

29 July 2024

Quarterly Report

For the quarter ended
30 June 2024

shnmetals.com.au



Sunshine Metals is focused on discovery and development at its high quality projects in Queensland, led by the Ravenswood Consolidated Project, which lies within a district that has produced over 20 Moz gold, and 14 Mt of volcanic massive sulphides ore (zinc-copper-lead).

Highlights

Ravenswood Consolidated Project

- **16.2m @ 4.54g/t Au & 1.11% Cu** from 319m (24LTDD024), including **6.2m @ 9.00g/t Au, 2.52% Cu** from 329m at Liontown Gap Zone
- **16.7m @ 3.73g/t Au & 0.53% Cu** from 229m (24LTDD011), including **7.7m @ 6.43g/t Au, 0.85% Cu** from 238m at Liontown Gap Zone
- New, high-grade copper-rich lode identified in Liontown Footwall. Best intersection: **3m @ 6.96% Cu, 0.61g/t Au, 3.95% Zn, 3.77% Pb, 60g/t Ag** from 38m (24LTRC014)
- Further diamond drilling is in progress at Liontown Gap Zone
- Seven encouraging geophysical targets generated at Highway East and Truncheon

Ravenswood Consolidated Project

Gold, Copper, Zinc, Lead, Silver, Molybdenum

Ownership 100% / Earning 75% (Lighthouse JV) | Queensland

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 million tonnes (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).

Liontown Gap Zone drilling delivers thick, high-grade results

On 4 June 2024, Sunshine announced outstanding high-grade gold and copper results from step out drilling in the under-drilled Liontown Gap Zone. The results included:

- **16.2m @ 4.54g/t Au, 1.11% Cu** (from 319m, 24LTDD024)
Including **5.0m @ 2.96g/t Au** (from 310m, 24LTDD024)
And **6.2m @ 9.00g/t Au, 2.52% Cu** (from 329m, 24LTDD024)
- **16.7m @ 3.73g/t Au, 0.53% Cu** (from 229m, 24LTDD011)
Including **2.0m @ 4.38g/t Au** (from 229m, 24LTDD011)
And **7.7m @ 6.43g/t Au, 0.85% Cu** (from 238m, 24LTDD011)

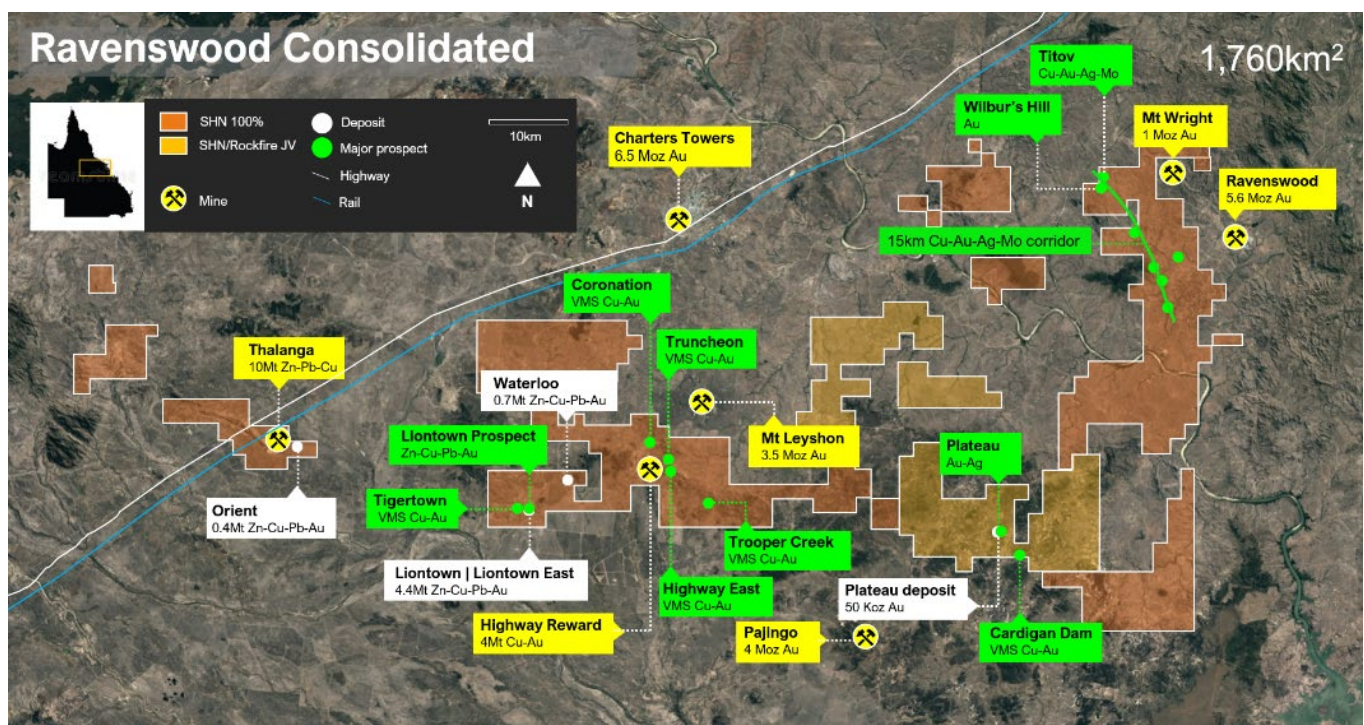


Figure 1. Ravenswood Consolidated showing Sunshine's tenements and large mines in the district.

