

ASX Release

25 March 2024

\$4m Placement to Accelerate Drilling at the Au-Cu Rich Liontown Footwall Zone

Highlights

- Completion of a \$4m placement to institutional and sophisticated investors to accelerate exploration at the Liontown Project.
- Lion Selection Group Ltd to emerge as a substantial shareholder, in a Placement which also included a prominent North American Gold Fund.
- Funds raised will be applied to rapidly advance drilling targeting high-grade Au-Cu in the 1.6km long Liontown footwall. Results from recent drill programs include:
 - 17m @ 22.1g/t Au from 67m (23LTRC002); and
 - 20m @ 18.2g/t Au from 114m (24LTRC005)
- Drilling is currently underway at Liontown with several RC pre-collars complete and diamond drilling underway in the Gap Zone, with the program to be further expanded following the Placement.
- First assays from the existing program are expected to be received in April 2024.
- Funds will also be used to complete first Au-Cu focussed exploration at priority prospects including Truncheon, Highway East, Trooper Creek, Tigertown, Ermine-Echidna, Coronation and Wilbur's Hill.

Sunshine Metals Limited (ASX:SHN, "Sunshine") is pleased to announce a placement of \$4.0m at an issue price of \$0.011 per share to accelerate drilling activities at the Ravenswood Consolidated Project.

Sunshine Managing Director, Dr Damien Keys, commented *"We are grateful for the strong support on this placement and would like to thank our shareholders, new and existing. The funds raised will be applied on accelerating a gold-copper focussed drilling program (already underway) at Liontown.*

The placement comes off the back of a productive first 6 months at Liontown, where we have processed ~6,000m of diamond core, generated a new model for targeting high-grade gold-copper, completed 2 successful RC programs (including 17m @ 22.1g/t Au and 20m @ 18.2g/t Au), substantially upgraded the Liontown Resource and commenced regional exploration with shallow gold success at Coronation.

The next 12 months will be even busier with drilling and field activities targeting Resource growth (Liontown Gap Zone) and gold-copper discoveries regionally.

Liontown drilling is currently targeting extensions of high-grade gold and copper mineralisation around the interpreted Gap Zone Feeder in the sparsely drilled zone Gap Zone. Sparse drilling in the Gap Zone includes an intersection that assayed 1.75m @ 16.42g/t Au and 6.27% Cu (ASX 8 May 2023).

Early-stage drilling will also be completed at exciting shallow under-drilled gold prospects at Tigertown (17m @ 3.05g/t Au from 22m, LLRC003), Coronation (8m @ 1.29g/t Au from 10m, 23CORC004), Trooper Creek (6m @ 1.65g/t Au from 4m, TA0124) and Highway East (undrilled target). Further follow up drilling is planned for at Wilbur's Hill, a Mt Wright style (1moz Au) breccia pipe gold target.

This all amounts to continuous news flow and an exciting 2024 ahead for Sunshine.”

Placement Details

The Company has secured commitments for a placement of \$4.0m (before costs) at an issue price of \$0.011 per share to institutional and sophisticated investors to be undertaken in two tranches. Participants will receive 1 attaching unlisted option for every three 3 shares allocated in the Placement, exercisable at \$0.03 and expiring on 30 September 2025 (Placement Options).

Sunshine expects to complete Tranche 1 of the placement and issue the Tranche 1 shares on or about 2 April 2024. The settlement and issue of the Tranche 2 shares and Placement Options is expected on or about 16 May 2024.

The issue of the new shares under Tranche 1 will be made under the Company's existing placement capacity with 183,601,267 shares issued under Listing Rule 7.1 and 122,400,844 shares under Listing Rule 7.1A.

Shareholder approval will be sought in May 2024 to issue 57,634,253 Tranche 2 shares to new investors, directors and for the issue of the Placement Options.

Indicative Timetable

Event	Date
ASX announcement / resume trading	Monday, 25 March 2024
Settlement of new shares under the placement	Thursday, 28 March 2024
ASX quotation of new shares under the placement and issue of unlisted options	Tuesday, 2 April 2024
Shareholder approval for Tranche 2 shares & options	Thursday, 9 May 2024
Issue of Tranche 2 shares & options	Thursday, 16 May 2024

Canaccord Genuity (Australia) Ltd acted as the sole lead manager for the placement and will subject to shareholder approval receive 30,000,000 Broker Options issued on the same terms as the Placement Options.

Capital Structure

Post-placement & shareholder approval of the Tranche 2 shares, Placement Options and Broker Options, the capital structure will be as follows:

Listed Securities	
Fully paid ordinary shares	1,587,644,808
Unlisted Securities	
Option @ \$0.03 expiring 30/09/2025	288,294,649
Option @ \$0.03 expiring 02/11/2025	1,000,000
Option @ \$0.07 expiring 31/07/2024	1,700,000
Option @ \$0.0225 expiring 30/06/2027	25,733,334
Option @ \$0.0225 expiring 07/07/027	20,000,000
Option @ \$0.021 expiring 27/11/2026	15,000,000

Drilling Progress Liontown and Expanded Liontown Drill Program

Drilling has recommenced at Liontown targeting high-grade, footwall extensions of the pumice breccia horizon east of the Main Feeder Zone and into the ~400m long Gap Zone. Previous drilling has confirmed high-grade gold in the 1.6km long Liontown footwall proximal to interpreted feeder fault zones. Best results at the Main Feeder Zone include (Figure 2):

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

The planned program covers ~250m of strike in the ~400m long Gap Zone, including around the Gap Zone Feeder. Only 2 gold focussed historic holes has been drilled into the Gap Zone footwall, returning:

- **1.75m @ 16.4g/t Au, 6.3% Cu** (419.05m, LTDD18012) (Figure 2)
- **6.4m @ 3.2g/t Au** (295.28m, LTDD18013)

The expanded program will test the zone around the **1.75m @ 16.4g/t Au, 6.3% Cu** intersection, which is interpreted to be adjacent to another feeder fault zone, the Gap Zone Feeder and will represent the easternmost drilling by Sunshine to date.

