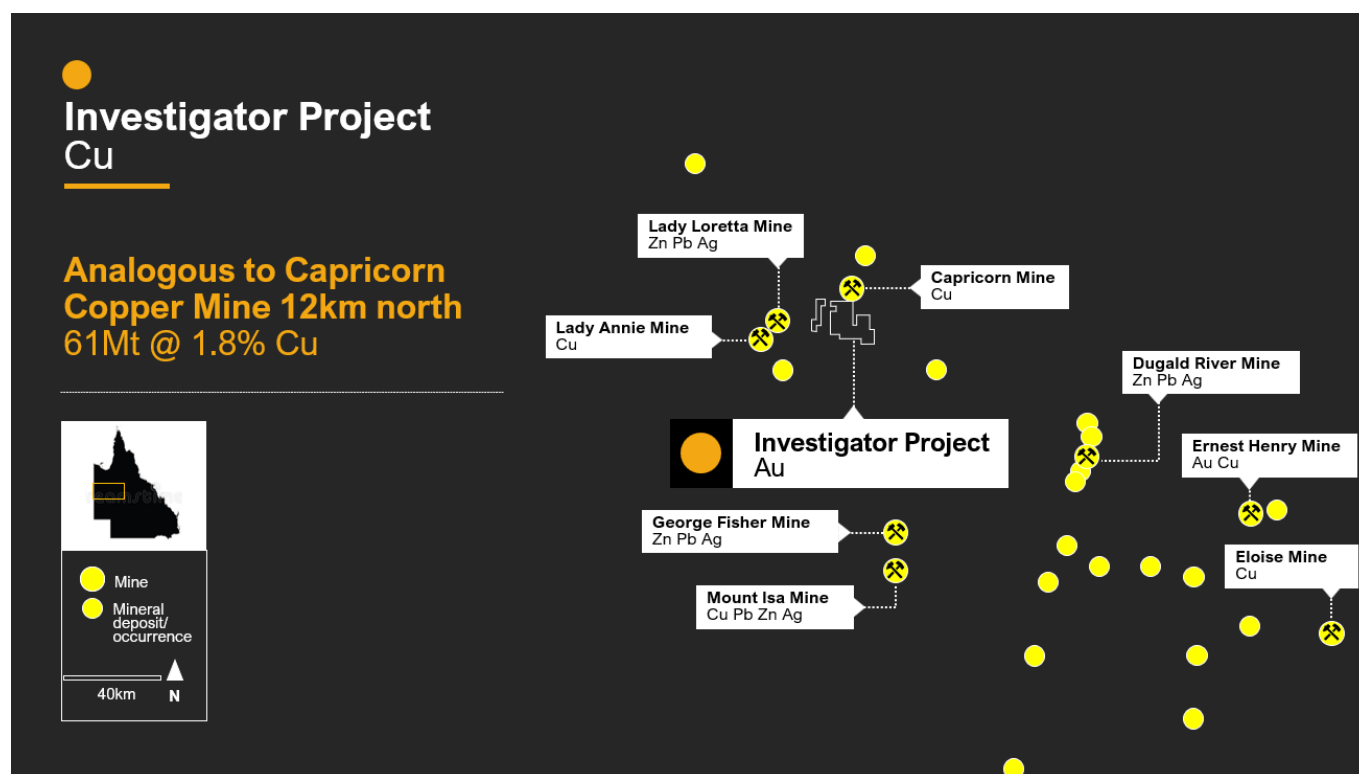


Figure 8. Investigator Project location.

Hodgkinson Project

Gold & Tungsten

Ownership 100%

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.

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.

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.

Since that time, there have been no further significant activities undertaken at Hodgkinson as the Company's focus was concentrated at its flagship Ravenswood Consolidated Project near Townsville.

A number of parties have expressed interest in the project which Sunshine plans to divest.

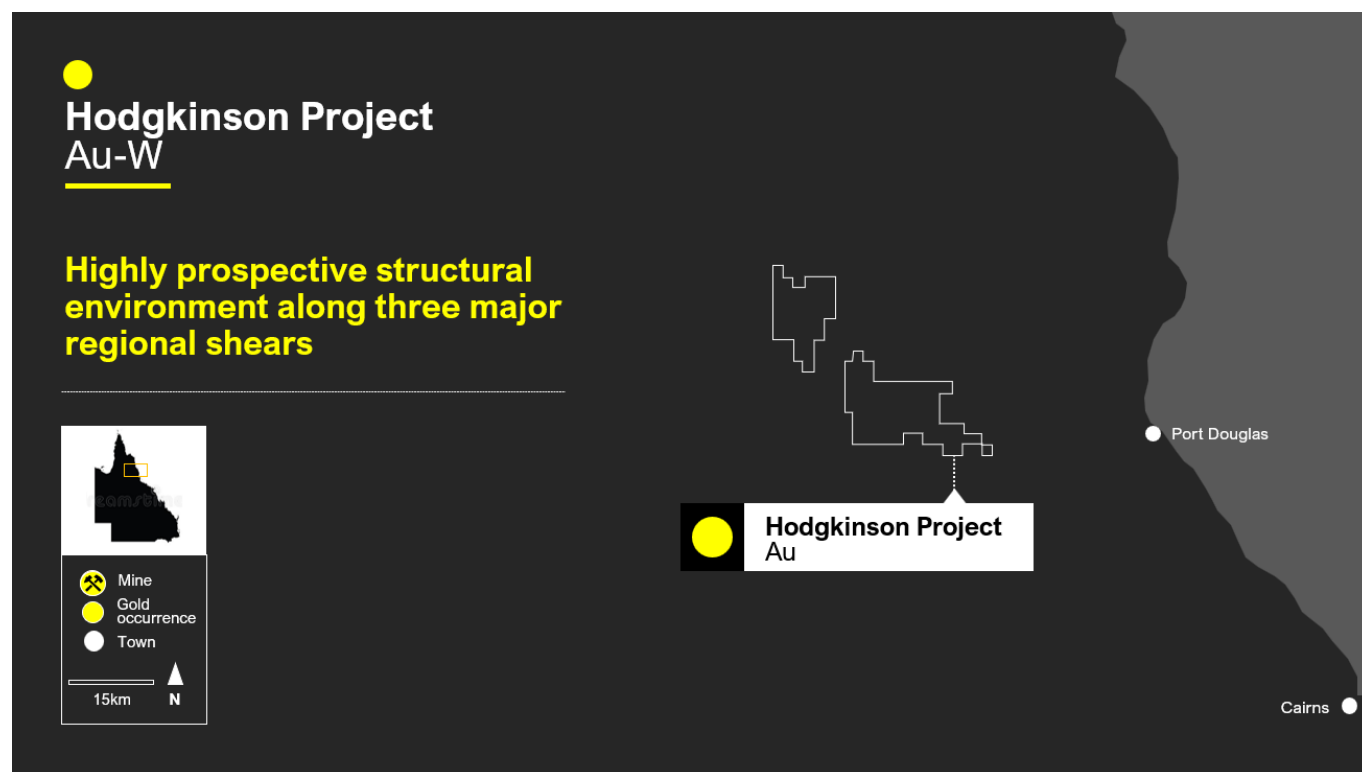


Figure 9. Hodgkinson Project location.

Corporate

As at 30 June 2024, Sunshine held cash reserves at of ~\$3.4M, with 1,952 shareholders and 1,587,644,808 ordinary fully paid shares on issue with the top 20 shareholders holding 43.68% of the total issued capital.

Change of Company name to Sunshine Metals

As approved by shareholders at the General Meeting held on 23 June 2023, Sunshine Gold Limited changed with effect from 5 July 2023 as follows: From: Sunshine Gold Limited to Sunshine Metals Limited.

Completion of Greater Lontown Transaction

On 6 September 2023 the company announced the completion of the Greater Lontown transaction. Following completion of the Greater Lontown transaction, Sunshine controls ~80% of the highly prospective Mt Windsor VMS horizon and ~1,760km² of highly prospective Au/Cu-Au ground.

Share Placements

In September 2023, Sunshine completed a placement of \$3 million (before costs) at an issue price of \$0.014 to institutional and sophisticated investors (Placement). Participants received 1 attaching unlisted option for every 3 shares allocated in the Placement, exercisable at \$0.03 with a 30 September 2025 expiry (Attaching Options).

On 25 March 2024, the Company announced the completion of a \$4 million placement at an issue price of \$0.011 per share to accelerate drilling activities at the Ravenswood Consolidated Project. 1832 Asset Management L.P. has emerged as a substantial shareholder, following the Placement which also included Lion Selection Group Ltd, a major shareholder of the Company. Participants received 1 attaching unlisted option for every 3 shares allocated in the Placement, exercisable at \$0.03 with a 30 September 2025 expiry (Placement Options).