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

The Gap Zone drill program targeted high-grade extensions of the Au-rich Footwall Lode into the ~400m long Gap Zone, an area outside of existing Resource with only limited drilling. Thick high-grade copper and gold mineralisation was intersected in two holes drilled 100m apart on section, ~90m above a historic intersection of 7.6m @ 3.91g/t Au, 1.81% Cu (from 416.9m, LTDD18012, see Figure 3).

Previous drilling has confirmed high-grade gold in the 1.6km long Liontown Footwall Lode proximal to interpreted feeder fault zones. Best results previously reported at the Au-rich Footwall Lode include:

- **17m @ 22.1g/t Au** (from 67m, 23LTRC002)
- **20m @ 18.2g/t Au** (from 114m, 24LTRC005)
- **8m @ 11.7g/t Au & 0.9% Cu** (from 115.0m, LLRC184)
- **8.1m @ 10.7g/t Au** (from 154m, LTDD22055)
- **2.6m @ 15.3g/t Au & 2.3% Cu** (from 236.3m, LTDD18015)

The Gap Zone presents an opportunity for Resource extension, with the first of seven diamond holes (~2,500m) commenced in mid July 2024.

Samples from the Gap Zone drilling have been sent for metallurgical analysis and will be incorporated into a Resource update scheduled for December 2024.

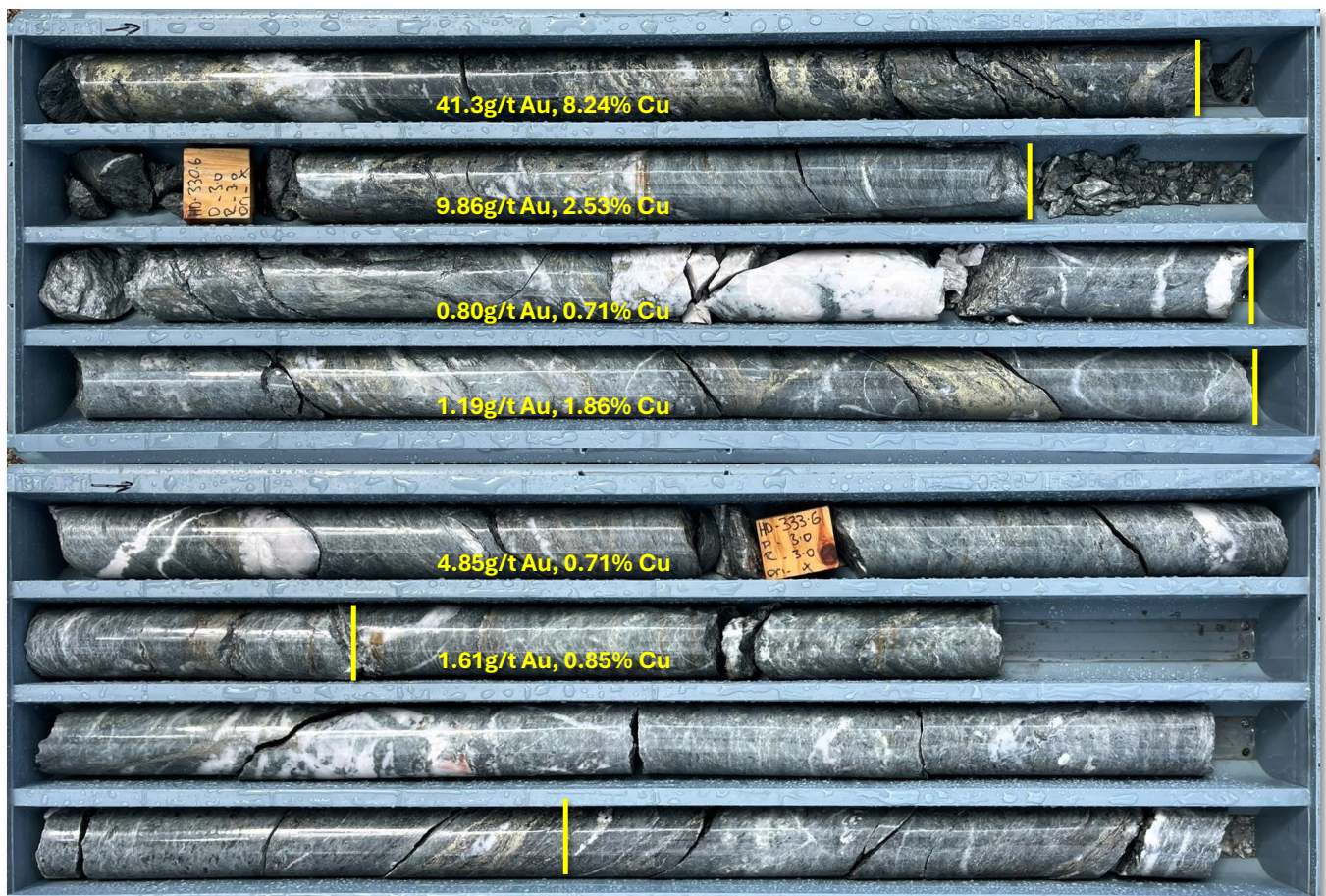


Figure 2: Gap Zone copper-gold intersection in diamond hole 24LTDD024. Gold and copper assays annotated on core in photo.

