



SUNSHINE METALS LIMITED

A.B.N. 12 063 388 821

ANNUAL FINANCIAL REPORT

30 JUNE 2025

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

BOARD OF DIRECTORS	CONTENTS	PAGE
Alec Pismiris (Chairman)	Directors' Report	3
Damien Keys (Managing Director)		
Paul Chapman (Non-Executive Director)	Statement of Profit or Loss and Other Comprehensive Income	26
Joanne Bergamin (Non-Executive Director)		
Fred White (Non-Executive Director)	Statement of Financial Position	27
COMPANY SECRETARY		
	Statement of Changes in Equity	28
Shaun Menezes	Statement of Cash Flows	29
REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE	Notes to the Financial Statements	30
Unit 26, 31-45 Eyre Street	Consolidated Entity Disclosure Statement	55
North Ward, Queensland, 4810	Directors' Declaration	56
Postal Address:	Independent Auditor's Report	57
Unit 26, 31-45 Eyre Street	Auditor's Independence Declaration	61
North Ward, Queensland, 4810	ASX Additional Information	62
Telephone: (+61 8) 6245 9828	Corporate Governance Statement	64
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SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

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 2025 ("**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
Joanne Bergamin (appointed 9 December 2024)
Fred White (appointed 5 August 2025)
Paul Chapman
Leslie Davis (resigned 31 August 2025)
Antonio Torresan (resigned 31 August 2025)

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 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: Bubalus Resources Ltd (since 1 November 2021).

Former directorships (last 3 years): Agrimin Ltd (3 October 2013 to 29 November 2024), Gumtree Australia Markets Ltd (7 April 2016 to 17 October 2024).

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

Dr Keys is a geologist with over 20 years of 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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

PARTICULARS OF DIRECTORS (CONTINUED)

Joanne Bergamin BA, BComm, MBA
Non-Executive Director

Ms Bergamin is a seasoned communications and sustainability professional with expertise across the resources and energy sectors in Queensland - most notably with miner QEM (ASX:QEM), Arrow Energy (ASX:AOE) and the national Women in Sustainable Energy & Resources (WISER) network which she founded and chairs. Ms Bergamin has strong governance experience developed through serving on the board of Sports Gold Coast and in previous corporate services roles at the Vatican City State and John Cabot University. Ms Bergamin's experience is important for engaging relevant stakeholders to progress the commercialisation of the Ravenswood Consolidated Project, including the advanced Lontown deposit.

Other current directorships: None

Former directorships (last 3 years): None

Fred White Ass Dip Met, Grad Cert M'ment (appointed 5 August 2025)
Non-Executive Director

Mr White is a North Queensland based Operator and Miner of Gold and Base Metals by background and later studied metallurgy. He worked his way from the ground up to hold senior production roles at Mt Isa with a lead/zinc focus from Operating roles through to General Management of all Pb/Zn Processing on site at Mount Isa. In this capacity he lead the Pb/Zn concentrator upgrade from 6.5-8.0Mtpa. He was also appointed to the Xstrata Zinc Board following the takeover of MIM. Mr White then went on to run Australia's largest private shipping Company – Sea Swift, taking it to 5x valuation for shareholders. Most recently, Mr White founded a company that runs the Mount Barker Silver mine, which direct ships a high-grade silver-lead-zinc product out of Townsville to China. Mr White brings strong operational, logistics, production, and start-up experience to the Board.

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. Mr Chapman announced his resignation as a Non-Executive Director effective from the 2025 Annual General Meeting.

Other current ASX directorships: Black Cat Syndicate Ltd (since 3 August 2017), Dreadnought Resources Ltd (since 9 April 2019), Meeka Metals Ltd (since 24 May 2022)

Former directorships (last 3 years): Encounter Resources Ltd (7 October 2005 to 24 November 2023)

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

PARTICULARS OF DIRECTORS (CONTINUED)

Leslie Davis B.Sc. MAusIMM (resigned 31 August 2025)

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 Ltd (since 4 August 2017)

Former directorships (last 3 years): None

Antonio Torresan

Non-Executive Director (resigned 31 August 2025)

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

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors, held during the year ended 30 June 2025 by each director:

	Number Eligible to Attend	Number Attended
Alec Pismiris	12	11
Damien Keys	12	12
Paul Chapman	12	12
Leslie Davis	12	11
Antonio Torresan	12	12
Joanne Bergamin*	7	7

* Appointed 9 December 2024

The Board also approved 7 circular resolutions during the year ended 30 June 2025.

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 \$2,271,180 for the year ended 30 June 2025 (2024: \$6,928,601).

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).

Amid historic gold price highs, Sunshine is following a strategic pathway to low CAPEX cashflow by targeting high-grade gold across its Ravenswood tenements just south of the historic gold mining town of Charters Towers.

Liontown is the most advanced of the Au Resources given its sizable Au-dominant Resource located on a mining lease. A mining study has commenced at Liontown, with an advanced scoping level study to be completed in January 2026.

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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

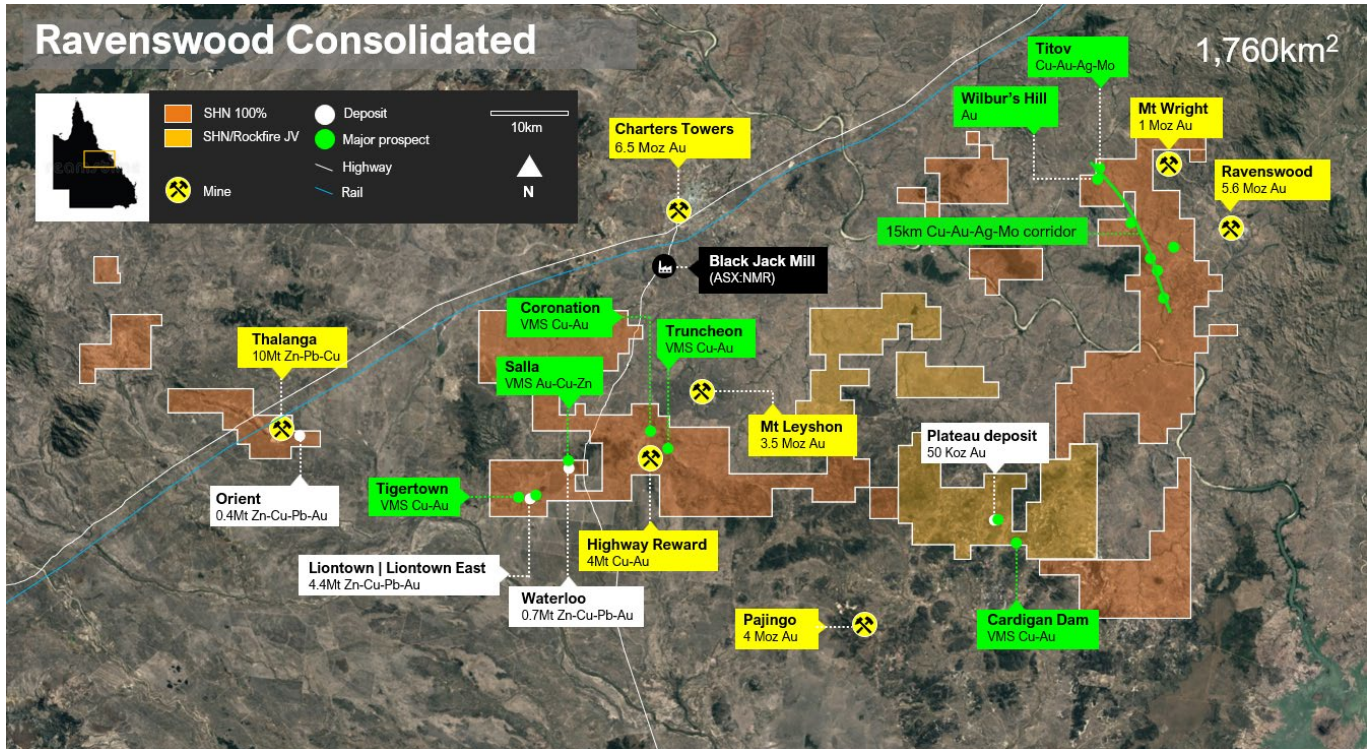


Figure 1. Sunshine has a district presence south of Charters Towers and is concentrating near term exploration efforts across shallow gold targets including Liontown, Tigertown, Salla, Coronation and Truncheon.