INVESTMENT IN COCKATOO IRON NL

Sunshine Metals held 6,250,000 unlisted fully paid ordinary shares in Cockatoo Iron NL ("Cockatoo Iron") as a consequence of the sale of its interests in the Cockatoo Island Project and participation in a subsequent entitlements issue. Cockatoo Iron has a 43.24% interest in Pearl Gull Limited (ASX: PLG). On 11 January 2024, the Company received 755,321 shares in Pearl Gull Limited following the completion of an in-specie distribution of Pearl Gull shares by Cockatoo Iron which was approved by shareholders at a General Meeting on 8 January 2024.

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%
Triumph	EPM 18486	Granted	100%
Triumph	EPM 19343	Granted	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	Granted	100%
Ravenswood	EPM 28240	Granted	100%
Ravenswood	EPM10582	Granted	100%
Ravenswood	EPM12766	Granted	100%
Ravenswood	EPM16929	Granted	100%
Ravenswood	EPM26718	Granted	100%
Ravenswood	EPM27357	Granted	100%

Project	Tenement	Status	Beneficial Interest
Ravenswood	EPM27520	Granted	100%
Ravenswood	EPM14161	Granted	100%
Ravenswood	EPM25815	Granted	100%
Ravenswood	EPM18471	Granted	100%
Ravenswood	EPM18470	Granted	100%
Ravenswood	EPM18713	Granted	100%
Ravenswood	EPM25895	Granted	100%
Ravenswood	ML10277	Granted	100%
Ravenswood	ML100290	Approved	100%
Ravenswood	ML100302	Approved	100%
Ravenswood#	EPM25617	Granted	0%
Ravenswood#	EPM26705	Granted	0%

Farm-In tenements. SHN has the capacity to earn 75% beneficial interest over 3 years. Refer ASX: 20 January 2023.

Exploration Targets, Mineral Resources and Ore Reserves

Sunshine Metals' Resource at Triumph at 30 June 2024 was 1.8 million tonnes at 2.03 g/t Au for 118 koz of contained gold (100% Inferred).

As at June 30 2024, Greater Lontown currently hosts a Zn-Cu-Pb-Au VMS Resource of 5.45 million tonnes at 12.0% ZnEq (47% Indicated, 53% Inferred). The Lontown Resource is composed of the Lontown, Lontown East, Waterloo and Orient deposits.

Sunshine Metals is earning an interest in the Plateau Resource. The Resource currently stands at 961 thousand tonnes at 1.66 g/t Au for 49.7 koz of contained gold (100% Inferred). Sunshine Metals can earn up to a 75% stake in the Resource (and Lighthouse Project) through exploration spend of \$2.2 million over 3 years commencing January 2023.

There were no 2012 JORC Code Ore Reserves ("Ore Reserves") at 30 June 2024.

An Exploration Target ("Exploration Target") has been defined for Titov Cu-Mo target. As at June 30 2024, the Exploration Target ranges between 5 - 8Mt @ 0.07% - 0.12% molybdenum (Mo) and 0.28% - 0.44% copper (Cu).

Prospect	Lease Status	Resource Class	Tonnage (kt)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Zinc Eq. (%) *	Contained Copper (t)	Contained Lead (t)	Contained Zinc (t)	Contained Gold (Koz)	Contained Silver (Koz)
Lontown Oxide	ML/MLA	Inferred	144	0.6	1.7	1.0	2.1	30	5.76	807	2,427	1,465	10	139
	ML/MLA	Total	144	0.6	1.7	1.0	2.1	30	5.76	807	2,427	1,465	10	139
Lontown	ML/MLA	Indicated	857	0.4	2.2	6.9	1.1	46	11.1	3,688	18,785	59,437	32	1,277
	ML/MLA	Inferred	1436	1.0	1.3	4.6	1.7	23	10.55	13,727	19,290	66,551	80	1,052
		Total	2,293	0.8	1.7	5.5	1.5	32	10.76	17,415	38,076	125,988	111	2,329
Lontown East	ML/MLA	Inferred	1,470	0.5	2.5	7.5	0.7	29	10.96	7,190	37,133	109,862	34	1,378
		Total	1,470	0.5	2.5	7.5	0.7	29	10.96	7,190	37,133	109,862	34	1,378
Waterloo	ML/MLA	Indicated	402	2.6	2.1	13.3	1.4	68	23.4	10,595	8,491	53,596	18	874
	ML/MLA	Inferred	271	0.8	0.8	6.8	0.4	24	9.26	2,093	2,082	18,498	4	207
		Total	673	1.9	1.6	10.7	1.0	50	17.71	12,687	10,573	72,094	21	1,081
Orient	EPM	Indicated	329	1.1	2.5	10.9	0.2	55	15.2	3,517	8,212	35,772	2	581
	EPM	Inferred	32	0.9	2.2	14.5	0.2	51	17.74	273	704	4,640	0	52
		Total	361	1.0	2.5	11.2	0.2	55	15.43	3,790	8,916	40,412	2	633
Total VMS Resource			4,941	0.8	2.0	7.1	1.1	35	11.96	41,889	97,125	349,822	179	5,561
Plateau [#]	EPM	Inferred	961	-	-	-	1.7	10.7		-	-	-	50	329
Triumph	EPM	Inferred	1,808	-	-	-	2.0	-		-	-	-	118	-
Global Resource			7,710							41,889	97,125	349,822	347	5,890

Table 1: Resources at as 30 June 2024.

Prospect	Resource Class	Tonnage (kt)	Copper (%)	Molybdenum (%)
Titov	Exploration Target	5,000 - 8,000	0.28 - 0.44	0.07 - 0.12

Table 2: Titov Exploration Target at as 30 June 2024.

Notes on Resource:

- The preceding statement of Resources conforms to the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition' ("2012 JORC Code").
- 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 release, 31 March 2022 "Robust Maiden Resource at Triumph Gold Project"
5. 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 release, 8 May 2023 "Fully Funded Acquisition of Greater Lontown"
6. 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 release, 20 January 2023 "Consolidation of High Grade Advanced Au Prospects RW"
7. Exploration Target for Titov based on several factors discussed in the corresponding Table 1 which can be found with the original ASX release 21 March 2023 "Shallow High Grade Titov Cu-Mo Exploration Target"

Quality Control

Sunshine Metals 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 at Triumph was overseen by experienced Sunshine Metals's employees, with completed holes subject to downhole gyroscopic survey and collar coordinates surveyed with RTK GPS. Geological logging and sampling were completed by Sunshine Metals's geologists. Sunshine Metals 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 the 2012 JORC Code. No Ore Reserve estimation has been completed at Triumph. Current Mineral Resource Estimates at Greater Lontown and at Plateau were undertaken by and reported to JORC 2012 standards by the previous tenure operators and were subject to site and corporate due diligence procedures by Sunshine Metals prior to acquisition. This included review of available data, geological modelling and estimation techniques.

Competent Person Statement

The information in this report that relates to Resources at Triumph 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 JORC Code. 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.

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 Lontown and Lontown 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.

The information in this report that relates to Mineral Resources at Plateau is based on information compiled and reviewed by Dr Damien Keys, who is a Member of the Australasian Institute of Mining and Metallurgy and 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 'Australasian Code for Reporting of Mineral Resources'. 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.

The information in this report that relates to the Titov Exploration Target 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.

Directors' Report



DIRECTORS' REPORT

The directors present their report together with the financial statements of the Group consisting of Sunshine Metals Limited ("**Sunshine Metals**" or "**the Company**") and its controlled entities for the financial year ended 30 June 2024 ("**Balance Date**"), the notes to the financial statements and the auditor's report thereon.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Alec Pismiris
Damien Keys
Paul Chapman
Leslie Davis
Antonio Torresan

PARTICULARS OF DIRECTORS

Alec Pismiris B.Comm, MAICD, FGIA, FCIS
Chairman

Mr Pismiris has over 30 years of experience in the securities, finance and mining industries. Since 1990, Mr Pismiris has served as a director and/or company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a fellow of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Other current directorships: Agrimin Limited, Bubalus Resources Limited and The Market Limited.

Former directorships (last 3 years): Lanthanein Resources Limited and Pacton Gold Inc (TSX-V).

Damien Keys PhD (Struct. Geo), MAIG
Managing Director

Dr Keys is a geologist with over 20 years experience in mining and exploration. Dr Keys has led teams to exploration success with Gold Fields Australia, Silver Lake Resources, Black Cat Syndicate and Spectrum Metals. Dr Keys has completed a PhD in Structural Geology, a Bachelor of Science (Hons) and is a member of the AUSIMM and the Australian Institute of Geoscientists.

Other current directorships: None

Former directorships (last 3 years): None

Paul Chapman B.Comm, Grad. Dip. Tax, CA, MAICD, MAusIMM
Non-Executive Director

Mr Chapman is a company director with over 30 years in the resource sector. Mr Chapman has held senior management roles across a range of commodity businesses and public companies in Australia and the USA. Mr Chapman was a founding director and shareholder of Reliance Mining, Encounter Resources, Rex Minerals, Silver Lake Resources, Black Cat Syndicate and Dreadnought Resources.