New Cu-rich footwall lode (Sapindinus Lode) identified in shallow RC Drilling, Lontown

On 27 May 2024, Sunshine announced the identification of a new Cu-rich footwall lode (Sapindinus Lode) from shallow RC drilling at Lontown. The RC program comprised 13 holes (1,151m).

Hole 24LTRC014 was drilled under the historic Sapindinus shaft which coincides with historic Cu-rich intersections at depth. Historical and new drilling have identified a new, high grade Cu-rich lode parallel to, and 35m north of, the Au-rich Lontown Footwall Lode. The Sapindinus Lode can be traced in wide-spaced historic drilling over ~200m of strike and is open in all directions. Recent results include:

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

Historic results include:

- **5.6m @ 2.06% Cu, 7.45g/t Au, 2.99% Zn** (from 99.7m, LTDD19030)
- **2m @ 6.57% Cu, 2.45g/t Au** (from 58m, LLRC186)
- **3m @ 2.40% Cu** (from 73m, LLRC205)
- **3m @ 2.27% Cu, 2.41% Zn** (from 33m, LRC029)

Other significant results from the shallow RC drilling included:

- **2m @ 6.81g/t Au** (from 12m, 24LTRC023A)
- **9m @ 1.52% Cu, 0.48g/t Au** (from 38m, 24LTRC013)
- **6m @ 1.49% Cu** (from 63m, 24LTRC017)
- **2m @ 1.93 g/t Au** (from 13m, 24LTRC015) & **6m @ 1.36 g/t Au** (from 36m, 24LTRC015)

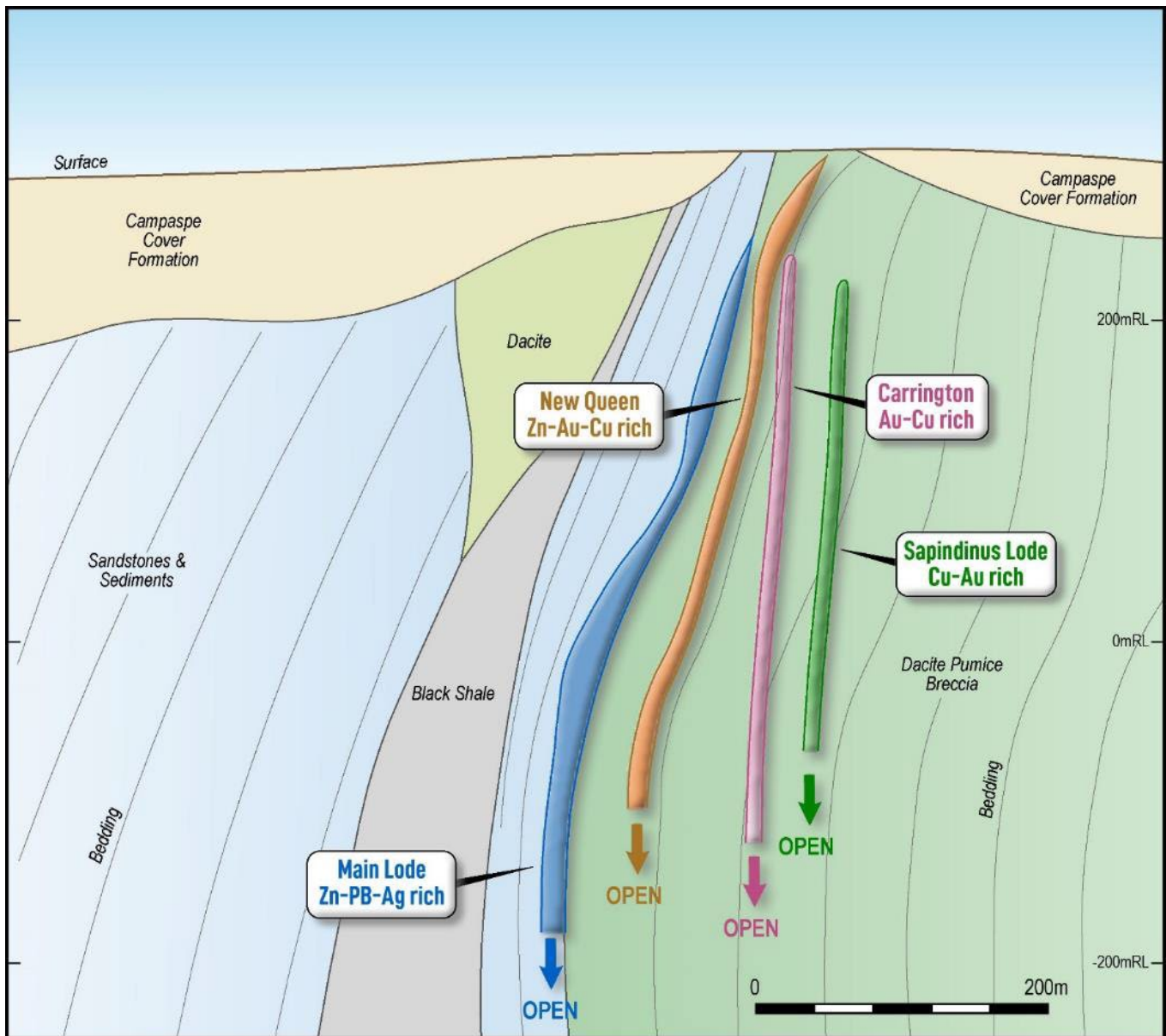


Figure 4: Schematic cross section (looking west) of the various lodes at Lontown. Highlighted are the stratigraphy parallel Main (blue) and New Queen (orange) Lodes and the sub-vertical Carrington (pink) and Sapindinus (green) Lodes.