904koz AuEq Resource at Ravenswood Consolidated

In December 2024, Sunshine announced a significant upgrade to the Liontown Resource increasing the Ravenswood Consolidated Project's high-grade and shallow Resource to:

7.0mt @ 4.0g/t AuEq for 904koz AuEq recoverable (or 11.1% ZnEq).

The Liontown/Gap Zone component of the Resource increased 53% since February 2024 to:

4.5mt @ 3.6g/t AuEq for 511koz AuEq recoverable (or 9.8% ZnEq)¹

Liontown now contains 64% of the tonnes in the total Ravenswood VMS Resource. Gold constitutes 36% of the contained metal value at Liontown, hence the necessity to dual report a gold equivalent and zinc equivalent grade.

The Gap Zone, a ~400m long zone at the eastern extent of Liontown located adjacent to Liontown East Resource areas, has been added to the Resource. The Liontown/Liontown East Resource now totals:

5.9mt @ 3.6g/t AuEq for 700koz AuEq recoverable (or 10.0% ZnEq)

Since the acquisition in September 2023, Sunshine has increased total tonnes at the Ravenswood VMS Resource by 42% and significantly grown the contained Au metal in the Resource by 68%.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

The Lontown Resource contains multiple, stacked lodes that are amenable to both open pit and underground mining scenarios. Mining studies on the Au-dominant portions of the Lontown Resource are underway.

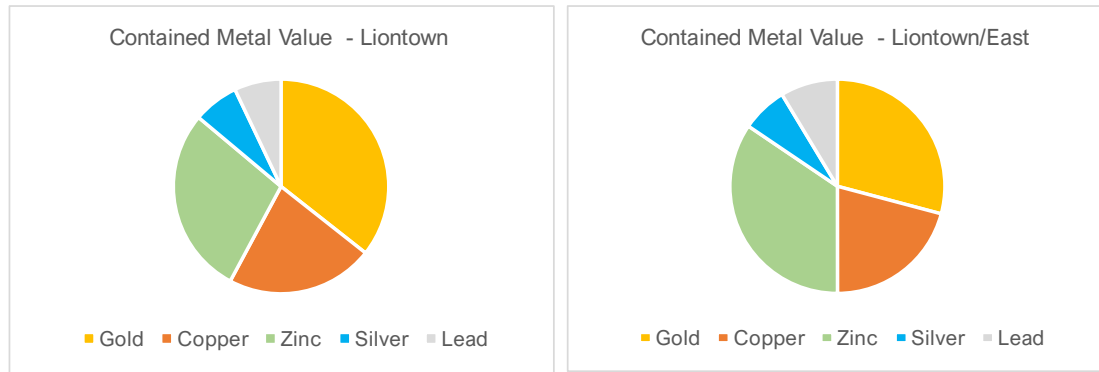


Figure 2. Proportionate contained metal values for Lontown (left) and the combined Lontown/Lontown East (right) demonstrating gold's significant and increasing contribution to value.

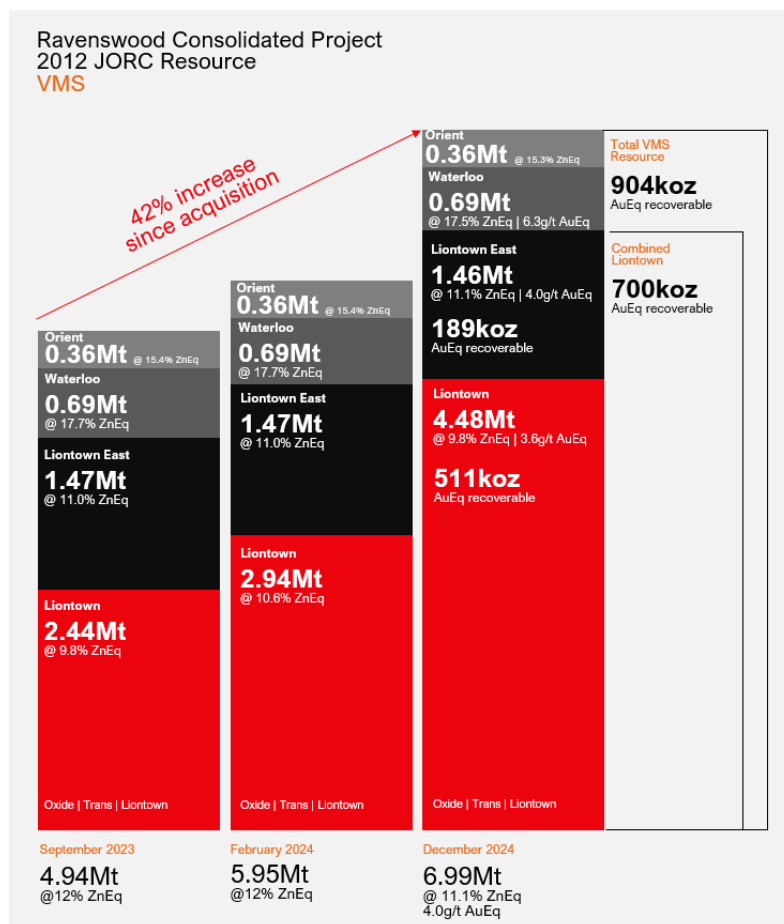


Figure 3. Sunshine has increased the total VMS Resource at Ravenswood by 42% since acquisition in September 2023 from 4.94mt to 6.99mt @ 4.0g/t AuEq recoverable².

² Differences may occur in totals due to rounding.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

Impressive drill intersections at Liontown

Drilling campaigns at Liontown focused on shallow Au-rich lenses, have included best results:

- **10m @ 31.91g/t Au from 41m, including 2m @ 121.5g/t Au from 46m (25LTRC009)**
- **11m @ 3.01g/t Au from 0m (25LTRC001),
3m @ 22.82g/t Au, 351g/t Ag from 13m (25LTRC001)
3m @ 10.51g/t Au, 442g/t Ag from 38m (25LTRC001),**
- **9m @ 6.31g/t Au from 0m (25LTRC011),**
- **11m @ 4.90g/t Au from 73m, including 6.0m @ 8.54g/t Au from 73m (24LTRC028),**
- **10m @ 2.60g/t Au & 1.04% Cu from 83m (24LTRC026),**
- **3m @ 6.35g/t Au from 79m (25LTRC010)**

Drilling that intersected polymetallic lodes included best results:

- **11.0m @ 0.29g/t Au, 1.47% Cu, 4.81% Zn & 0.47% Pb from 179m (24LTRC027) including 6.0m @ 0.44g/t Au, 1.67% Cu, 6.95% Zn & 0.75% Pb from 279m (24LTRC027)**
- **6.0m @ 0.29g/t Au, 2.01% Cu, 1.72% Zn, 0.70% Pb from 343m (24LTDD033) Including 2.2m @ 4.48% Cu, 0.45g/t Au, 2.98% Zn, 1.80% Pb from 343.8m (24LTDD033)**
- **1.0m @ 18.95g/t Au & 1.34% Cu from 360m (24LTDD033)**
- **4.9m @ 2.08% Cu, 1.29g/t Au, 2.02% Zn from 302.1m (24LTDD035)
Including 1.6m @ 4.41% Cu, 3.76g/t Au, 3.54% Zn from 302.1m (24LTDD035)**

Excellent gold and copper Recoveries from Liontown

Preliminary metallurgical test work completed on copper and gold mineralised core from the Gap Zone and the Au-rich panel at Liontown achieved gold recoveries to 97.4% from conventional cyanide leaching (106µm grind size) and 99.4% when the sample was ground to 38µm. Copper recoveries to 95.2% at a concentrate grade of 13% Cu and a cumulate Au grade of 55.1g/t Au were returned from flotation of the Gap Zone samples. Rougher tails were treated with conventional leaching and returned gold recoveries to 92.6%.