Other current ASX directorships: Black Cat Syndicate, Dreadnought Resources, Meeka Metals

Former directorships (last 3 years): Encounter Resources

DIRECTORS' REPORT (CONTINUED)

PARTICULARS OF DIRECTORS (CONTINUED)

Leslie Davis B.Sc. MAusIMM
Non-Executive Director

Mr Davis has over 40 years mining industry experience and was the founding Managing Director of Silver Lake Resources and a current director of Black Cat Syndicate. Mr Davis has completed a Masters of Science in mineral economics.

Other current ASX directorships: Black Cat Syndicate

Former directorships (last 3 years): None

Antonio Torresan
Non-Executive Director

Mr Torresan is a businessman with significant experience in capital markets. Mr Torresan has been actively involved in arranging capital raisings, funding and supporting ASX listed companies as well as unlisted public companies, providing investor relation services and assisting boards with development of strategic plans. Mr Torresan has also played a significant role in negotiating mergers and acquisitions, especially in the mining exploration sector where he has been pivotal in the recapitalisation and growth of ASX listed companies. Mr Torresan has held numerous executive positions where his responsibilities have included strategy, operational management and business development.

Other current directorships: None

Former directorships (last 3 years): None

COMPANY SECRETARY

Shaun Menezes, B.Comm, LLB, CA, AGIA (appointed 1 July 2024)

Mr Menezes is an accounting and finance professional with over 20 years' experience. Mr Menezes has worked in the capacity of Company Secretary and Chief Financial Officer of a number of ASX and SGX listed companies, held a senior management role within an ASX 200 listed company and was an executive director at a leading international accounting firm.

Alec Pismiris, B.Comm, MAICD, FGIA, FCIS (resigned 1 July 2024)

Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has held a number of company secretary positions for various ASX listed companies as well as a number of unlisted public and private companies over the years.

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors, held during the year ended 30 June 2024 by each director:

	Number Eligible to Attend	Number Attended
Alec Pismiris	12	12
Damien Keys	12	12
Paul Chapman	12	10
Leslie Davis	12	12
Antonio Torresan	12	11

The Board also approved 5 circular resolutions during the year ended 30 June 2024.

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year comprised of exploration on the Ravenswood Consolidated Project.

OPERATING AND FINANCIAL REVIEW

The Group made a loss after tax of \$6,928,601 for the year ended 30 June 2024 (2023: \$3,489,942).

REVIEW OF OPERATIONS

Our operations are reviewed on pages 5 to 16.

OPERATING AND FINANCIAL RISKS

The Group's activities have inherent risk and the Board is unable to provide certainty of the expected results of activities, or that any or all of the likely activities will be achieved. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are detailed below:

Operational risks

The Group may be affected by various operational factors. In the event that any of these potential risks eventuate, the Group's operational and financial performance may be adversely affected. No assurances can be given that the Group will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Group is able to realise value from its projects, it is likely to incur ongoing operating losses.

The Group's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Group.

There can be no assurance that exploration of the tenements, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic Resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

There is no assurance that exploration or project studies by the Group will result in the definition of an economically viable mineral deposit. In the event the Group successfully delineates economic deposits on any tenement, it will need to apply for a mining lease to undertake development and mining on the relevant tenement. There is no guarantee that the Group will be granted a mining lease if one is applied for and if a mining lease is granted, it will also be subject to conditions which must be met.

Further capital requirements

The Group's projects may require additional funding in order to progress activities. There can be no assurance that additional capital or other types of financing will be available if needed to further exploration or possible development activities and operations or that, if available, the terms of such financing will be favourable to the Group.

The Group's activities are subject to Government regulations and approvals

The Group is subject to certain Government regulations and approvals. Any material adverse change in government policies or legislation in Queensland and/or Australia that affect mining, processing, development and mineral exploration activities, export activities, income tax laws, royalty regulations, government subsidiaries and environmental issues may affect the viability and profitability of any planned exploration or possible development of the Group's portfolio of projects.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL RISKS (CONTINUED)

Global conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration activities, as well as on its ability to fund those activities. General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Group's operations and financial performance, including the Group's exploration, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Group and its market valuation regardless of its actual performance.

EXPLORATION TARGETS, RESOURCES AND ORE RESERVES STATEMENT

Please refer to page 20 for the Minerals Resources and Ore Reserves Statement.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than what has been disclosed in the review of operations section, there has been no change in the state of affairs during the financial year.

DIVIDENDS

No dividends were paid or recommended for the year ended 30 June 2024.

EVENTS SUBSEQUENT TO REPORTING DATE

On 26 August 2024, the Company entered into a binding sale and purchase agreement with Dart Mining NL ("Dart"), to divest the Triumph Gold Project ("Triumph") for a total consideration of \$2 million, comprised of \$1 million in cash and \$1 million in Dart fully paid ordinary shares, subject to completion.

No other matters or circumstances have arisen subsequent to the balance date which would significantly affect the operations of the Company, its operating results or its state of affair in the subsequent financial years.

COMPANY SECURITIES

The Company has the following securities on issue as at the date of the Directors' Report.

Security Description	Number of Securities
Fully paid shares	1,587,644,808

Unissued shares

As at the date of this report, there were the following unissued shares on issue:

Security Description	Number of Securities
Ordinary shares under options	351,673,945

DIRECTORS' REPORT (CONTINUED)

COMPANY SECURITIES (CONTINUED)

Unlisted options on issue

Options exercisable at \$0.03 expiring 30 September 2025	288,240,611
Options exercisable at \$0.03 expiring 2 November 2025	1,000,000
Options exercisable at \$0.0225 expiring 7 July 2027	20,000,000
Options exercisable at \$0.0225 expiring 30 June 2027	25,733,334
Options exercisable at \$0.021 expiring 27 November 2026	15,000,000

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year there were no ordinary shares issued as a result of the exercise of options (2023: Nil).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Given that the nature of the Group's activities is exploration focused, no further information can be provided as to likely developments as such developments will depend on exploration success at the Group's various projects.

ENVIRONMENTAL REGULATION

The Group has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low and has not identified any compliance breaches during the year.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

At the date of this report, the directors' (and their associates) interests in shares of Sunshine Metals were:

	Number of Ordinary Shares	Number of Options
Alec Pismiris	21,062,500	12,555,555
Damien Keys	43,118,182	13,606,060
Paul Chapman	58,091,364	11,812,121
Leslie Davis	44,991,515	13,606,060
Antonio Torresan	85,666,667	12,000,000

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behavior and accountability, the directors support and have substantially adhered to the recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement can be viewed on the Company's website at www.shnmetals.com.au/investor-centre/corporate-governance/.

DIRECTORS' REPORT (CONTINUED)

INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Company has, during or since the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate indemnified or made a relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

In addition, the Company has, during or since the financial year, the Company has paid insurance premiums in respect of directors and officers liability and corporate reimbursement, for directors and officers of the Company. The insurance premiums relate to:

- any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a director or officer, first made against them jointly or severally during the period of insurance; and
- indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any director or officer in their capacity as a director or officer, first made against the director or officer during the period of insurance.

The insurance policy outlined above does not allocate the premium paid to each individual officer of the Company and does not allow for disclosure of the premium.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 70.

NON-AUDIT SERVICES

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Board is also satisfied that the services disclosed below do not compromise the external auditors' independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees paid or payable to HLB Mann Judd during the year ended 30 June 2024 (2023: \$Nil) for non-audit services.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of the Group.

Remuneration policy

The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and potentially offering specific long-term incentives based on key performance areas affecting the Group's ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for directors and senior executives of the Group is set out below.

The remuneration policy setting out the terms and conditions for the executive directors and senior executives was developed by the Board.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year and relevant comparative information.

As well as a base salary, remuneration packages may include superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's diverse activities.

Remuneration and other terms of employment for the directors have been formalised in service agreements as follows:

- A. The Group has entered into an executive service agreement with managing director, Dr Damien Keys. The terms of the service agreement are set out as follows:
 - Commencement date: 24 November 2020
 - Term: two years (extended by a further 2 years on initial expiry)
 - Fixed remuneration: \$300,000 per annum (exclusive of superannuation)
 - Termination for cause: no notice period
 - Termination without cause: three month notice period

Remuneration policy (continued)

- B. The Group has entered into agreements with non-executive directors. The terms of the agreements are set out as follows:
 - Term: no fixed term
 - Fixed remuneration: \$45,000 per annum (exclusive of superannuation)
 - Termination for cause: no notice period
 - Termination without cause: no notice period

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time and which currently stands at \$250,000 per annum.

The Board undertakes an annual review of its performance against goals set at the start of the year. The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract high calibre of executives and to remunerate them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance-based remuneration

The Group currently has performance-based remuneration component built into director and executive remuneration packages.