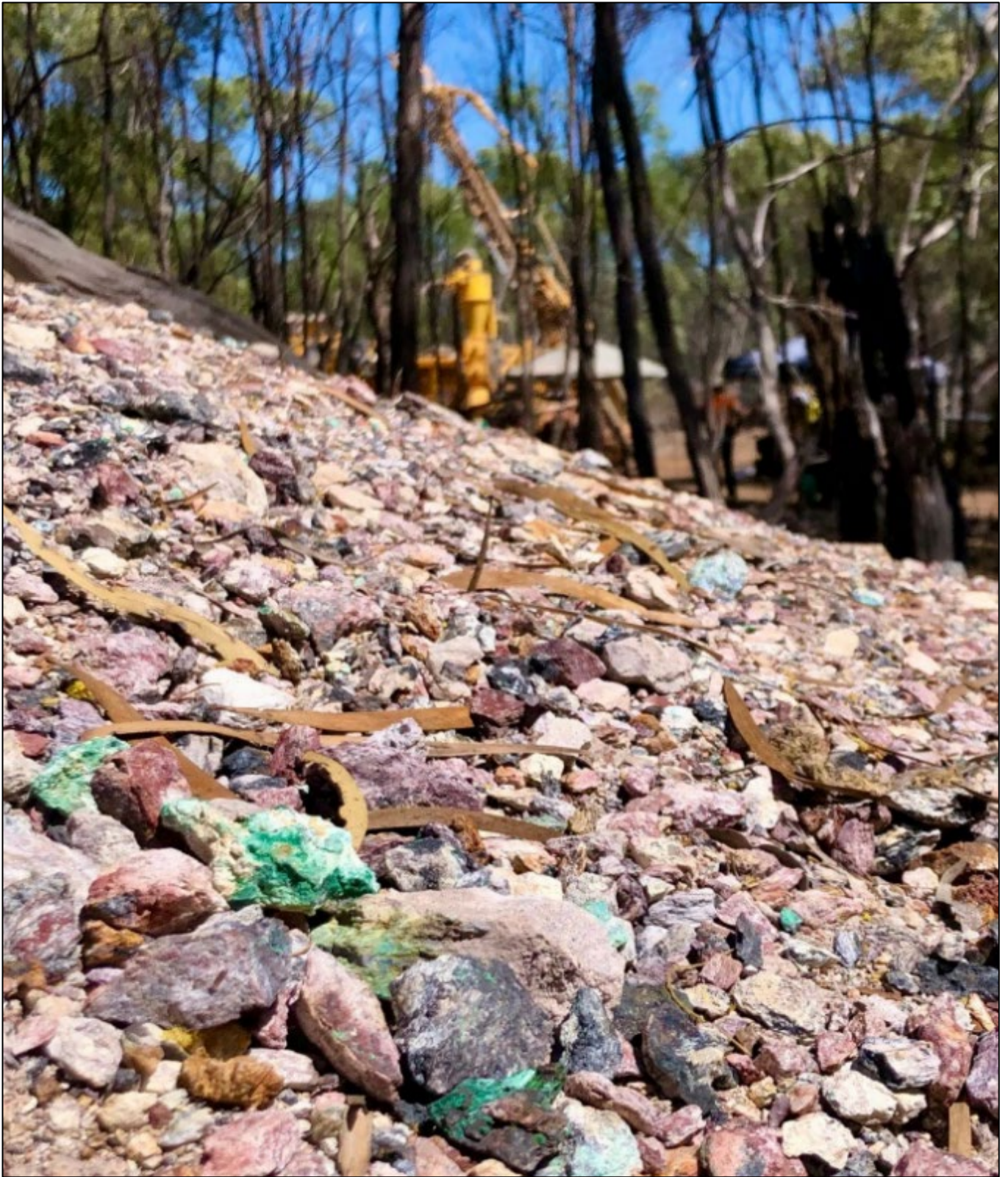


Figure 5. View of RC drill rig over spoils pile adjacent to the historic Sapidinus Shaft. Green malachite (copper carbonate)² can be seen within the pile amongst weathered pumice breccia).

² **Cautionary statement:** Information in this announcement contains references to visual results. The Company draws attention to the inherent uncertainty in reporting visual results. Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest.

Au-Cu Focussed Geophysical Surveys

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

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

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

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

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

Two continuous, strong IP chargeability anomalies extend over 400m at Highway East. The westernmost anomaly is coincident with Cu-Pb-Zn anomalism in soil (Figure 7). No gold assays are recorded for the soil surveys.