Liontown Au Study to optimise 95Koz Au Resource

Subsequent to the end of the reporting period, and following the drill campaign above, the Company announced it would conduct an advanced scoping study over the shallow gold at Liontown to consider 95Koz Au and 652Koz Ag (712Kt @ 4.15g/t Au & 28.5g/t Ag) comprised of the following Resources:

- **Shallow Au (Inferred); 16.4Koz Au @ 2.04g/t Au (& 29.2g/t Ag)** which is expected to be upgraded to Indicated following results of metallurgical test work in August 2025;
- **Carrington Fresh (Indicated): 22.1Koz Au @ 3.09g/t Au (& 46.7g/t Ag)** beneath the above Shallow Au;
- **Au-Panel (Indicated): 37.8Koz Au @ 8.14g/t Au (& 9.0g/t Ag)** located 200m east of the Shallow Au; and
- **Au-Panel (Inferred); 18.7koz Au @ 6.07g/t Au (& 13.6g/t Ag)** which will be the subject of future drilling.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

The Shallow Au and Carrington Fresh domains are located on granted Mining Lease ML10277, and the Au-Panel on a mining lease application. Previous drilling results from the Au-Panel include:

- **17m @ 22.05g/t Au** from 67m (23LTRC002)
- **20m @ 18.21g/t Au** from 114m (24LTRC015) **8m @ 11.74g/t Au** from 115m (LLRC184)

The Liontown Au Study Resources comprise only ~12% of the total Liontown Au-Cu-Zn-Ag-Pb Resource tonnes and account for ~35% of the contained gold. In addition, mining access to the gold is expected to provide future access to parts of the broader Au-Cu-Zn-Ag-Pb Resource.

For the avoidance of doubt, gold prospects not yet to be considered in the Au Study include Plateau (50koz) and Sybil.

The Liontown Au Study is expected to be completed in January 2026.

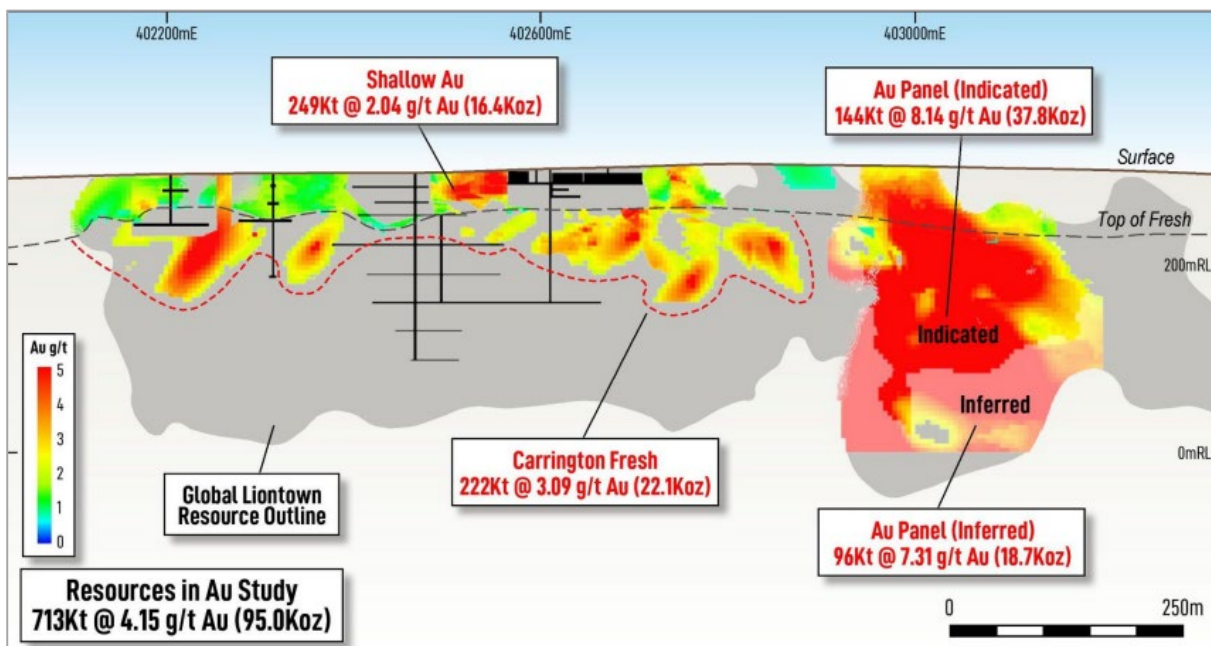


Figure 4. Long section of the Resources under consideration in the Au Scoping Study. Block model coloured by gold content showing the Shallow Au above the Carrington Fresh and the high-grade Au Panel. No remnant Resource has been assigned around the historic Carrington workings.

Regional exploration drilling advances targets

First pass drilling programs were completed at Plateau, Tigertown, Truncheon, Highway East, Salla and Coronation.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

Results included:

- **8m @ 3.17g/t Au & 31g/t Ag** from 61m (25PLRC006) at Plateau
Including **2m @ 6.97g/t Au & 84g/t Ag** from 62m
- **30m @ 0.58g/t Au, 57g/t Ag** from 34m (25TTRC004) at Tigertown
Including **4m @ 2.01g/t Au, 201g/t Ag, 4.14% Zn, 1.93% Pb** from 38m (25TTRC004)
- **8m @ 0.87g/t Au, 63g/t Ag** from 72m (25TTRC002) at Tigertown
- **6m @ 0.52g/t Au** from 14m (24TRRC003) at Truncheon
- **59m @ 0.56% Zn** from 76m (24TRRC003) at Truncheon
- **15m @ 1.04% Zn** from 17m (24TRRC002) at Truncheon
- **58m @ 0.60% Zn** from 101m (24HERC006) at Highway East
Including **2m @ 1.4% Zn** from 109m (24HERC006) at Highway East

Geophysics refines Coronation target

In March 2025, Sunshine announced it had defined a compelling Highway Reward style Au-Cu target at the Coronation gold-copper prospect after completing a pole-dipole, induced polarisation (IP) geophysical survey in 2024. Coronation is located ~2.7km north of the Highway-Reward Mine (3.9mt @ 5.4% Cu, 1.1g/t Au mined) which was mined as an oxide Au pit (barite vein host) and an underground Cu-Au mine (massive sulphide host).

The program comprised seven lines, 1.2km long and spaced 200m apart and returned the strongest chargeable response at the Ravenswood Consolidated Project to date (up to 70msec). The anomaly is also coincident with a zone of low resistivity, increasing the likelihood of a significant sulphide accumulation.

Mapping and sampling advance early-stage prospects

The Mt Pleasant prospect is located 20km south-southeast of Charters Towers and was identified by Sunshine in 2024 as a potential shallow gold target. First pass mapping and rock sampling returned rock chip assays including:

- **64.50g/t Au** (MP25_014)
- **10.15g/t Au** (MP25_006)
- **3.05g/t Au** (MP25_013)

Historical rock chips within the area reported:

- **95.20g/t Au** (sample 1143022)
- **36.30g/t Au** (sample 1143021)
- **21.20g/t Au** (sample MPN001)

Importantly, the mapping and sampling suggest the presence of multiple veins within a NNW trending zone over 500m. The prospect has never been drilled.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

On 12 August 2024, Sunshine announced the validation of high-grade, gold bearing quartz veins at Double Event, part of the Lighthouse Farm-In at Ravenswood Consolidated. The mapping and sampling program returned seven high-grade gold rock chip results from 13 samples collected. Results included:

- **32.7g/t Au, 31.2g/t Ag, 1.18% Pb** (DE24_001)
- **25.9g/t Au, 35.7g/t Ag, 2.32% Pb** (DE24_011)
- **23.5g/t Au, 28.1g/t Ag** (DE24_007)
- **22.5g/t Au, 30.4g/t Ag, 1.61% Pb** (DE24_008)
- **15.95g/t Au, 20.4g/t Ag, 2.90% Pb** (DE24_004)

The sampling and mapping identified that:

- high-grade mineralisation remains open over >3.5km of strike length; and
- multiple, near-surface, high-grade veins and several are untested by drilling.