The Group has established an Employee Securities Incentive Plan ("**Plan**") that provides greater flexibility by allowing for the issuance of performance securities upon a determination by the Board that an eligible employee may participate in the Plan. Performance securities can include an option or performance share.

The Group received 99.8% "yes" votes on its remuneration report for the 30 June 2024 financial year.

The table below summarises the earnings of the Group and other factors. Shareholder wealth for the Group is largely driven by exploration success, Resource growth and share price increase. Factors that are considered to affect shareholder wealth for the 5 years to 30 June 2024 are shown below.

	2024	2023	2022	2021	2020
Loss after income tax attributable to shareholders (\$)	(6,928,601)	(3,489,942)	(1,667,266)	(1,064,797)	21,556
Share price at year end (\$)	0.013	0.014	0.028	0.055	0.0258
Basic earnings/(loss) per share (cents)	(0.55)	(0.45)	(0.30)	(0.29)	0.01

The table below is a summary of the Company's Resources.

Prospect	Resource Class	Tonnage (kt)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Silver (g/t)	Zinc Eq. (%) *
Greater Lontown	Indicated (47%) Inferred (53%)	5,447	1.0	2.0	6.6	1.1	37	11.99
Plateau [#]	Inferred	961	-	-	-	1.7	10.7	
Triumph	Inferred	1,808	-	-	-	2	-	
Resource		8,216						

Prospect	Contained Copper (t)	Contained Lead (t)	Contained Zinc (t)	Contained Gold (Koz)	Contained Silver (Koz)
Greater Lontown	52,954	110,062	357,487	190	6,513
Plateau [#]	-	-	-	50	329
Triumph	-	-	-	118	-
Resource	52,954	110,062	357,487	358	6,842

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key management personnel compensation

Details of the nature and amount of emoluments paid for each director and executive are set out below:

	Primary Benefits Salary & Fees \$	Post Employment Super- annuation \$	Share Based Payments Shares/ Options \$	TOTAL \$	Performance Based %
Directors					
A Pismiris - Non-Executive Chairman					
2024	72,000¹	-	-	72,000	-
2023	72,000 ¹	-	29,042	101,042	29
D Keys – Managing Director					
2024	242,000	26,620	-	268,620	-
2023	242,000	25,410	29,042	296,452	10
P Chapman – Non-Executive Director					
2024	32,432	3,568	-	36,000	-
2023	32,579	3,421	29,042	65,042	45
L Davis – Non-Executive Director					
2024	32,432	3,568	-	36,000	-
2023	32,579	3,421	29,042	65,042	45
A Torresan – Non-Executive Director					
2024	36,000	-	-	36,000	-
2023	36,000	-	29,042	65,042	45
Total Remuneration:					
2024	414,865	33,755	-	448,620	-
2023	415,158	32,252	145,210	592,620	25

Notes:

(1) Includes \$36,000 (FY2023: \$36,000) paid as fees for Group secretarial services.

There were no other related party transactions with key management personnel during the year ended 30 June 2024 (Note 17). As at 30 June 2024, \$6,600 (30 June 2023: \$6,600) was owed to Mr Pismiris for accrued directors fees and secretarial services and \$3,300 (30 June 2023: \$3,300) was owed to Mr Torresan for accrued directors fees.

Remuneration Options and Performance Rights

During the year ended 30 June 2024, no options were issued as part of director remuneration (30 June 2023: Nil).

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

During the year ended 30 June 2024, no performance rights were issued as part of director remuneration (30 June 2023: Nil). Refer to Note 14(d) for details of performance rights.

Shareholdings by Directors (and Associates)

2024	Balance 01/07/23	Received Remuneration	Acquired	Options Exercised	Net Other Change	Balance 30/06/24
	(No. of Shares)	(No. of Shares)	(No. of Shares)	(No. of Shares)	(No. of Shares)	(No. of Shares)
A Pismiris	16,062,500	-	5,000,000	-	-	21,062,500
D Keys	41,300,000	-	1,818,182	-	-	43,118,182
P Chapman	44,455,000	-	13,636,364	-	-	58,091,364
L Davis	39,840,000	-	5,151,515	-	-	44,991,515
A Torresan	69,000,000	-	16,666,667	-	-	85,666,667
Total	210,657,500	-	42,272,728	-	-	252,930,228

Options Holdings by Directors (and Associates)

2024	Balance 01/07/23	Granted as Remuneration	No. of Options	No. of Options	Net Change Other	Balance 30/06/24
	(No. Options)	(No. Options)	Acquired	Exercised	(No. Options)	(No. Options)
A Pismiris	12,000,000	-	555,555	-	-	12,555,555
D Keys	13,000,000	-	606,060	-	-	13,606,060
P Chapman	10,600,000	-	1,212,121	-	-	11,812,121
L Davis	13,000,000	-	606,060	-	-	13,606,060
A Torresan	12,000,000	-	-	-	-	12,000,000
Total	60,600,000	-	2,979,796	-	-	63,579,796

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Options Holdings by Directors (and Associates) (continued)

Values of options over ordinary shares granted, exercised or lapsed for directors as part of compensation during the year ended 30 June 2024 were nil.

Performance Rights Holdings by Directors (and Associates)

2024	Balance 01/07/23	Granted as Remuneration	No. of Right	No. of Rights	Net Change Other	Balance 30/06/24
	(No. Rights)	(No. Rights)	Acquired	Exercised	(No. Rights)	(No. Rights)
A Pismiris	-	-	-	-	-	-
D Keys	5,000,000	-	-	-	(5,000,000) ¹	-
P Chapman	2,000,000	-	-	-	(2,000,000) ¹	-
L Davis	1,500,000	-	-	-	(1,500,000) ¹	-
A Torresan	-	-	-	-	-	-
Total	8,500,000	-	-	-	(8,500,000)	-

¹Lapsed as did not meet vesting conditions.

End of remuneration report (audited).

Signed in accordance with a resolution of the board of directors.

Dated at Perth this 4th day of September, 2024



Alec Pismiris
Director

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

		Consolidated	
	Note	2024	2023
		\$	\$
Other income	2	13,506	-
Corporate expenses	3	(1,128,533)	(1,192,506)
Change in fair value of investments through profit or loss		(23,144)	(16,626)
Rehabilitation expense		-	(1,198,000)
Share based payments	26	(52,079)	(145,208)
Exploration expensed		(41,445)	-
Impairment of exploration	7	(5,696,906)	(937,602)
Loss before income tax		(6,928,601)	(3,489,942)
Income tax benefit	4	-	-
Loss for the year		(6,928,601)	(3,489,942)
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss for the year		(6,928,601)	(3,489,942)
Basic loss per share (cents per share)	20	(0.55)	(0.45)
Diluted loss per share (cents per share)	20	(0.55)	(0.45)

The above consolidated statement of profit or loss and other comprehensive income
should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

		Consolidated	
		2024	2023
	Note	\$	\$
Current Assets			
Cash and cash equivalents	5	3,393,840	3,329,590
Trade and other receivables	6	124,923	139,346
Prepayments		36,514	-
		<hr/>	<hr/>
Total Current Assets		3,555,277	3,468,936
		<hr/>	<hr/>
Non-Current Assets			
Exploration and evaluation expenditure	7	13,284,428	12,808,321
Plant and equipment	8	129,767	251,972
Other financial assets	9	11,330	34,474
Security deposits		306,470	178,445
		<hr/>	<hr/>
Total Non-Current Assets		13,731,995	13,273,212
		<hr/>	<hr/>
Total Assets		17,287,272	16,742,148
		<hr/>	<hr/>
Current Liabilities			
Trade and other payables	10	846,949	323,035
Lease liability	11	86,458	99,508
Employee leave liabilities	12	88,382	55,692
		<hr/>	<hr/>
Total Current Liabilities		1,021,789	478,235
		<hr/>	<hr/>
Non-Current Liabilities			
Lease liability	11	-	86,458
Provisions	13	1,555,000	1,555,000
		<hr/>	<hr/>
Total Non-Current Liabilities		1,555,000	1,641,458
		<hr/>	<hr/>
Total Liabilities		2,576,789	2,119,693
		<hr/>	<hr/>
Net Assets		14,710,483	14,622,455
		<hr/>	<hr/>
Equity			
Issued capital	14	35,565,294	28,800,741
Reserves	15	4,764,264	4,512,188
Accumulated losses		(25,619,075)	(18,690,474)
		<hr/>	<hr/>
Total Equity		14,710,483	14,622,455
		<hr/>	<hr/>