One line of dipole-dipole induced polarisation (“DDIP”) was undertaken at Liontown as a validation and infill line against a broader survey conducted in 2017. As well as delineating the Liontown lodes, two undrilled chargeability anomalies of similar intensity were identified ~500m south and 1km north of Liontown (Figure 8).

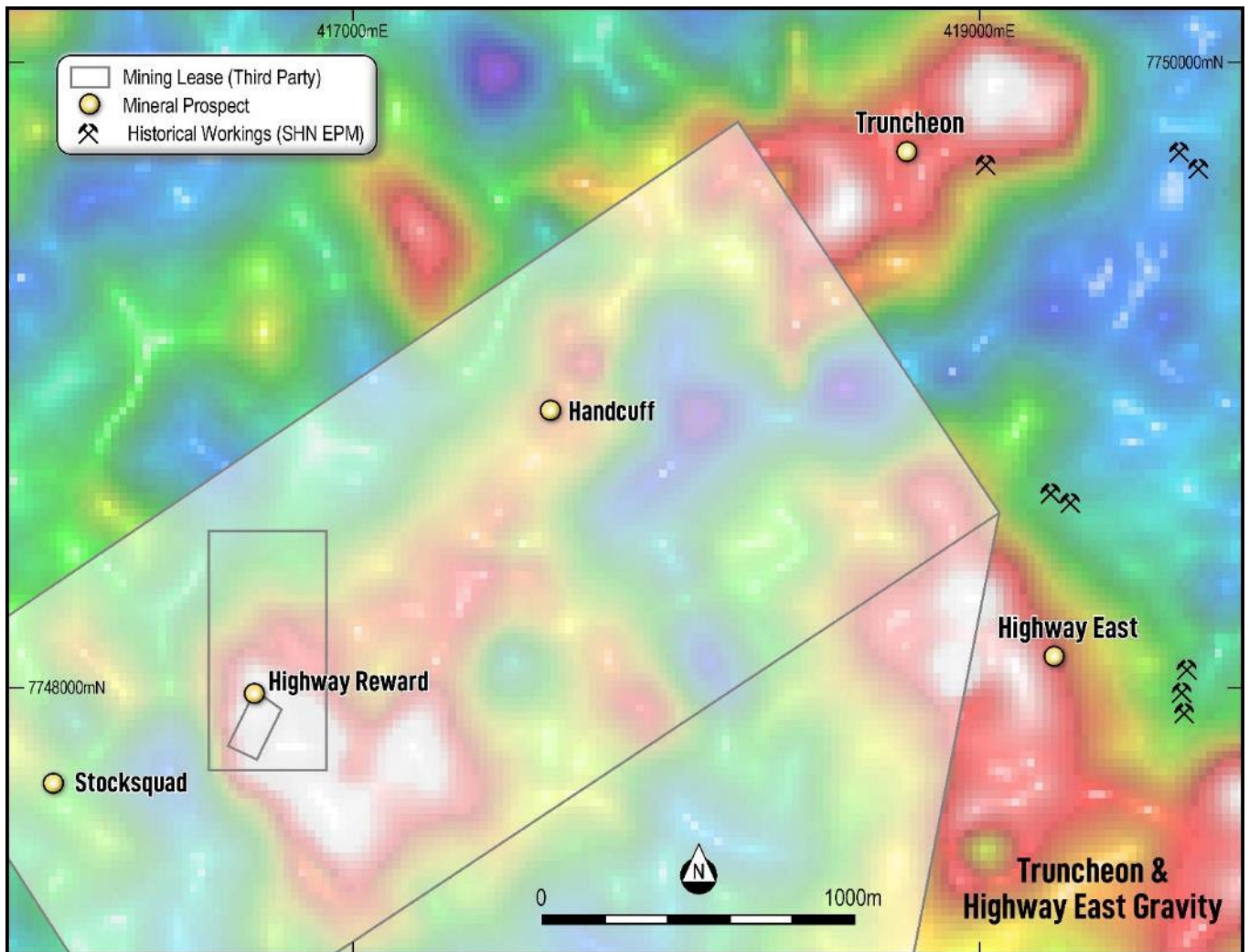


Figure 6. Gravity image showing historic 3.9mt Highway Reward Mine (5.4% Cu, 1.1g/t Au mined grade) and key prospects Truncheon and Highway East. Mines and targets are all coincident with strong gravity responses, inferred to be responses from massive sulphides.