Sunshine awarded \$393,795 in Queensland Government funding.

In May 2025, Sunshine was awarded two Collaborative Exploration Incentive (CEI) grants totalling \$393,795. The CEI grants are awarded by a competitive process to encourage the discovery of critical and strategic mineral projects through innovative exploration.

CEI (\$162,157) – Liontown North drilling

CEI grant funding will reimburse up to \$162,157 for a 650m diamond hole at Liontown North testing Sunshine's stratigraphic model and coincident IP and EM anomalies.

The Liontown Resource (6.0Mt @ 3.6g/t AuEq) sits along a volcanic-sedimentary contact previously thought to strike east-west. Sunshine's new interpretation suggests the stratigraphy is tightly folded, with a fold closure beneath shallow cover at Liontown East, highlighted by low IP resistivity and supported by magnetic data.

This fold model opens up significant potential for extensions to the resource. The northern contact remains lightly drilled (17 aircore and 5 RC holes), yet returned encouraging results, including 4m @ 0.65g/t Au from 24m at Liontown North. The intersection lies in the footwall, analogous to the Au-rich Carrington horizon, with historic VTEM and IP anomalies nearby.

CEI (\$231,638) – VTEM Max Survey Coronation Area

The CEI grant of up to \$231,638 funds an 840 line-km VTEM Max helicopter survey around Coronation, leveraging insights from Highway-Reward. The survey commenced on 25 June.

While Sunshine's priority remains advancing shallow gold targets at Ravenswood Consolidated, the program aims to vector in on massive sulphide targets within the Mt Windsor Sub-province, which hosts Liontown, Highway-Reward, and Thalanga.

At Highway-Reward, geochemical and EM surveys were critical in delineating the massive chalcopyrite system, mined between 1997–2003 for 3.9Mt @ 5.3% Cu and 1.1g/t Au. EM techniques first identified the Reward anomaly, with follow-up drilling returning intercepts such as 30m @ 3.5% Cu and 0.72g/t Au from 200m. This success highlights the potential of combining geochemistry and EM to target new sulphide systems.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

High-grade Sybil epithermal Au Project acquired in a \$1.225M cash and scrip deal.

In May 2025, the company announced it had entered into a binding agreement to acquire the high-grade Sybil Epithermal Au Project from an unrelated, private party. The consideration totalled \$1.225 million of which \$125,000 is cash with a further \$1.1M of fully paid ordinary shares on Resource and production Milestones.

On 23 June 2025, the company announced it had completed due diligence and had made an early exercise of its option to acquire Sybil to expedite drilling. Subsequently on 9 July 2025, field work was started at the project consisting of initial mapping and sampling at the Francis Creek prospect. Drilling is planned for the September quarter.

Sybil is situated on a large (>40km) long extensional structure infilled with Permian-Carboniferous volcanics. The Sunshine tenure, when completed, covers the northern portion of the structure, encompassing the shallowest portion of the low-sulphidation, high-grade gold system.

Initial rock chip sampling, stream sediment sampling and detailed mapping have been completed at several prospects. However, drilling has largely focused on Francis Creek and Quartz Ridge.

Epithermal mineralisation was first identified at Francis Creek in 1986. Francis Creek, contains 108 drill holes (6,107m, average hole depth 57m) with the best drill intersections being **3m @ 23.2g/t Au** from 6m (FCP04), **4m @ 11.6g/t Au from 4m** (FCP30), and **4m @ 11.2g/t Au** from 17m (FCP07).

In addition, rock chips of **907g/t Au** and **262g/t Au** have been returned. A bulk sample also produced 961t @ 7.6g/t Au (235oz Au).

Sybil is analogous to the nearby Pajingo epithermal system (~4Moz Au produced)) and has seen little exploration for the last 20 years.

Fieldwork returns high-Grade Au in rock chips

Subsequent to the end of the financial year, Sunshine reported that initial mapping and sampling at Sybil's Francis Creek prospect had confirmed high-grade mineralisation extending for more than 400m. 13 rock chips were assayed and results included **17.85g/t Au, 13.90g/t Au, 11.56g/t Au, 9.49g/t Au, 6.73g/t Au, 5.09g/t Au and 1.81g/t Au.**

A high-resolution drone topographic survey is now planned to serve the placement of drill holes ahead of a proposed drill campaign in the September quarter. Historic drill collars will also be validated.

Reconnaissance mapping and sampling at the Francis Creek East and Burdekin Veins prospects has also commenced.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

Triumph Gold Project

On 26 August 2024, the Company entered into a binding sale and purchase agreement with Dart Mining NL (ASX: DTM, "Dart"), to divest Triumph. Sunshine received final consideration of \$1,000,000 cash and 83,333,333 fully paid ordinary shares in Dart on 6 December 2024.

Corporate

As at 30 June 2025:

- Sunshine held cash reserves at of ~\$1.9M.
- The Company had 2,186 shareholders and 2,087,644,808 ordinary fully paid shares on issue with the top 20 shareholders holding 36.18% of the total issued capital.

Share Placements

In March 2025, Sunshine announced a placement of \$3 million (before costs) at an issue price of \$0.006 to institutional and sophisticated investors (Placement). Participants received 1 attaching unlisted option for every 3 shares allocated in the Placement, exercisable at \$0.015 expiring on 21 May 2027. The placement was settled in two tranches with \$2.38 million received on 3 April 2025 and \$0.62 million received on 21 May 2025 following shareholder approval at a General Meeting.

INVESTMENT IN DART MINING NL

Sunshine Metals holds 83,333,333 fully paid ordinary shares in Dart as a result of the sale of its interests in the Triumph Project.

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL RISKS

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.

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

MINERAL RESOURCES AND ORE RESERVES STATEMENT

Sunshine Metals Resource inventory comprises the Greater Lontown VMS (Zn-Cu-Au-Pb-Ag) and Plateau (Au) Resources.

There were no Ore Reserves at 30 June 2025.

Prospect	Lease Status	Resource Class	Tonnage (kt)	Gold (g/t)	Copper (%)	Zinc (%)	Silver (g/t)	Lead (%)	Zinc Eq. (%)	Gold Eq (g/t)	Contained Gold (oz)	Contained Copper (t)	Contained Zinc (t)	Contained Silver (oz)	Contained Lead (t)
Liontown Oxide	ML/MLA	Inferred	133	1.9	0.7	0.7	24	2.3	5.7	2.1	8,017	902	981	100,595	3,011
Liontown Trans	ML/MLA	Inferred	228	1.8	0.9	2.7	28	2.7	6.9	2.5	13,096	2048	6,076	206,096	6076
	ML/MLA	Total	360	1.8	0.8	2.0	26	2.5	6.4	2.3	21,113	2950	7,057	306,691	9,087
Liontown	ML/MLA	Indicated	2,191	1.5	0.6	5.0	37	1.8	10.5	3.8	102,148	13,366	108,680	2,581,165	38,564
	ML/MLA	Inferred	1,929	1.9	1.2	2.3	15	0.7	9.8	3.5	117,835	22,762	44,752	940,196	12,924
		Total	4,120	1.7	0.9	3.7	27	1.2	10.1	3.7	219,982	36,128	153,433	3,521,361	51,488
Liontown East	ML/MLA	Inferred	1,462	0.5	0.7	7.4	29	2.5	11.1	4.0	22,942	10,626	108,936	1,375,350	37,081
		Total	1,462	0.5	0.7	7.4	29	2.5	11.1	4.0	22,942	10,626	108,936	1,375,350	37,081
Waterloo	ML/MLA	Indicated	406	1.3	2.4	12.2	63	1.9	19.3	7.0	16,961	9,762	49,499	816,112	7,894
	ML/MLA	Inferred	284	0.4	0.7	6.5	23	0.7	14.9	5.4	3,671	2,061	18,465	205,750	2,076
		Total	690	1.0	1.9	10.7	50	1.6	17.5	6.3	21,899	11,824	67,964	1,108,359	9,970
Orient	EPM	Indicated	331	0.2	1.1	10.9	55	2.5	15.2	5.5	2,152	3,537	36,030	584,686	8,271
	EPM	Inferred	33	0.2	0.9	14.2	50	2.2	17.5	6.3	234	298	4,642	52,779	717
		Total	363	0.2	1.1	11.2	55	2.5	15.3	5.5	2,386	3,836	40,672	637,464	8,988
Total VMS Resource			6,996	1.3	1.0	5.5	31	1.7	11.1	4.0	288,322	65,363	378,062	6,949,226	116,614
Plateau ^a	EPM	Inferred	961	1.7	-	-	10.7	-			49,960	-	-	329,435	-
Global Resource			7,957							3.7	338,282	65,363	378,062	7,278,661	116,614