The above consolidated statement of financial position
should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Issued Capital	Share- Based Payments Reserve	Accumulated Losses	Total Equity
<u>Consolidated</u>	\$	\$	\$	\$
Balance at 01/07/2022	22,497,970	4,157,108	(15,200,532)	11,454,546
Total comprehensive income for the year				
Loss for the year	-	-	(3,489,942)	(3,489,942)
Total comprehensive loss for the year	-	-	(3,489,942)	(3,489,942)
Transactions with owners recorded directly into equity				
Shares to be issued	319,500	-	-	319,500
Share based payments	-	355,080	-	355,080
Issue of fully paid ordinary shares	6,591,500	-	-	6,591,500
Capital raising costs	(608,229)	-	-	(608,229)
Balance at 30/06/2023	28,800,741	4,512,188	(18,690,474)	14,622,455
Balance at 01/07/2023	28,800,741	4,512,188	(18,690,474)	14,622,455
Total comprehensive income for the year				
Loss for the year	-	-	(6,928,601)	(6,928,601)
Total comprehensive loss for the year	-	-	(6,928,601)	(6,928,601)
Transactions with owners recorded directly into equity				
Share based payments	-	252,076	-	252,076
Issue of fully paid ordinary shares	7,439,000	-	-	7,439,000
Capital raising costs	(674,447)	-	-	(674,447)
Balance at 30/06/2024	35,565,294	4,764,264	(25,619,075)	14,710,483

The above consolidated statement of changes in equity
should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

		Consolidated	
	Note	2024	2023
		\$	\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(726,922)	(1,227,490)
Interest received		13,506	-
		<hr/>	<hr/>
Net Cash Used in Operating Activities	16(b)	(713,416)	(1,227,490)
		<hr/>	<hr/>
Cash Flows from Investing Activities			
Payments for exploration expenditure		(6,146,547)	(3,928,517)
Payments for acquisition of plant and equipment		-	(11,698)
Transfers to term deposits		(26,000)	-
Proceeds from exploration rebate grant		-	138,813
		<hr/>	<hr/>
Net Cash Used in Investing Activities		(6,172,547)	(3,801,402)
		<hr/>	<hr/>
Cash Flows from Financing Activities			
Gross proceeds from share issues		7,439,000	6,591,501
Costs of share issues		(488,787)	(397,750)
Gross proceeds from shares to be issued		-	319,500
Repayment of finance lease		-	(8,506)
		<hr/>	<hr/>
Net Cash Provided by Financing Activities		6,950,213	6,504,745
		<hr/>	<hr/>
Net increase in cash and cash equivalents held		64,250	1,475,853
Cash and cash equivalents at the beginning of the financial year		3,329,590	1,853,737
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	16(a)	<u>3,393,840</u>	<u>3,329,590</u>

The above consolidated statement of cash flows
should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Sunshine Metals Limited is a Company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (referred to as the Group).

The significant policies, which have been adopted in the preparation of this financial report, have been applied consistently unless otherwise stated and are as follows:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

The financial report was authorised for issue by the Board on 4th September 2024.

The financial report has been prepared on an accruals basis and is based on historical costs except for certain assets which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

(c) New and Revised Accounting Standards and Interpretations adopted by the Group

The accounting policies have been consistently applied by the Group and are consistent with those in the June 2024 annual financial report except for the impact (if any) of new and revised standards and interpretations outlined below.

Standards and Interpretations applicable to 30 June 2024

The Group adopted AASB 2021-2 which amends AASB 7, AASB 101 and AASB 134 to require disclosure of “material accounting policy information” rather than significant accounting policies in an entity’s financial statements. It also updated AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosure.

The adoption of the amendment did not have a material impact on the financial statements. The Directors have reviewed all other Standards and Interpretations on issue not yet adopted for the period ended 30 June 2024. As a result of this review, the Directors have determined that there is no material impact of the Standards Interpretations on issue not yet adopted by the Group and, therefore, no material change is necessary to Group accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

(d) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Sunshine Metals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

(f) Share Based Payments

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excluded the impact of any non-market vesting condition (for example, exploration related targets). Non-market vesting conditions are included in assumption about the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to these options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(g) Investments and other financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI); and
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

(g) Investments and other financial assets (*continued*)

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of these requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

12-month expected credit losses are recognised for financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk while 'lifetime expected credit losses' are recognised for financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cashflows considering the potential default at any point during the life of the financial instrument. In calculating, the Group uses its historic experience, external indicators and forward-looking information to calculate expected credit losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

(h) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; and
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

(h) Fair Value of Assets and Liabilities *(continued)*

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

(i) Leases

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- i. fixed lease payments less any lease incentives;
- ii. variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- iii. the amount expected to be payable by the lessee under residual value guarantees;
- iv. the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- v. payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(j) Adoption of new and revised standards

Standards and Interpretations issued not yet adopted

The Directors have also reviewed all Standards and Interpretations that are relevant to the Group and have recently been revised or amended but are not mandatory for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact of these Standards and Interpretations and, therefore, no change is necessary to Group accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

(k) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 25 for further information.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment. Refer to notes 8 and 11 for ROU assets and lease liabilities recognised for the Group's leasing arrangement.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

(k) Critical Accounting Estimates and Judgments

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

NOTE 2: OTHER INCOME

	Consolidated 2024	2023
	\$	\$
Interest earned	13,506	-
Total	13,506	-

NOTE 3: EXPENSES AND GAINS/(LOSSES)

Significant Items

Profit/(Loss) before income tax includes the following expenses whose disclosure is relevant in explaining the financial performance of the Group:

Included in corporate expenses

Accounting and administration fees	118,200	97,650
Consulting and directors fees	311,000	263,861
Share register maintenance and listing fees	77,346	84,859
Legal fees	31,329	103,348

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 4: INCOME TAX

The prima facie tax on loss before income tax is reconciled to the income tax as follows:

	Consolidated	
	2024	2023
	\$	\$
Loss before income tax	(6,928,601)	(3,489,942)
Income tax calculated at 30% (2023: 30%)	(2,078,580)	(1,046,983)
Add back:		
Provisions	9,867	422,289
Capital raising costs	(109,821)	(69,354)
Fair value loss on investment	6,943	4,988
Share-based payments	15,624	43,562
Capitalised exploration immediately deductible	(1,851,904)	(648,329)
Capitalised exploration written off	1,709,071	281,281
Exploration expenditure expensed	12,434	-
Other	-	-
Future income tax benefits not brought to account	2,286,366	1,012,546
Income tax expense/(benefit)	-	-
Deferred tax assets:		
Capital raising costs	1,190,379	760,355
Provisions	500,515	490,648
Carried forward tax losses (including foreign tax losses)	6,852,215	4,565,849
	8,543,109	5,816,852
Deferred tax liabilities:		
Capitalised exploration costs	4,529,594	2,677,691
	4,529,584	2,677,691

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Consolidated 2024 \$	2023 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank	3,393,840	3,329,590
	<u>3,393,840</u>	<u>3,329,590</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

Goods and services tax	123,993	138,416
Other	930	930
	<u>124,923</u>	<u>139,346</u>

NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE

Balance at the beginning of the period	12,808,321	9,943,600
Greater Lontown acquisition	2,846,234	375,000
Expenditure incurred during the period	3,326,779	3,427,323
Impairment of exploration assets ⁽ⁱ⁾	<u>(5,696,906)⁽ⁱⁱ⁾</u>	<u>(937,602)⁽ⁱ⁾</u>
Balance at the end of the period	<u>13,410,928</u>	<u>12,808,321</u>

⁽ⁱ⁾ The Company intends to divest of the Hodgkinson and Investigator projects in due course as they are non-core to the future strategy and direction; and have therefore impaired the carrying value of \$937,602 at 30 June 2023.

⁽ⁱⁱ⁾ The Company entered into an agreement on 26 August 2024 to divest of the Triumph project for \$2 million and has written-down the carrying value to this amount.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1(f). The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value.

The terms of the Greater Lontown acquisition are set out in Note 27.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

	Consolidated 2024 \$	2023 \$
NOTE 8: PLANT AND EQUIPMENT		
At cost	408,697	408,697
Accumulated depreciation	<u>(278,930)</u>	<u>(156,725)</u>
	<u>129,767</u>	<u>251,972</u>
Plant and equipment		
Balance at the beginning of the period	71,309	81,850
Additions/(Disposals)	-	11,698
Depreciation expense	<u>(23,661)</u>	<u>(22,239)</u>
Balance at the end of the period	<u>47,648</u>	<u>71,309</u>
Right of use asset		
Balance at the beginning of the period	180,663	258,707
Additions/(Disposals)	-	14,470
Depreciation expense	<u>(98,544)</u>	<u>(92,514)</u>
Balance at the end of the period	<u>82,119</u>	<u>180,663</u>
NOTE 9: OTHER FINANCIAL ASSETS		
Non Current		
Unlisted investments at fair value (note 22):		
Shares in other entities ⁽ⁱ⁾ (fair value through profit or loss)	<u>11,330</u>	<u>34,474</u>
	<u>11,330</u>	<u>34,474</u>
(i) As at 30 June 2024, the Group held 755,321 shares in Pearl Gull Limited.		
NOTE 10: TRADE AND OTHER PAYABLES		
Trade payables and accrued expenses	<u>846,949</u>	<u>323,035</u>
	<u>846,949</u>	<u>323,035</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Consolidated 2024 \$	2023 \$
NOTE 11: LEASE LIABILITY		
Office operating lease		
Current	86,458	99,508
Non-Current	-	86,458
	86,458	185,966
 The office lease began in May 2022 and is for a period of three years.		
NOTE 12: EMPLOYEE LEAVE LIABILITIES		
Annual leave entitlements	88,382	55,692
	88,382	55,692
NOTE 13: PROVISIONS		
Provision for rehabilitation	1,555,000	1,555,000
	1,555,000	1,555,000

Provision for rehabilitation

The provision for the estimated costs to rehabilitate historical mining areas has been on a closure cost estimate methodology prepared by external mine closure consultants. The responsibility for and the amount of the obligation are subject to ongoing review and do not take into account commercial factors that could significantly reduce the actual work required and the cost of doing so. These factors are discussed in detail below.