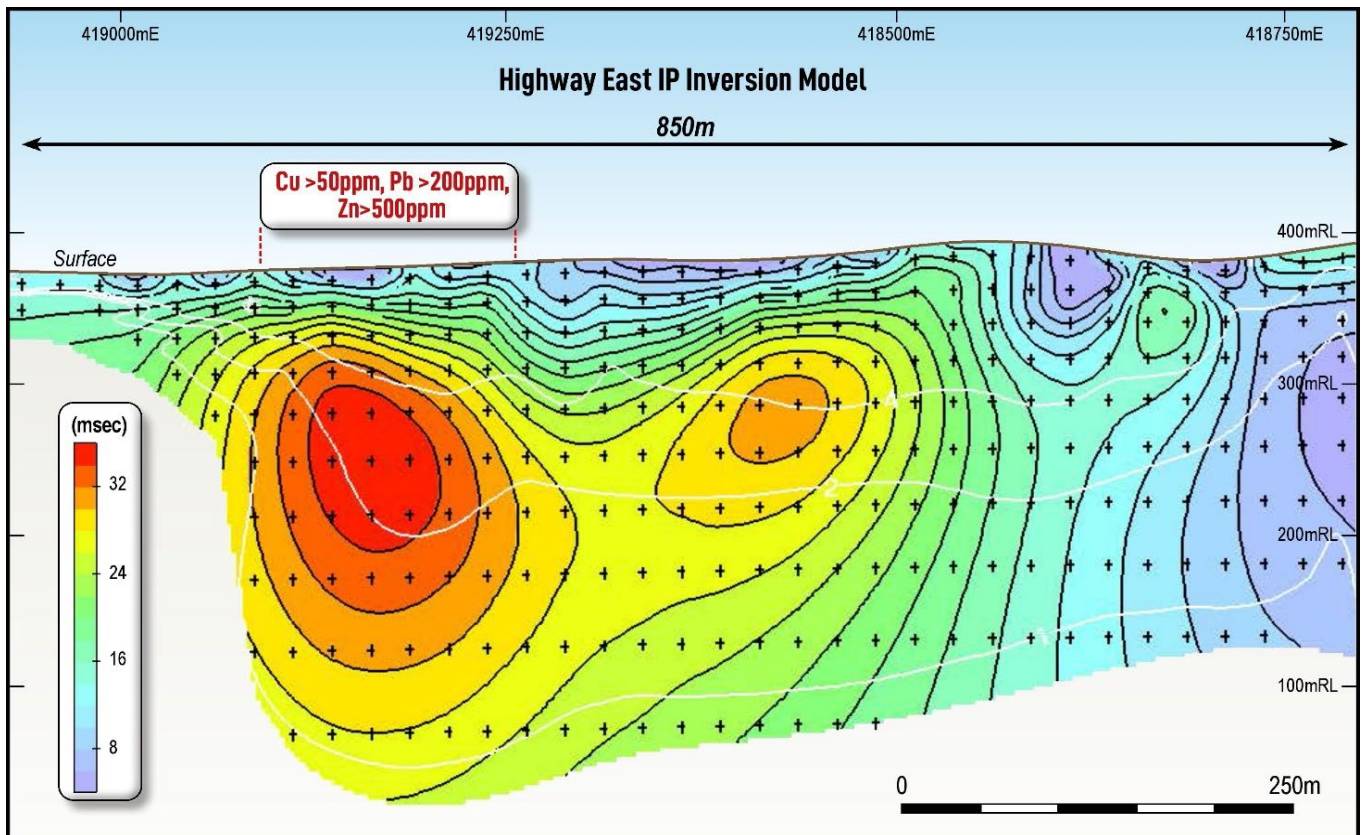


Figure 7. Chargeability section (L 7748000N) showing the westernmost anomaly at Highway East coincident with both a moderate conductor and elevated geochemistry in soil.