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'.
- All tonnages are reported as dry metric tonnes.
- Discrepancies in totals may occur due to rounding.
- Greater Lontown Resource parameters and corresponding Table 1 are discussed in ASX announcement, 8 May 2023 "Fully Funded Acquisition of Greater Lontown".
- Greater Lontown Resource ZnEq calculation based on met testwork recoveries of: Copper 80%, Lead 70%, Zinc 88%, Gold 65%, Silver 65% and price assumptions: Copper US\$3.80 / lb, Lead US\$0.90 / lb, Zinc US\$1.10 / lb, Gold \$1800 / oz, Silver \$20 / oz.
- Plateau Resource parameters and corresponding Table 1 are discussed in ASX announcement SHN, 20 January 2023 "Consolidation of High Grade Advanced Au Prospects RW".
- SHN earning 75% equity in Plateau (ASX: SHN, 20th January 2023 & 22nd March 2023).

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

MINERAL RESOURCES AND ORE RESERVES STATEMENT

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 was overseen by experienced Sunshine Metals 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 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 (Triumph) was undertaken by consultant Measured Group. Estimation techniques are industry standard and include block modelling using Ordinary Kriging. Resource estimation (Greater Liontown) was undertaken by consultant Mining One and by Red River Resources. Estimation techniques are industry standard and include block modelling using Ordinary Kriging and ID2. Resource estimation (Plateau) was undertaken by Sunshine Metals using industry standard estimation techniques and include block modelling using ID2.

Application of other parameters including cut off grades, top cuts and classification are all dependent on the style and nature of mineralisation being assessed. All Resources are reported under JORC 2012. No Ore Reserve estimation has been completed or announced to date at Triumph.

Material Changes

Nil

Competent Person Statement

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

The information in this report that relates to Exploration Results at Sybil is based on, and fairly represents, information compiled by Mr Tav Bates, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Mr Bates 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 Bates consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

The information in this report that relates to Mineral Resources at Liontown 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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

SCHEDULE OF TENEMENT INTERESTS AS AT 30 JUNE 2025

Project	Tenement	Status	Beneficial Interest
Hodgkinson	EPM 18171	Granted	100%
Hodgkinson	EPM 19809	Granted	100%
Hodgkinson	EPM 25139	Granted	100%
Hodgkinson	EPM 27539	Granted	100%
Hodgkinson	EPM 27574	Granted	100%
Hodgkinson	EPM 27575	Granted	100%
Investigator	EPM 27343	Granted	100%
Investigator	EPM 27344	Granted	100%
Investigator	EPM 28369	Application	100%
Ravenswood	EPM 10582	Granted	100%
Ravenswood	EPM 12766	Granted	100%
Ravenswood	EPM 14161	Granted	100%
Ravenswood	EPM 16929	Granted	100%
Ravenswood	EPM 18470	Granted	100%
Ravenswood	EPM 18471	Granted	100%
Ravenswood	EPM 18713	Granted	100%
Ravenswood	EPM 25815	Granted	100%
Ravenswood	EPM 25895	Granted	100%
Ravenswood	EPM 26041	Granted	100%
Ravenswood	EPM 26152	Granted	100%
Ravenswood	EPM 26303	Granted	100%
Ravenswood	EPM 26304	Granted	100%
Ravenswood	EPM 26718	Granted	100%
Ravenswood	EPM 27357	Granted	100%
Ravenswood	EPM 27520	Granted	100%
Ravenswood	EPM 27824	Granted	100%
Ravenswood	EPM 27825	Granted	100%
Ravenswood	EPM 28237	Granted	100%
Ravenswood	EPM 28240	Granted	100%
Ravenswood	EPM 29048	Application	100%
Ravenswood	EPM 29049	Application	100%
Ravenswood	EPM 29087	Application	100%
Ravenswood	EPM 29215	Application	100%
Ravenswood	ML 10277	Granted	100%
Ravenswood	ML 100290	Application	100%
Ravenswood	ML 100291	Application	100%
Ravenswood	ML 100302	Application	100%
Ravenswood#	EPM 25617	Granted	0%
Ravenswood#	EPM 26705	Granted	0%
Sybil*	EPM 26931	Granted	100%
Sybil*	EPM 29218	Application	100%
Sybil	EPM 29247	Application	100%
Sybil	EPM 29248	Application	100%
Sybil	EPM 29251	Application	100%

Farm-In tenements. SHN has the capacity to earn 75% beneficial interest over 3 years.

* Tenements in acquisition process as per the binding agreement on the Sybil Project.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

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 2025.

EVENTS SUBSEQUENT TO REPORTING DATE

On 31 August 2025, the Company secured firm commitments for a placement of \$5,000,000 at an issue price of \$0.012 to institutional and sophisticated investors. The issue of new shares pursuant to the placement will be made under the Company's existing placement capacity under Listing Rules 7.1 and 7.1A with Director participation subject to shareholder approval. The shares are expected to be issued on or about 8 September 2025.

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	2,087,644,808

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	568,340,612

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
Options exercisable at \$0.0165 expiring 4 December 2027	9,500,000
Options exercisable at \$0.015 expiring 21 May 2027	166,666,667
Options exercisable at \$0.009 expiring 21 May 2027	10,000,000
Options exercisable at 0.018 expiring 13 June 2028	32,200,000

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

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 (2024: 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	55,618,182	17,772,727
Paul Chapman	64,758,031	14,034,343
Joanne Bergamin	100,000	9,500,000
Fred White	2,111,111	9,500,000

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/.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

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 61.

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 2025 (2024: \$Nil) for non-audit services.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

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.

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 99.7% “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 2025 are shown below.

	2025	2024	2023	2022	2021
Loss after income tax attributable to shareholders (\$)	(2,271,180)	(6,928,601)	(3,489,942)	(1,667,266)	(1,064,797)
Share price at year end (\$)	0.011	0.013	0.014	0.028	0.055
Basic earnings/(loss) per share (cents)	(0.13)	(0.55)	(0.45)	(0.30)	(0.29)

The Company's Resource Statement is set out in the Directors' Report.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

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 Options \$	TOTAL \$	Performance Based %
Directors					
A Pismiris - Non-Executive Chairman					
2025	50,175	-	-	50,175	-
2024	72,000 ⁽¹⁾	-	-	72,000	-
D Keys – Managing Director					
2025	300,000	34,500	-	334,500	-
2024	242,000	26,620	-	268,620	-
P Chapman – Non-Executive Director					
2025	45,000	5,175	-	50,175	-
2024	32,432	3,568	-	36,000	-
L Davis – Non-Executive Director					
2025	45,000	5,175	-	50,175	-
2024	32,432	3,568	-	36,000	-
A Torresan – Non-Executive Director					
2025	50,175	-	-	50,175	-
2024	36,000	-	-	36,000	-
J Bergamin – Non-Executive Director					
2025	25,336	2,914	58,124	86,374⁽²⁾	67
Total Remuneration:					
2025	515,686	47,764	58,124	621,574	9
2024	414,865	33,755	-	448,620	-

Notes:

- (1) Includes \$Nil (FY2024: \$36,000) paid as fees for Group secretarial services.
- (2) Appointed 9 November 2024.