In 2002, the Company acquired the mineral assets of Nugold Hill Mines Limited ("Nugold") pursuant to an acquisition agreement. The acquisition included the Xanadu Gold Project which comprised three mining leases and an exploration license ("Xanadu"). The Xanadu tenements were relinquished by the Company in 2009 and were subsequently acquired and explored by third parties thereafter. As a consequence of mining operations undertaken by Nugold prior to the Company's acquisition of Xanadu, there exists an obligation to rehabilitate the site of the historical mining activities. The Company has a security bond of \$114,000 in place with the Department of Mines, Industry, Regulation and Safety ("DMIRS"). Mine closure consultants have provided a report to the Company which includes a costed plan to rehabilitate Xanadu as required by DMIRS. The costed plan forms the basis of the provision for rehabilitation.

The Company reserves its rights in relation to the rehabilitation obligation, if any. It should be noted that:

- the Company is undertaking a legal review to determine whether rehabilitation obligations were part of the Nugold acquisition;
- the Company is undertaking a review to determine what rehabilitation obligations arose from third party activities in the period from relinquishment in 2009 to 30 June 2024;
- the Company has not accepted the scope of the DMIRS rehabilitation obligations;
- Xanadu is subject to active exploration by third parties which may reduce the need for rehabilitation due to potential future mining activities;
- the rehabilitation obligation as estimated by using the DMIRS Rehabilitation Liability Estimate Calculator in the 2022 financial year was \$357,000; and
- the costed plan does not consider the above factors and is subject to change.

Notwithstanding the above, the directors have taken a conservative approach and made provision for the closure cost estimate prepared by the mine closure consultants.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Consolidated
2024 **2023**
\$ **\$**

NOTE 14: ISSUED CAPITAL

(a) Issued Capital

1,587,644,808 Ordinary shares fully paid (2023: 55B959,156,064)	35,565,294	28,800,741
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(b) Movements in ordinary share capital of the Group:

Date	Details	No. of Shares	\$
01/07/2022	Opening balance	619,722,730	22,497,970
22/08/2022	Placement	140,200,000	3,505,000
02/12/2022	Director placement	9,800,000	245,000
15/05/2023	Placement – Tranche 1	189,433,334	2,841,500
	Placement – Tranche 2 Shares to be issued	-	319,500
	Less: capital raising costs	-	(608,229)
30/06/2023	Closing balance	959,156,064	28,800,741
01/07/2023	Opening balance	959,156,064	28,800,741
12/07/2023	Placement – Tranche 2 (FY2023)	50,566,666	439,000
27/09/2023	Placement	214,285,714	3,000,000
02/04/2024	Placement – Tranche 1	306,002,111	3,366,023
15/05/2024	Placement – Tranche 2	57,634,253	633,977
	Less: capital raising costs	-	(674,447)
		1,587,644,808	35,565,294

(c) Deferred Shares

As part of the consideration for the acquisition of Sunshine (Triumph) Pty Ltd (formerly XXXX Gold Pty Ltd), the Company issued:

- (a) 50,000,000 Deferred Shares on the Company announcing to ASX by 11 December 2023 that it has an Inferred Resource of 100,000 ounces of gold or gold equivalent at a minimum 1 gram per tonne cut off on tenements owned or being acquired or applied for by Sunshine (Triumph) Pty Ltd (formerly XXXX Gold Pty Ltd) at the time of completion; and
- (b) further 50,000,000 Deferred Shares on the Group announcing to ASX by 11 December 2023 that it has an Inferred Resource of 200,000 ounces of gold or gold equivalent at a minimum 1 gram per tonne cut off on tenements owned or being acquired or applied for by Sunshine (Triumph) Pty Ltd (formerly XXXX Gold Pty Ltd) at the time of completion.

On 31 March 2022, the Company announced an initial Resource at the 100% owned Triumph Gold Project totalling 1.8 million tonnes at 2.0 g/t for 118 koz of contained gold. As a result, 50,000,000 Deferred Shares vested and were converted into fully paid ordinary shares. The value of deferred shares was recognized in reserves.

On 11 December 2023, the 50,000,000 Deferred Shares lapsed and expired as the relevant performance hurdle has not been satisfied in order for the Deferred Shares to vest and convert into ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 14: ISSUED CAPITAL (continued)

(d) Performance Rights

During the 2021 financial year, 17,000,000 Performance Rights were issued to directors in the following tranches:

- (a) Tranche 1 – 50% of the rights will vest on the Company announcing to ASX by 30 September 2023 that it has a Resource of 100,000 ounces of gold on tenements owned or being acquired or applied for by Sunshine (Triumph) Pty Ltd (formerly XXXX Gold Pty Ltd) at the time of completion; and
- (b) Tranche 2 – 50% of the rights will vest on the Company announcing to ASX by 30 September 2023 that it has Resource of 200,000 ounces of gold on tenements owned or being acquired or applied for by Sunshine (Triumph) Pty Ltd (formerly XXXX Gold Pty Ltd) at the time of completion.

On 31 March 2022, the Company announced an initial Resource at the 100% owned Triumph Gold Project totalling 1.8 million tonnes at 2.03 g/t for 118 koz of contained gold. As a result, 8,500,000 Performance Rights vested and were converted into fully paid ordinary shares. During the 2022 financial year, the Company recognized a share-based payment expense of \$170,000 relating to the Tranche 1 Performance Rights that vested which has been recorded in the share-based payment reserve.

On 30 September 2023, the 8,500,000 Tranche 2 Performance Rights lapsed and expired as the relevant performance hurdle has not been satisfied in order for the Performance Rights to vest and convert into ordinary shares.

(e) Capital Risk Management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Group does not have a defined share buy-back plan.

No dividends were paid in 2024 (2023: Nil).

There is no current intention to incur further debt funding on behalf of the Group as on-going expenditure will be funded via cash reserves or equity.

The Group is not subject to any externally imposed capital requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 15: RESERVES

	Consolidated 2024 \$	2023 \$
(a) Composition		
Share-based payments reserve	4,764,264	4,512,188
	<u>4,764,264</u>	<u>4,512,188</u>

(b) Movements in options on issue during the last two years were as follows:

Date	Details	No. of Unlisted Options	Exercise Price	Expiry Date
01/07/2022	Opening balance	68,300,000		
23/06/2023*	Lead Manager options	20,000,000	0.0225	07/07/2027
	Director options	20,000,000	0.0225	30/06/2027
30/06/2023	Closing balance	<u>108,300,000</u>		
01/07/2024	Opening balance	108,300,000		
2/08/2023	Employee options	4,933,334	\$0.0225	30/06/2027
21/11/2023	Placement options	71,428,529	\$0.0300	30/09/2025
28/11/2023	Lead Manager options	15,000,000	\$0.0210	27/11/2026
20/02/2024	Employee options	800,000	\$0.0225	30/06/2027
15/05/2024	Placement options	121,212,082	\$0.03	30/09/2025
15/05/2024	Lead Manager options	30,000,000	\$0.0300	30/09/2025
30/06/2024	Closing balance	<u>351,673,945</u>		

* These options were approved by shareholders on 23 June 2023 and issued on 7 July 2023

Refer to Note 25 for details of options issued during the year ended 30 June 2024.

(c) Nature and Purpose of Reserves

Share-Based Payments Reserve

The share-based payments reserve is the value of equity benefits provided to directors, employees and consultants by the Group as part of their remuneration. In addition, where the fair value of goods or services cannot be readily determined, the fair value of equity instruments issued in consideration for the good or service acquired may be recognized within the share-based payments reserve.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 16: NOTES TO THE STATEMENT OF CASH FLOWS

Consolidated

2024

2023

\$

\$

- a) Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:**

Cash and cash equivalents (Note 5)	3,393,840	3,329,590
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- b) Reconciliation of net cash and cash equivalents used in operating activities to loss for the year:**

Loss for the year	(6,628,601)	(3,489,942)
Exploration expensed	41,445	-
Depreciation expense	122,205	114,753
Impairment of investments	23,144	16,626
Impairment of exploration	5,696,906	937,602
Rehabilitation expense	-	1,198,000
Share based payment expense	52,079	145,208
Movements in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	14,423	(70,127)
(Increase)/Decrease in other assets	(36,514)	-
Increase/(Decrease) in lease liabilities	(99,508)	(73,914)
Increase/(Decrease) in trade and other payables	401,005	(5,696)
Net cash used in operating activities	(713,416)	96B(1,227,490)

c) Non-cash investing and financing activities

The Company granted options to employees and the lead manager as part of their remuneration during the year ended 30 June 2024. Refer notes 25.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 17: KEY MANAGEMENT PERSONNEL

This note is to be read in conjunction with the Remuneration Report which is included in the Directors' Report.