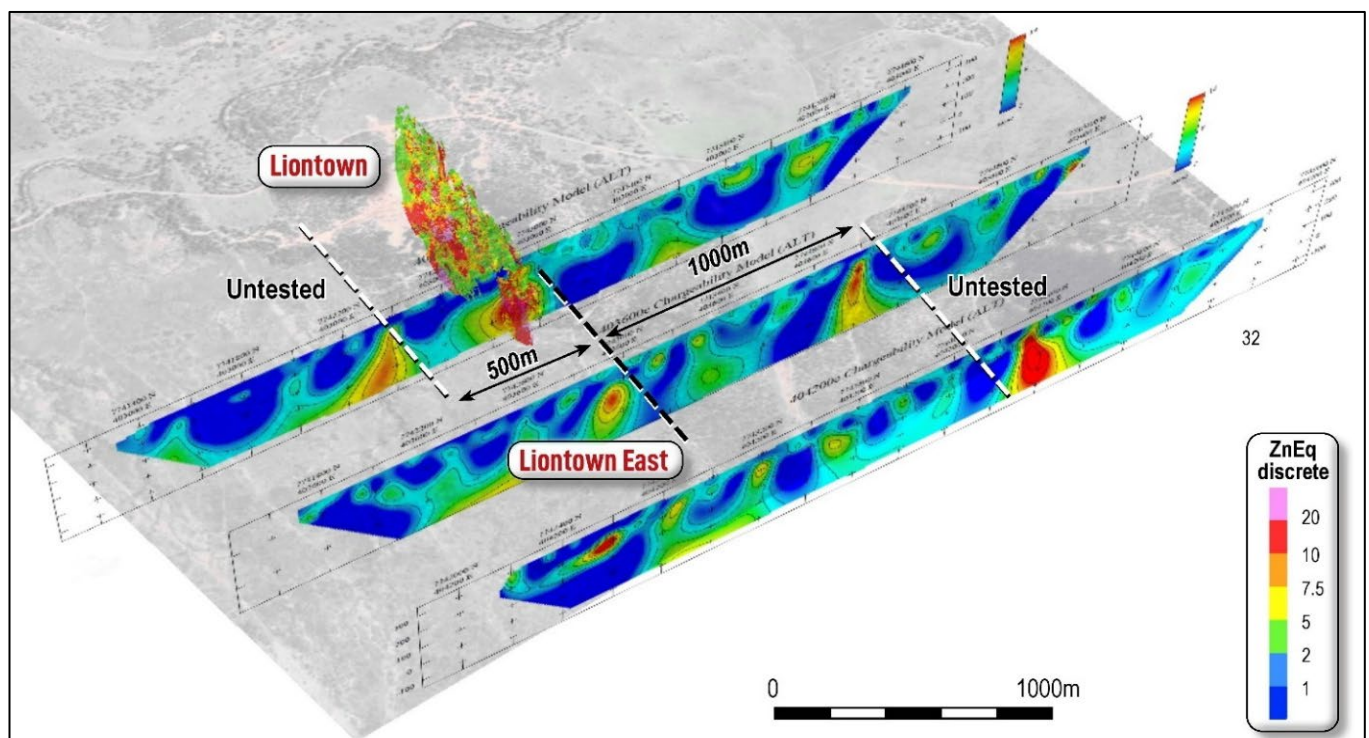


Figure 8. Chargeability sections from the 2024 & 2017 IP survey which show the Lontown-Lontown East chargeable trend. The Resource at Lontown provides a clear IP chargeable response as do the two nearby targets (red anomalies).

Corporate

Cash Position

Sunshine held cash reserves at the end of quarter of ~\$3.4M.

Shareholder Information

As at 30 June 2024, the Company had 1,952 shareholders and 1,587,644,808 ordinary fully paid shares on issue with the top 20 shareholders holding 43.68% of the total issued capital.

Payments to Related Parties

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

Director Remuneration	Current Quarter \$	Previous \$
Managing Director fees	67,155	67,155
Non-Executive Director fees	37,800	37,800
Company Secretarial fees	9,900	9,900
Total	114,855	114,855

Planned activities

The Company has a busy period ahead including the following key activities and milestones:

- August 2024: First assay results Lontown East historic core sampling
- July – August 2024: Assay results for the Gap Zone and Lontown West drilling
- August 2024: Drilling commences Highway East
- August 2024: Australian Gold Conference, Sydney
- September 2024: Drilling results Lontown Gap Zone
- September 2024: Drilling results Highway East
- October 2024: Metallurgical testwork results, Lontown Gap Zone
- December 2024: Lontown Resource Update

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

For more information, please contact:

Dr Damien Keys

Managing Director

Phone: +61 428 717 466

dkeys@shnmetals.com.au

Mr Alec Pismiris

Director

Phone +61 402 212 532

alec@lexconservices.com.au

Tenement Interests

Project	Tenement	Status	Beneficial Interest
Hodgkinson	EPM 18171	Granted	100%
Hodgkinson	EPM 19809	Granted	100%
Hodgkinson	EPM 25139	Granted	100%
Hodgkinson	EPM 27539	Granted	100%
Hodgkinson	EPM 27574	Granted	100%
Hodgkinson	EPM 27575	Granted	100%
Investigator	EPM 27343	Granted	100%
Investigator	EPM 27344	Granted	100%
Investigator	EPM 28369	Application	100%
Triumph	EPM 18486	Granted	100%
Triumph	EPM 19343	Granted	100%
Ravenswood	EPM 26041	Granted	100%
Ravenswood	EPM 26152	Granted	100%
Ravenswood	EPM 26303	Granted	100%
Ravenswood	EPM 26304	Granted	100%
Ravenswood	EPM 27824	Granted	100%
Ravenswood	EPM 27825	Granted	100%
Ravenswood	EPM 28237	Granted	100%
Ravenswood	EPM 28240	Granted	100%
Ravenswood	EPM10582	Granted	100%
Ravenswood	EPM12766	Granted	100%
Ravenswood	EPM16929	Granted	100%
Ravenswood	EPM26718	Granted	100%
Ravenswood	EPM27357	Granted	100%
Ravenswood	EPM27520	Granted	100%
Ravenswood	EPM14161	Granted	100%

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

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

Mineral Resources and Ore Reserves

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

There were no Ore Reserves at 30 June 2024.