There were no other related party transactions with key management personnel during the year ended 30 June 2025 (Note 17). As at 30 June 2025, \$4,599 (30 June 2024: \$6,600) was owed to Mr Pismiris for accrued directors fees and \$4,599 (30 June 2024: \$3,300) was owed to Mr Torresan for accrued directors fees.

Remuneration Options

During the year ended 30 June 2025, 9,500,000 options were issued to Joanne Bergamin as part of her remuneration. The options have an exercise price of \$0.0165 and are exercisable on or before 4 December 2027. Refer to Note 25 for the value of these options, including assumptions used in determining the value.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

During the year ended 30 June 2025, no performance rights were issued as part of director remuneration (30 June 2024: Nil). Refer to Note 14(d) for details of performance rights.

Shareholdings by Directors (and Associates)

2025	Balance 01/07/24 (No. of Shares)	Received Remuneration (No. of Shares)	Acquired (No. of Shares)	Options Exercised (No. of Shares)	Net Other Change (No. of Shares)	Balance 30/06/25 (No. of Shares)
A Pismiris	21,062,500	-	-	-	-	21,062,500
D Keys	43,118,182	-	12,500,000	-	-	55,618,182
P Chapman	58,091,364	-	6,666,667	-	-	64,758,031
L Davis	44,991,515	-	-	-	-	44,991,515
A Torresan	85,666,667	-	-	-	-	85,666,667
J Bergamin	-	-	-	-	100,000 ⁽¹⁾	100,000
Total	252,930,228	-	19,166,667	-	100,000	272,196,895

(1) Balance held on appointment.

Options Holdings by Directors (and Associates)

2025	Balance 01/07/24 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Acquired	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/25 (No. Options)
A Pismiris	12,555,555	-	-	-	-	12,555,555
D Keys	13,606,060	-	4,166,667	-	-	17,772,727
P Chapman	11,812,121	-	2,222,222	-	-	14,034,343
L Davis	13,606,060	-	-	-	-	13,606,060
A Torresan	12,000,000	-	-	-	-	12,000,000
J Bergamin	-	9,500,000	-	-	-	9,500,000
Total	63,579,796	9,500,000	6,388,889	-	-	79,468,685

End of remuneration report (audited).

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

Dated at Perth this 3rd day of September, 2025



Alec Pismiris
Director

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

		Consolidated	
		2025	2024
	Note	\$	\$
Other income	2	36,695	13,506
Corporate expenses	3	(1,187,843)	(1,128,533)
Change in fair value of investments through profit or loss	9	(750,000)	(23,144)
Share based payments	25	(209,050)	(52,079)
Exploration expensed		(38,077)	(41,445)
Impairment of exploration	7	(122,905)	(5,696,906)
Loss before income tax		(2,271,180)	(6,928,601)
Income tax benefit	4	-	-
Loss for the year		(2, 271,180)	(6,928,601)
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss for the year		(2, 271,180)	(6,928,601)
Basic loss per share (cents per share)	20	(0.13)	(0.55)
Diluted loss per share (cents per share)	20	(0.13)	(0.55)

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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Consolidated	
		2025	2024
	Note	\$	\$
Current Assets			
Cash and cash equivalents	5	1,921,716	3,393,840
Trade and other receivables	6	125,603	124,923
Prepayments		37,065	36,514
Total Current Assets		2,084,384	3,555,277
Non-Current Assets			
Exploration and evaluation expenditure	7	15,232,461	13,284,428
Plant and equipment	8	146,870	129,767
Other financial assets	9	261,330	11,330
Security deposits		315,275	306,470
Total Non-Current Assets		15,955,936	13,731,995
Total Assets		18,040,320	17,287,272
Current Liabilities			
Trade and other payables	10	783,103	846,949
Lease liability	11	74,353	86,458
Employee leave liabilities	12	102,628	88,382
Total Current Liabilities		960,084	1,021,789
Non-Current Liabilities			
Lease liability	11	47,826	-
Provisions	13	1,555,000	1,555,000
Total Non-Current Liabilities		1,602,826	1,555,000
Total Liabilities		2,562,910	2,576,789
Net Assets		15,477,410	14,710,483
Equity			
Issued capital	14	38,359,736	35,565,294
Reserves	15	5,007,929	4,764,264
Accumulated losses		(27,890,255)	(25,619,075)
Total Equity		15,477,410	14,710,483

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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Issued Capital	Share-Based Payments Reserve	Accumulated Losses	Total Equity
<u>Consolidated</u>	\$	\$	\$	\$
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
Balance at 01/07/2024	35,565,294	4,764,264	(25,619,075)	14,710,483
Total comprehensive income for the year				
Loss for the year	-	-	(2,271,180)	(2,271,180)
Total comprehensive loss for the year	-	-	(2,271,180)	(2,271,180)
Transactions with owners recorded directly into equity				
Share based payments	-	243,665	-	243,665
Issue of fully paid ordinary shares	3,000,000	-	-	3,000,000
Capital raising costs	(205,558)	-	-	(205,558)
Balance at 30/06/2025	38,359,736	5,007,929	(27,890,255)	15,477,410

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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

		Consolidated	
		2025	2024
	Note	\$	\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(874,386)	(726,922)
Interest received		36,725	13,506
Net Cash Used in Operating Activities	16(b)	(837,661)	(713,416)
Cash Flows from Investing Activities			
Payments for exploration expenditure		(4,505,768)	(6,146,547)
Proceeds from security deposit		27,500	-
Transfers to term deposits		-	(26,000)
Proceeds from sale of project	7	1,000,000	-
Net Cash Used in Investing Activities		(3,478,268)	(6,172,547)
Cash Flows from Financing Activities			
Gross proceeds from share issues		3,000,000	7,439,000
Costs of share issues		(156,195)	(488,787)
Net Cash Provided by Financing Activities		2,843,805	6,950,213
Net increase/(decrease) in cash and cash equivalents held		(1,472,124)	64,250
Cash and cash equivalents at the beginning of the financial year		3,393,840	3,329,590
Cash and cash equivalents at the end of the financial year	16(a)	1,921,716	3,393,840

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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 2025 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 3rd September 2025.

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 2025 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 2025

The Directors have reviewed all other Standards and Interpretations on issue not yet adopted for the period ended 30 June 2025. 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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Exploration and Evaluation Expenditure (continued)

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.

(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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) 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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) 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.

Going concern

The consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The directors believe that the going concern basis is appropriate based on cash flow forecasts prepared by the Board which include the capital raising as outlined in Note 23.

NOTE 2: OTHER INCOME

	Consolidated	
	2025	2024
	\$	\$
Interest earned	36,695	13,506
Total	36,695	13,506

NOTE 3: EXPENSES AND GAINS/(LOSSES)

Significant Items

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	112,350	118,200
Consulting and directors fees	310,095	311,000
Share register maintenance and listing fees	82,868	77,346
Legal fees	24,383	31,329

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 4: INCOME TAX

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

	Consolidated	
	2025	2024
	\$	\$
Loss before income tax	(2,271,180)	(6,928,601)
Income tax calculated at 30% (2024: 30%)	(681,354)	(2,078,580)
Add back:		
Provisions	2,774	9,867
Capital raising costs	(122,154)	(109,821)
Fair value loss on investment	225,000	6,943
Share-based payments	62,715	15,624
Capitalised exploration immediately deductible	(584,410)	(1,851,904)
Capitalised exploration written off	36,872	1,709,071
Future income tax benefits not brought to account	1,060,557	2,298,800
Income tax expense/(benefit)	-	-
Deferred tax assets:		
Capital raising costs	867,111	1,190,379
Provisions	503,288	500,515
Carried forward tax losses (including foreign tax losses)	7,912,773	6,852,215
	9,283,172	8,543,109
Deferred tax liabilities:		
Capitalised exploration costs	3,404,933	4,529,594
	3,404,933	4,529,594

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Consolidated	
	2025	2024
	\$	\$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank	1,921,716	3,393,840
	1,921,716	3,393,840
NOTE 6: TRADE AND OTHER RECEIVABLES		
Current		
Goods and services tax	125,603	123,993
Other	-	930
	125,603	124,923
NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE		
Balance at the beginning of the period	13,284,429	12,808,321
Greater Lontown acquisition	-	2,846,234
Expenditure incurred during the period	3,945,937	3,326,779
Acquisition of Sybil Project ⁽ⁱⁱ⁾	125,000	-
Impairment of exploration assets	(122,905)	(5,696,906) ⁽ⁱ⁾
Disposal of Triumph Project (note 27)	(2,000,000)	-
Balance at the end of the period	15,232,461	13,284,428

⁽ⁱ⁾ 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.