(a) Compensation of Key Management Personnel

	Consolidated	
	2024	2023
	\$	\$
Compensation by category:		
Short-term	414,865	415,158
Post-employment	33,755	32,252
Termination benefit	-	-
Share based payment	-	145,210
	<u>448,620</u>	<u>592,620</u>

(b) Transactions with Key Management Personnel

There were no transactions with key management personnel during the year ended 30 June 2024. As at 30 June 2024, \$6,600 (30 June 2023: \$6,600) was owed to Mr Pismiris for accrued directors fees and secretarial services and \$3,300 (30 June 2023: \$3,300) was owed to Mr Torresan for accrued directors fees.

NOTE 18: REMUNERATION OF AUDITORS

	Consolidated	
	2024	2023
	\$	\$
Audit services – HLB Mann Judd	38,614	39,154
	<u>38,614</u>	<u>39,154</u>

NOTE 19: INTEREST IN SUBSIDIARIES

(a) Information about Principal Subsidiaries

The consolidated financial statements include the financial statements of Sunshine Metals Limited and the subsidiaries listed in the following table:

		Equity Interest	
	Country of	2024	2023
	Incorporation	%	%
Sunshine (Triumph) Pty Ltd	AUS	100	100
Sunshine (Ravenswood) Pty Ltd	AUS	100	100
Sunrise Exploration Pty Ltd	AUS	100	100
Sunshine Minerals Pty Ltd	AUS	100	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 20: LOSS PER SHARE

The following reflects the income and data used in the calculations of basic and diluted loss per share:

	Consolidated 2024 \$	2023 \$
Loss used in calculating basic and diluted loss per share	(6,928,601)	(3,489,942)
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating:		
Basic loss per share	1,254,420,707	770,007,022
Diluted loss per share	1,254,420,707	770,007,022

NOTE 21: SEGMENT INFORMATION

Business Segments

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separate identifiable business segments.

The operations and assets of Sunshine Metals Limited and its controlled entities are employed in exploration activities relating to minerals in Australia.

NOTE 22: RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short-term deposits, short-term loans and investments in unlisted entities.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under review, the Group's policy that trading in financial instruments may be undertaken.

The main risks arising from the Group's financial instruments is cash flow interest rate risk, foreign exchange risk and market price risk. Other minor risks are either summarised below or disclosed at Note 14 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 22: RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Cash Flow Interest Rate Risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group does not have a formal policy in place to mitigate such risks.

The following tables set out the carrying amount by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. There were no fixed interest rate financial assets held by the Group (2023: nil).

2024	Non Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate \$	Total \$	Weighted Average Effective Interest Rate %
Financial Assets					
- Cash and cash equivalents	2,793,840	-	600,000	3,393,840	0.4
- Deposits held	-	306,470	-	306,470	-
- Other receivables	701	-	-	701	-
- Unlisted investments	11,330	-	-	11,330	-
Total Financial Assets	2,805,871	306,470	600,000	3,712,341	
Financial Liabilities					
- Trade creditors	846,949	-	-	846,949	-
- Lease liability	-	-	86,458	86,458	6
Total Financial Liabilities	846,949	-	86,458	933,407	
Net Financial Assets / (Liabilities)	1,958,922	306,470	513,542	2,778,934	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 22: RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Cash Flow Interest Rate Risk

2023	Non Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate \$	Total \$	Weighted Average Effective Interest Rate %
Financial Assets					
- Cash and cash equivalents	3,329,590	-	-	3,329,590	-
- Deposits held	-	178,445	-	178,445	-
- Other receivables	701	-	-	701	-
- Unlisted investments	34,474	-	-	34,474	-
Total Financial Assets	3,364,765	178,445	-	3,543,210	
Financial Liabilities					
- Trade creditors	323,035	-	-	323,035	-
- Lease liability	-	-	185,966	185,966	6
Total Financial Liabilities	323,035	-	185,966	509,001	
Net Financial Assets / (Liabilities)	3,041,730	178,445	(185,966)	3,034,209	

Interest Rate Sensitivity

The Group's exposure to interest rate risk at balance date is immaterial.

Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows.

	Consolidated	
	2024 \$	2023 \$
Contracted maturities of undiscounted liabilities at 30 June		
Payables		
- less than 30 days	846,949	323,035
- less than 12 months	-	-
Lease liability		
- less than 12 months	86,458	107,422
- between 1 to 2 years	-	89,510
- between 2 to 5 years	-	-
	933,407	519,967

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Market Price Risk

The Group is exposed to equity price risk which arises from equity securities at fair value through profit or loss (FVTPL).

The Group is exposed to market price risk arising from investments in other companies carried at fair value. At 30 June 2024, if the fair value of investments in other companies had changed by 10% during the entire year with all other variables held constant, profit/(loss) for the year and equity would have been \$1,133 (2023: \$3,447) lower/higher. The Group holds shares in Pearl Gull Limited which is listed and held at fair value.

Net Fair Values

For assets and other liabilities the net fair value approximates their carrying value. The Group has financial assets and liabilities that are classified as level 3 under the fair value hierarchy and has no financial assets or liabilities where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Financial Instruments

The following table presents the Group's assets and liabilities measured and recognised at fair value:

30 June 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Equity investments at FVTPL	11,330	-	-	11,330
30 June 2023	Level 1	Level 2	Level 3	Total
Asset	\$	\$	\$	\$
Equity investments at FVTPL	-	-	34,474	34,474

Valuation techniques

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Fair Value Hierarchy

Level 1

Fair value through FVTPL

Fair value is based on quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date.

Level 3

Fair value through FVTPL

Fair value is based on unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 23: EVENTS SUBSEQUENT TO REPORTING PERIOD

On 26 August 2024, the Company entered into a binding sale and purchase agreement with Dart Mining NL ("Dart"), to divest the Triumph Gold Project ("Triumph") for a total consideration of \$2 million, comprised of \$1 million in cash and \$1 million in Dart fully paid ordinary shares, subject to completion.

No other matters or circumstances have arisen subsequent to the balance date which would significantly affect the operations of the Company, its operating results or its state of affair in the subsequent financial years.

NOTE 24: CONTINGENT LIABILITIES

The Group has no known material contingent liabilities at the end of the financial year.

NOTE 25: SHARE BASED PAYMENTS

The following share-based payment transactions occurred or were recognised during the year:

- 4,933,334 options exercisable at \$0.0225 expiring 30 June 2027 were issued to employees. These options were valued at \$48,661 and were fully expensed.
- 15,000,000 options exercisable at \$0.021 expiring 27 November 2026 were issued to the Lead Manager in relation to the September 2023 placement. These options were valued at \$115,354 and recognised as a cost of capital raising.
- 800,000 options exercisable at \$0.0225 expiring 30 June 2027 were issued to employees. These options were valued at \$3,418 and were fully expensed.
- 30,000,000 options exercisable at \$0.03 expiring 30 September 2025 were issued to the Lead Manager in relation to the May 2024 placement. These options were valued at \$84,643 and recognized as a cost of capital raising.

All share options issued during the year vested immediately. The total amount of \$52,079 (2023: \$145,208) was recognised as a share-based payment expense, \$199,997 (2023: \$209,872) was recognised as a capital raising cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 25: SHARE BASED PAYMENTS (continued)

Fair values of share options issued are determined using the Black-Scholes model based on information available as at the measurement date, considering the exercise price, term of option, the share price at grant date, expected price volatility of the underlying share, expected yield and the risk-free interest rate for the term of the option. Parameters for all share options on issued during period were:

Measurement date	31/7/2023	21/9/2023	20/2/2024	2/4/2024
Issue date	2/8/2023	27/9/2023	20/2/2024	15/5/2024
Expiry date	30/6/2027	27/11/2026	30/6/2027	30/9/2025
Dividend yield	Nil	Nil	Nil	Nil
Expected volatility	78.5%	78.5%	78.5%	78.5%
Risk-free interest rate	3.98%	3.91%	3.78%	3.72%
Expected life of options (years)	3.9 years	3 years	3.4 years	1.5 years
Underlying share price	\$0.018	\$0.016	\$0.011	\$0.015
Option exercise price	\$0.0225	\$0.021	\$0.0225	\$0.03
Value of option	\$0.00986	\$0.00769	\$0.00427	\$0.00282
Number of options issued	4,933,334	15,000,000	800,000	30,000,000
Value of options	\$48,661	\$115,354	\$3,418	\$84,643
Amount expensed during the year	\$48,661	-	\$3,418	-
Amount recognised in equity during the year	-	\$115,354	-	\$84,643

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2024	Number of Options 2024	Weighted average exercise price 2023	Number of Options 2023
Outstanding at 1 July	\$0.0274	108,300,000	\$0.03	68,300,000
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Granted during the year	\$0.0265	50,733,334	\$0.0225	40,000,000
Outstanding at 30 June	\$0.0270	159,033,334	\$0.0274	108,300,000
Exercisable at 30 June	\$0.0270	159,033,334	\$0.03	68,300,000

The weighted average remaining contractual life for options outstanding at the end of the year is 1.5 years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 26: PARENT ENTITY DISCLOSURES

The accounting policies of the Parent Entity are consistent with those of the Group as disclosed in Note 1, except for Investment in Subsidiaries, which are accounted for at cost less impairment.