Prospect	Lease Status	Resource Class	Tonnage (kt)	Gold (g/t)	Copper (%)	Zinc (%)	Silver (g/t)	Lead (%)	Zinc Eq. (%) *	Contained Gold (Koz)	Contained Copper (kt)	Contained Zinc (t)	Contained Silver (Koz)	Contained Lead (t)
Lontown Oxide	ML/MLA	Inferred	142	2.0	0.3	0.6	18	2.9	9.51	9,176	454	895	84,414	4,146
	ML/MLA	Total	142	2.0	0.3	0.6	18	2.9	9.51	9,176	454	895	84,414	4,146
Lontown	ML/MLA	Indicated	1,853	1.5	0.6	5.5	46	2.2	10.94	86,384	11,674	102,656	2,725,572	40,951
	ML/MLA	Inferred	948	1.2	1.8	3.3	20	0.9	10.63	36,879	17,159	31,568	610,188	8,342
		Total	2,801	1.4	1.0	4.8	37	1.8	10.84	123,264	28,833	134,225	3,335,759	49,294
Lontown East	ML/MLA	Inferred	1,470	0.7	0.5	7.5	29	2.5	10.96	34,226	7,190	109,862	1,378,395	37,133
		Total	1,470	0.7	0.5	7.5	29	2.5	10.96	34,226	7,190	109,862	1,378,395	37,133
Waterloo	ML/MLA	Indicated	402	1.4	2.6	13.3	68	2.1	23.40	17,778	10,595	53,596	874,195	8,491
	ML/MLA	Inferred	271	0.4	0.8	6.8	24	0.8	9.26	3,574	2,093	18,498	206,504	2,082
		Total	673	1.0	1.9	10.7	50	1.6	17.71	21,352	12,687	72,094	1,080,699	10,573
Orient	EPM	Indicated	329	0.2	1.1	10.9	55	2.5	15.20	2,137	3,517	35,772	581,002	8,212
	EPM	Inferred	32	0.2	0.9	14.5	51	2.2	17.74	237	273	4,640	52,470	704
		Total	361	0.2	1.0	11.2	55	2.5	15.43	2,373	3,790	40,412	633,472	8,916
Total VMS Resource			5,447	1.1	1.0	6.6	37	2.0	11.99	190,391	52,954	357,487	6,512,740	110,062
Plateau ⁱⁱ	EPM	Inferred	961	1.7	-	-	10.7	-	-	49,960	-	-	329,435	-
Triumph	EPM	Inferred	1,808	2.0	-	-	-	-	-	117,897	-	-	-	-
Global Resource										358,248	52,954	357,487	6,842,175	110,062

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.
- Triumph Resources have been reported with varying cut-offs based on several factors discussed in the corresponding Table 1 which can be found with the original ASX announcement, 31st March 2022 "Robust Maiden Resource at Triumph Gold Project".
- 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).

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 Lontown) 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 Mineral Resources at Lontown and Triumph is based on information compiled and reviewed by Mr Andrew Dawes who is a Member of the Australian Institute of Geoscientists (AIG) and the Australian Institute of Mining and Metallurgy (AusIMM). Mr Dawes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources'. Mr Dawes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

The information in this report that relates to Mineral Resources at Lontown East is based on information compiled and reviewed by Mr Peter Carolan, who is a Member of the Australasian Institute of Mining and Metallurgy and was a Principal Geologist employed by Red River Resources Ltd. Mr Peter Carolan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources'. Mr Peter Carolan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at Plateau is based on information compiled and reviewed by Dr Damien Keys, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists (AIG). Dr Keys has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources'. Dr Keys consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Company Profile

Big System Potential.

Ravenswood Consolidated Project (Zn-Cu-Pb-Au-Ag-Mo): Located in the Charters Towers-Ravenswood district which has produced over 20Moz Au and 14mt of VMS Zn-Cu-Pb-Au ore. The project comprises:

- a Zn-Cu-Pb-Au VMS Resource of 5.45mt @ 12.0% ZnEq (47% Indicated, 53% Inferred³);
- 26 drill ready VMS Zn-Cu-Pb-Au IP geophysical targets where testing of a similar target has already led to the Lontown East discovery (1.47mt @ 11.0% ZnEq, 100% Inferred);
- the under-drilled Lontown Au-rich footwall with significant intersections including:
 - **5.0m @ 27.9g/t Au, 1.7% Cu** (20m, LRC018)
 - **2.0m @ 68.6g/t Au** (24m, LRC0043)
 - **20.0m @ 18.2g/t Au** (109m, 24LTRC005)
 - **17.0m @ 22.1g/t Au** (67m, 23LTRC002)
 - **8.0m @ 11.7g/t Au & 0.9% Cu** (115m, LLRC184)
 - **8.1m @ 10.7g/t Au** (154m, LTDD22055)
 - **16.2m @ 4.54g/t Au, 1.11% Cu** (from 319m, 24LTDD024)
- advanced Au-Cu VMS targets at Coronation and Highway East, analogous to the nearby Highway-Reward Mine (4mt @ 6.2% Cu & 1.0g/t Au mined);
- overlooked orogenic, epithermal and intrusion related Au potential with numerous historic gold workings and drill ready targets; and
- a Mo-Cu Exploration Target at Titov of 5-8mt @ 0.07-0.12% Mo & 0.28-0.44% Cu⁴.

***Investigator Project (Cu):** Located 100km north of the Mt Isa, home to rich copper-lead-zinc mines that have been worked for almost a century. Investigator is hosted in the same stratigraphy and similar fault architecture as the Capricorn Copper Mine, located 12km north.

***Hodgkinson Project (Au-W):** Located between the Palmer River alluvial gold field (1.35 Moz Au) and the historic Hodgkinson gold field (0.3 Moz Au) and incorporates the Elephant Creek Gold, Peninsula Gold-Copper and Campbell Creek Gold prospects.

**A number of parties have expressed interest in our other quality projects (Investigator Cu and Hodgkinson Au-W). These projects will be divested in an orderly manner in due course.*

³ SHN ASX Release, 7 February 2024, "Significant Increase in Lontown Resource".

⁴ Cautionary statement: The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code. The potential quantity and grade of the Exploration target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. Exploration Target for Titov based on several factors discussed in the corresponding Table 1 which can be found with the original ASX release 21 March 2023 "Shallow High Grade Titov Cu-Mo Exploration Target".