⁽ⁱⁱ⁾ On 23 June 2025, the Company completed the acquisition of the Sybil Project. Under the terms of the acquisition the Company is liable for the following payments:

- \$300,000 in Sunshine fully paid ordinary shares payable on announcement of a maiden JORC Resource of 100,000 oz Au (or equivalent) from Sybil;
- A further \$300,000 in Sunshine fully paid ordinary shares payable on announcement of a maiden JORC Resource of 200,000 oz Au (or equivalent) from Sybil;
- \$500,000 in Sunshine fully paid ordinary shares payable within 14 days of commencement of mining; and
- 1% Net Smelter Royalty on gold production after the first 300,000oz Au are produced. Sunshine retains a pre-emptive right to acquire the royalty.

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Consolidated	
	2025	2024
	\$	\$
NOTE 8: PLANT AND EQUIPMENT		
At cost	562,308	408,697
Accumulated depreciation	(415,438)	(278,930)
	146,870	129,767
Plant and equipment		
Balance at the beginning of the period	47,648	71,309
Additions/(Disposals)	-	-
Depreciation expense	(22,447)	(23,661)
Balance at the end of the period	25,201	47,648
Right of use asset		
Balance at the beginning of the period	82,119	180,663
Additions/(Disposals)	97,406	-
Depreciation expense	(57,856)	(98,544)
Balance at the end of the period	121,669	82,119
NOTE 9: OTHER FINANCIAL ASSETS		
Non Current		
Unlisted investments at fair value (note 22)		
Investments in listed entities at fair value through profit or loss (FVTPL)		
Opening balance	11,330	34,474
Acquisition of investment ⁽ⁱ⁾	1,000,000	-
Fair value adjustment	(750,000)	(23,144)
	261,330	11,330
(i) Refer to Note 27 for details of acquisition of investment in Dart Mining NL.		
(ii) As at 30 June 2025, the Group held 755,321 shares in Pearl Gull Limited and 83,333,333 shares in Dart Mining NL.		
NOTE 10: TRADE AND OTHER PAYABLES		
Trade payables and accrued expenses	783,103	846,949
	783,103	846,949

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Consolidated	
	2025	2024
	\$	\$
NOTE 11: LEASE LIABILITY		
Office operating lease		
Current	74,353	86,458
Non-Current	47,826	-
	122,179	86,458
	122,179	86,458
The office lease began in March 2025 and is for a period of two years.		
NOTE 12: EMPLOYEE LEAVE LIABILITIES		
Annual leave entitlements	102,628	88,382
	102,628	88,382
	102,628	88,382
NOTE 13: PROVISIONS		
Provision for rehabilitation	1,555,000	1,555,000
	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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 13: PROVISIONS (CONTINUED)

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 2025;
- 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.

Consolidated	
2025	2024
\$	\$

NOTE 14: ISSUED CAPITAL

(a) Issued Capital

2,087,644,808 Ordinary shares fully paid (2024: 1,587,644,808)	38,359,736	35,565,294
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(b) Movements in ordinary share capital of the Group:

Date	Details	No. of Shares	\$
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
01/07/2024	Opening balance	1,587,644,808	35,565,294
03/04/2025	Placement – Tranche 1	396,666,667	2,380,000
21/05/2025	Placement – Tranche 2	103,333,333	620,000
	Less: capital raising costs	-	(205,558)
30/06/2025	Closing balance	2,087,644,808	38,359,736

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 14: ISSUED CAPITAL (CONTINUED)

(c) 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 2025 (2024: 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.

NOTE 15: RESERVES

	Consolidated	
	2025	2024
	\$	\$
(a) Composition		
Share-based payments reserve	5,007,929	4,764,264
	<u>5,007,929</u>	<u>4,764,264</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
01/07/2023	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>		
01/07/2024	Opening balance	351,673,945		
04/12/2024	Director options	9,500,000	\$0.0165	04/12/2027
21/05/2025	Placement options	166,666,667	\$0.015	21/05/2027
21/05/2025	Broker options	10,000,000	\$0.009	21/05/2027
13/06/2025	Employee options	22,700,000	\$0.018	13/06/2028
	Expired	<u>(1,700,000)</u>	\$0.07	31/07/2024
30/06/2025	Closing balance	<u>558,840,612</u>		

Refer to Note 25 for details of options issued during the year ended 30 June 2025.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 15: RESERVES (CONTINUED)

(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.

NOTE 16: NOTES TO THE STATEMENT OF CASH FLOWS	Consolidated	
	2025	2024
	\$	\$
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)	1,921,716	3,393,840
b) Reconciliation of net cash and cash equivalents used in operating activities to loss for the year:		
Loss for the year	(2,271,180)	(6,628,601)
Exploration expensed	38,077	41,445
Depreciation expense	80,303	122,205
Impairment of investments	750,000	23,144
Impairment of exploration	122,905	5,696,906
Share based payment expense	209,050	52,079
<i>Movements in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	(680)	14,423
(Increase)/Decrease in other assets	(555)	(36,514)
Increase/(Decrease) in lease liabilities	35,721	(99,508)
Increase/(Decrease) in trade and other payables	198,698	401,005
Net cash used in operating activities	(837,661)	(713,416)

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 2025. Refer note 25.

A portion of the proceeds received by the Company from the sale of the Triumph Project comprised \$1 million in Dart Mining NL fully paid shares valued at \$0.012 each. Refer note 27.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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	
	2025	2024
	\$	\$
Compensation by category:		
Short-term	515,686	414,865
Post-employment	47,764	33,755
Share based payment	58,124	-
	<u>621,574</u>	<u>448,620</u>

(b) Transactions with Key Management Personnel

There were no transactions with key management personnel during the year ended 30 June 2025. As at 30 June 2025, \$4,599 (30 June 2024: \$6,600) was owed to Mr Pismiris for accrued director's fees and \$4,599 (30 June 2024: \$3,300) was owed to Mr Torresan for accrued director's fees.

NOTE 18: REMUNERATION OF AUDITORS

	Consolidated	
	2025	2024
	\$	\$
Audit and review services – HLB Mann Judd	35,759	38,614
	<u>35,759</u>	<u>38,614</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	2025	2024
	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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 20: LOSS PER SHARE

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

	Consolidated	
	2025	2024
	\$	\$
Loss used in calculating basic and diluted loss per share	<u>(2,271,180)</u>	<u>(6,928,601)</u>
	Number of	Number of
	Shares	Shares
Weighted average number of ordinary shares used in calculating:		
Basic loss per share	1,695,973,575	1,254,420,707
Diluted loss per share	1,695,973,575	1,254,420,707

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 (2024: nil).