(a) Financial Position

	2024	2023
	\$	\$
Current Assets	3,535,274	3,429,816
Total Assets	16,376,372	15,080,912
Current Liabilities	110,889	101,457
Total Liabilities	1,665,889	458,457
Equity		
Issued capital	35,565,294	28,800,741
Reserves	4,764,264	4,512,188
Accumulated losses	(25,492,575)	(18,690,474)
Total Equity	14,710,483	14,622,455

(b) Financial Performance

Profit/(Loss) for the year	(6,928,601)	(5,054,886)
Other comprehensive income	-	-
Total Comprehensive Profit/(Loss)	(6,928,601)	(5,054,886)

(c) Guarantees

The parent entity has not entered into any guarantees, in relation to the debts of subsidiaries.

(d) Contingent liabilities

The parent entity has no known material contingent liabilities at the end of the financial year.

(e) Commitments for expenditure

The parent entity has not entered into any commitments for expenditure as at the end of the financial year.

(f) Recoverability of non-current assets

The recoverability of non-current assets is dependent upon the discovery of commercially viable reserves and successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest (exploration and evaluation).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 27: GREATER LIONTOWN ASSET ACQUISITION

On 6 September 2023, the Group completed the Greater Lontown transaction which related to the acquisition of 16 tenements in two separate transactions with unrelated, third parties adjacent to the Ravenswood West project. Consideration payable for the acquisition is set out below.

	Cromarty	Hebrides
Cash Payments		
Non-Refundable Deposit paid	\$400,000	\$25,000
Cash Paid on Completion	\$2,100,000	\$225,000
Deferred Cash – 31 October 2023	\$500,000	-
Total Cash Payments	\$3,000,000	\$250,000
Milestone Payments		
- \$1m of Production Revenue	\$1,000,000	-
- \$1m of Production Revenue + 1 Year	\$1,000,000	-
Total Milestone Payments	\$2,000,000	-
Total Consideration	\$5,000,000	\$250,000

DIRECTORS' DECLARATION

1. In the opinion of the Directors:
 - a. the accompanying financial statements, notes and additional disclosures are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001; and
 - b. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - d. the consolidated entity disclosure statement is true and correct.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

This declaration is signed in accordance with a resolution of the Board of Directors.



Alec Pismiris
Director
Dated this 4th day of September 2024

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Members of Sunshine Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sunshine Metals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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INDEPENDENT AUDITOR'S REPORT (continued)



Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation assets Refer to note 7	
<p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises all costs associated with acquisition and exploration of its mineral resources. As at 30 June 2024, the Group held capitalised exploration assets of \$13,284,428.</p> <p>Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation assets, as this is the most significant asset of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. Additionally, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of the exploration and evaluation assets may exceed their recoverable amounts.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> – We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; – We considered management's assessment of potential impairment indicators in addition to making our own assessment; – We obtained evidence that the Group has current rights to tenure over its areas of interest; – We considered the nature and extent of planned ongoing activities; – We substantiated a sample of expenditure capitalised by agreeing to supporting documentation; and – We examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

INDEPENDENT AUDITOR'S REPORT (continued)



- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

INDEPENDENT AUDITOR'S REPORT (continued)



We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Sunshine Metals Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
4 September 2024

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Sunshine Metals Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
4 September 2024

D I Buckley
Partner

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ASX ADDITIONAL INFORMATION

QUOTED SECURITIES

(a) ORDINARY FULLY PAID SHARES

(i) DISTRIBUTION OF SHAREHOLDERS AS AT 22 AUGUST 2024:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 – 1,000	59	19,246	0.00%
1,001 - 5,000	37	109,083	0.01%
5,001 - 10,000	59	509,514	0.03%
10,001 - 100,000	765	41,326,562	2.60%
100,001+	1,000	1,545,680,403	97.36%
	1,920	1,587,644,808	100.00%

The number of shareholdings held in less than marketable parcels is 439 (based on the last sale price of \$0.013 on 22 August 2024).

(ii) TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

	NAME	NO. OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARES %
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	146,748,283	9.24%
2	LION SELECTION GROUP LIMITED	63,311,688	3.99%
3	STONE PONEYS NOMINEES PTY LTD <CHAPMAN SUPER FUND A/C>	57,536,364	3.62%
4	SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	54,000,000	3.40%
5	CHALLENGE RESOURCES PTY LTD	44,000,000	2.77%
6	MR LESLIE BRIAN DAVIS & MRS ANNETTE FAY DAVIS <LB & AF DAVIS SUPER FUND A/C>	43,491,515	2.74%
7	MR DAMIEN LESLIE KEYS & MRS AMY DAWN KEYS <THE ADK FAMILY A/C>	36,300,000	2.29%
8	MONSLIT PTY LTD <ANTHONY TORRESAN A/C>	31,666,667	1.99%
9	P D CRUTCHFIELD PTY LTD <CRUTCHFIELD SUPER FUND A/C>	27,883,736	1.76%
10	CAMPBELL KITCHENER HUME & ASSOCIATES PTY LTD <C K H SUPERFUND A/C>	27,357,948	1.72%
11	CITICORP NOMINEES PTY LIMITED	25,168,003	1.59%
12	TRI-STAR E&P PTY LTD	20,000,000	1.26%
13	LAIDBACK PTY LTD <J AND T HARDY SUPER FUND A/C>	17,937,994	1.13%
14	MR KENNETH GATCHALIAN	16,062,244	1.01%
15	MR JOE LEUZZI & MRS SALLY LEUZZI	16,000,000	1.01%
16	TOPAZE ENTERPRISES PTY LTD <GBM A/C>	15,000,000	0.94%
17	MR ANDREW GEORGE NICOLSON	14,049,341	0.88%
18	PARKRANGE NOMINEES PTY LTD	13,928,889	0.88%
19	IONA COMPANY PTY LTD <IONA FAMILY A/C>	13,200,000	0.83%
20	ACP INVESTMENTS PTY LTD	12,000,000	0.76%
	Total	695,642,672	43.82%
	Total issued capital - selected security class(es)	1,587,644,808	100.00%

(iii) VOTING RIGHTS

Article 12.13 of the Constitution specify that on a show of hands every member present in person, by attorney or by proxy shall have:

- (a) for every fully paid share held by him one vote; and
- (b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

(iv) SUBSTANTIAL SHAREHOLDERS

Name

1832 Asset Management L.P.
Torresan Group

Ordinary Shares	
No.	%
133,000,000	8.38
85,666,667	5.39
218,666,667	13.77

(b) UNQUOTED SECURITIES

(i) UNLISTED OPTIONS ON ISSUE

Options exercisable at \$0.03 expiring 30 September 2025	288,240,611
Options exercisable at \$0.03 expiring 2 November 2025	1,000,000
Options exercisable at \$0.021 expiring 27 November 2026	15,000,000
Options exercisable at \$0.0225 expiring 7 July 2027	20,000,000
Options exercisable at \$0.0225 expiring 30 June 2027	25,733,334

CORPORATE GOVERNANCE STATEMENT

Sunshine Metals Limited and the Board are committed to achieving and demonstrating high standards of corporate governance. Sunshine Metals Limited has modelled its corporate governance policies against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2024 corporate governance statement was approved by the board on 4 September 2024 and is current as at 4 September 2024. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.shnmetals.com.au/investor-centre/corporate-governance/.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of entity	Trustee, partnership or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Sunshine Metals Limited	Body corporate	n/a	n/a	Australia	Australia	Australia
Sunshine (Triumph) Pty Ltd	Body corporate	n/a	100	Australia	Australia	Australia
Sunshine (Ravenswood) Pty Ltd	Body corporate	n/a	100	Australia	Australia	Australia
Sunrise Exploration Pty Ltd	Body corporate	n/a	100	Australia	Australia	Australia
Sunshine Minerals Pty Ltd	Body corporate	n/a	100	Australia	Australia	Australia