2025	Non Interest Bearing \$	Floating Interest Rate \$	Fixed Interest Rate \$	Total \$	Weighted Average Effective Interest Rate %
Financial Assets					
- Cash and cash equivalents	1,911,716	-	10,000	1,921,716	-
- Deposits held	-	315,275	-	315,275	1.4
- Unlisted investments	261,330	-	-	261,330	-
Total Financial Assets	2,173,046	315,275	10,000	2,498,321	
Financial Liabilities					
- Trade creditors	783,103	-	-	783,103	-
- Lease liability	-	-	122,179	122,179	6
Total Financial Liabilities	783,103	-	122,179	905,282	
Net Financial Assets / (Liabilities)	1,389,943	315,275	(112,179)	1,593,039	

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 22: RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Cash Flow Interest Rate Risk

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	

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	
	2025 \$	2024 \$
Contracted maturities of undiscounted liabilities at 30 June		
Payables		
- less than 30 days	783,103	846,949
- less than 12 months	-	-
Lease liability		
- less than 12 months	74,353	86,458
- between 1 to 2 years	47,826	-
- between 2 to 5 years	-	-
	905,282	933,407

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 22: RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 2025, 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 \$100,000 (2024: \$1,133) lower/higher. The Group holds shares in Pearl Gull Limited and Dart Mining NL which are 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 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Equity investments at FVTPL	261,330	-	-	261,330

30 June 2024	Level 1	Level 2	Level 3	Total
<i>Asset</i>	\$	\$	\$	\$
Equity investments at FVTPL	11,330	-	-	11,330

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.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 23: EVENTS SUBSEQUENT TO REPORTING PERIOD

On 31 August 2025, the Company secured firm commitments for a placement of \$5,000,000 at an issue price of \$0.012 to institutional and sophisticated investors. The issue of new shares pursuant to the placement will be made under the Company's existing placement capacity under Listing Rules 7.1 and 7.1A with director participation subject to shareholder approval. The shares are expected to be issued on or about 8 September 2025.

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:

- 9,500,000 options exercisable at \$0.0165 expiring 4 December 2027 were issued to a director. These options were valued at \$58,124 and were fully expensed.
- 10,000,000 options exercisable at \$0.009 expiring 21 May 2027 were issued to the Lead Manager in relation to the April 2024 placement. These options were valued at \$34,615 and recognised as a cost of capital raising.
- 22,700,000 options exercisable at \$0.018 expiring 13 June 2028 were issued to employees. These options were valued at \$150,926 and were fully expensed.

All share options issued during the year vested immediately. The total amount of \$209,050 (2024: \$52,079) was recognised as a share-based payment expense, \$31,615 (2024: \$199,997) was recognised as a capital raising cost.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 issue during period were:

Measurement date	4/12/2024	3/4/2025	13/6/2025
Issue date	4/12/2024	21/5/2025	13/6/2025
Expiry date	4/12/2027	21/5/2027	13/6/2028
Dividend yield	Nil	Nil	Nil
Expected volatility	100%	100%	100%
Risk-free interest rate	3.85%	3.76%	3.45%
Expected life of options (years)	3 years	2 years	3 years
Underlying share price	\$0.011	\$0.007	\$0.012
Option exercise price	\$0.0165	\$0.009	\$0.018
Value of option	\$0.00612	\$0.00346	\$0.00665
Number of options issued	9,500,000	10,000,000	22,700,000
Value of options	\$58,124	\$34,615	\$150,926
Amount expensed during the year	\$58,124	-	\$150,926
Amount recognised in equity during the year	-	\$34,615	-

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

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

	2025	2024
	\$	\$
Current Assets	1,973,668	3,535,274
Total Assets	17,294,169	16,376,372
Current Liabilities	213,933	110,889
Total Liabilities	1,816,759	1,665,889
Equity		
Issued capital	38,359,736	35,565,294
Reserves	5,007,929	4,764,264
Accumulated losses	(27,890,255)	(25,492,575)
Total Equity	<u>15,477,410</u>	<u>14,836,983</u>

(b) Financial Performance

Loss for the year	(2,397,680)	(6,928,601)
Other comprehensive income	-	-
Total Comprehensive Loss	<u>(2,397,680)</u>	<u>(6,928,601)</u>

(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).

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 27: SALE OF TRIUMPH PROJECT

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. A \$50,000 deposit was received on execution of the agreement. Completion occurred on 6 December 2024 and the Company received \$950,000 cash and 83,333,333 Dart fully paid ordinary shares valued at \$0.012 each representing the price at which the capital raising undertaken by Dart associated with the transaction was completed.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

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

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDs) has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of a foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDs includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of Tax Residency

Section 295(3B)(a) of the Corporation Acts 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency - The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

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 2025 and of its performance for the year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001;
 - 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; and
 - 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 2025.

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



Alec Pismiris
Director

Dated this 3rd day of September 2025

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 2025, 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 2025 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.

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We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure 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 2025, the Group held capitalised exploration assets of \$15,232,461.</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 2025, 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:

- (a) 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

- (b) 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:

- (a) 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
- (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. 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 2025.

In our opinion, the Remuneration Report of Sunshine Metals Limited for the year ended 30 June 2025 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.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
3 September 2025



L Di Giallonardo
Partner

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 2025, 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
3 September 2025



L Di Giallonardo
Partner

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SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

ASX ADDITIONAL INFORMATION

QUOTED SECURITIES

(a) ORDINARY FULLY PAID SHARES

(i) DISTRIBUTION OF SHAREHOLDERS AS AT 26 AUGUST 2025:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 – 1,000	67	19,514	0.00%
1,001 - 5,000	38	114,860	0.01%
5,001 - 10,000	58	495,817	0.02%
10,001 - 100,000	795	44,067,995	2.11%
100,001+	1,234	2,042,946,622	97.86%
	2,192	2,087,644,808	100.00%

The number of shareholdings held in less than marketable parcels is 409 (based on the last sale price of \$0.014 on 26 August 2025).

(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	LION SELECTION GROUP LIMITED	146,645,021	7.02%
2	STONE PONEYS NOMINEES PTY LTD <CHAPMAN SUPER FUND A/C>	57,536,364	2.76%
3	SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	54,000,000	2.59%
4	MR DAMIEN LESLIE KEYS & MRS AMY DAWN KEYS <THE ADK FAMILY A/C>	48,800,000	2.34%
5	CITICORP NOMINEES PTY LIMITED	46,331,385	2.22%
6	MR LESLIE BRIAN DAVIS & MRS ANNETTE FAY DAVIS <LB & AF DAVIS SUPER FUND A/C>	43,491,515	2.08%
7	CLEVELAND BAY HOLDINGS PTY LTD	34,775,633	1.67%
8	FORGAN INVESTMENTS PTY LTD	34,628,574	1.66%
9	MONSLIT PTY LTD <ANTHONY TORRESAN A/C>	31,666,667	1.52%
10	CAMPBELL KITCHENER HUME & ASSOCIATES PTY LTD <C K H SUPERFUND A/C>	31,357,948	1.50%
11	P D CRUTCHFIELD PTY LTD <CRUTCHFIELD SUPER FUND A/C>	27,883,736	1.34%
12	LAIDBACK PTY LTD <J AND T HARDY SUPER FUND A/C>	26,271,327	1.26%
13	MR THOMAS JAMES MORGAN	25,000,000	1.20%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	23,495,510	1.13%
15	MR RAJPAUL SINGH-SIDHU	20,000,000	0.96%
16	CORD INVESTMENTS PTY LTD <ANDREW C FERGUSON S/F A/C>	18,700,000	0.90%
17	MR KENNETH LEONARD MORGAN & MRS KIM MORGAN <KIKI SUPER FUND A/C>	18,000,000	0.86%
18	MR JOE LEUZZI & MRS SALLY LEUZZI	17,000,000	0.81%
19	IONA COMPANY PTY LTD <IONA FAMILY A/C>	16,533,333	0.79%
20	MR KENNETH GATCHALIAN	16,062,244	0.77%
	Total	738,179,257	35.36%
	Total issued capital - selected security class(es)	2,087,644,808	100.00%

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

(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	Ordinary Shares	
	No.	%
Lion Selection Group Limited	146,645,021	7.02

(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
Options exercisable at \$0.015 expiring 21 May 2027	166,666,667
Options exercisable at \$0.009 expiring 21 May 2027	10,000,000
Options exercisable at \$0.0165 expiring 4 December 2027	9,500,000
Options exercisable at \$0.018 expiring 13 June 2028	32,200,000

SUNSHINE METALS LIMITED AND CONTROLLED ENTITIES

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 2025 corporate governance statement was approved by the board on 3 September 2025 and is current as at 3 September 2025. 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/.