Downhole EM surveys will follow drilling, guiding future Gap Zone drilling.

To date, 3 RC pre-collars have been completed (Figure 1) with diamond drilling currently in progress.

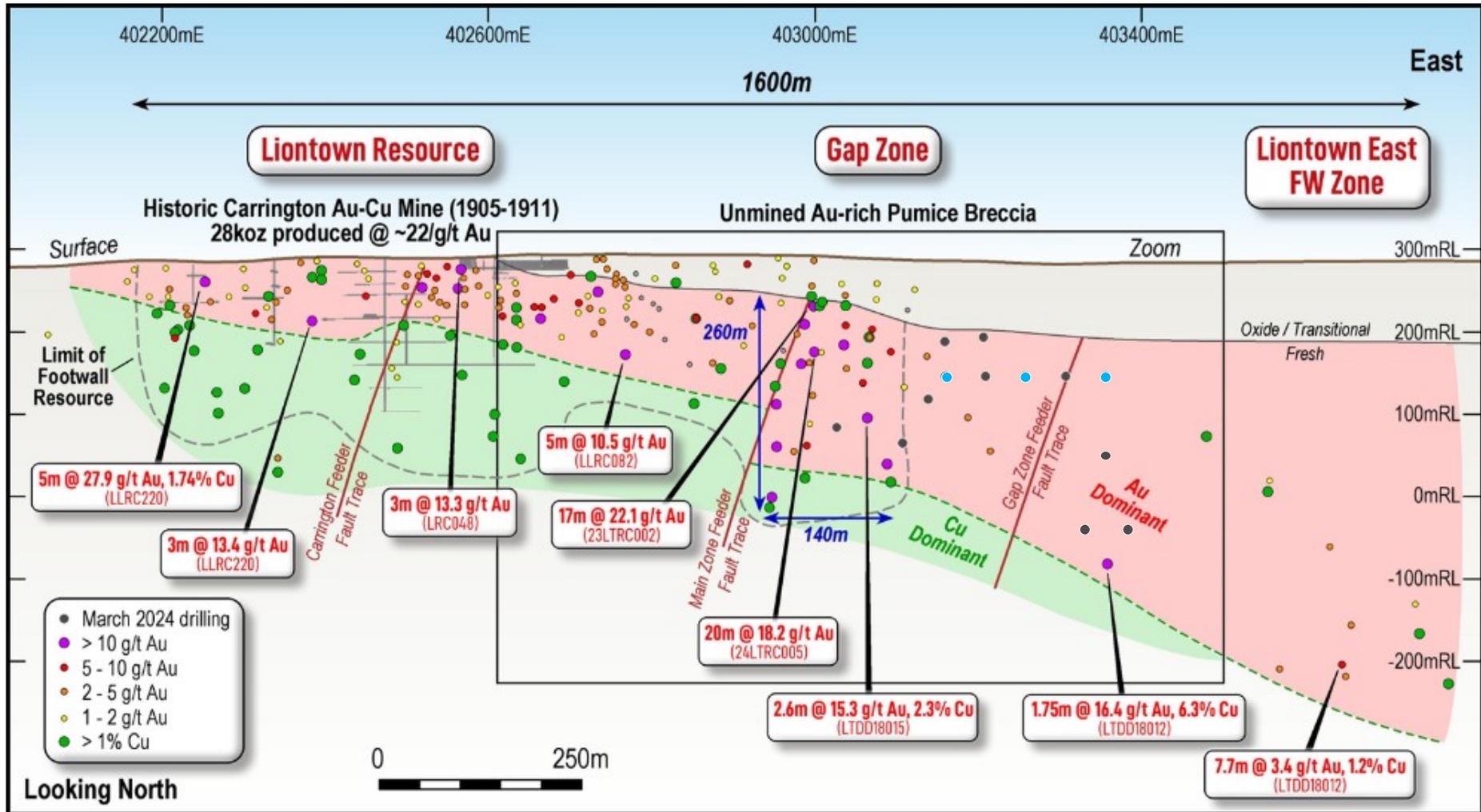


Figure 1: Long section showing gold and copper distribution along the footwall of the 1.6km long Liantown footwall. High-grade gold zones are shown at the historic Carrington Au-Cu Mine and the recently defined 260m x 140m Main Zone Feeder. Notwithstanding sparse drilling, high-grade footwall gold has been seen in the Gap Zone and at Liantown East. Black dots represent planned holes, blue dots represent RC pre-collared holes in progress. A zoomed in image of the high-grade Main Feeder Zone is shown in Figure 2.

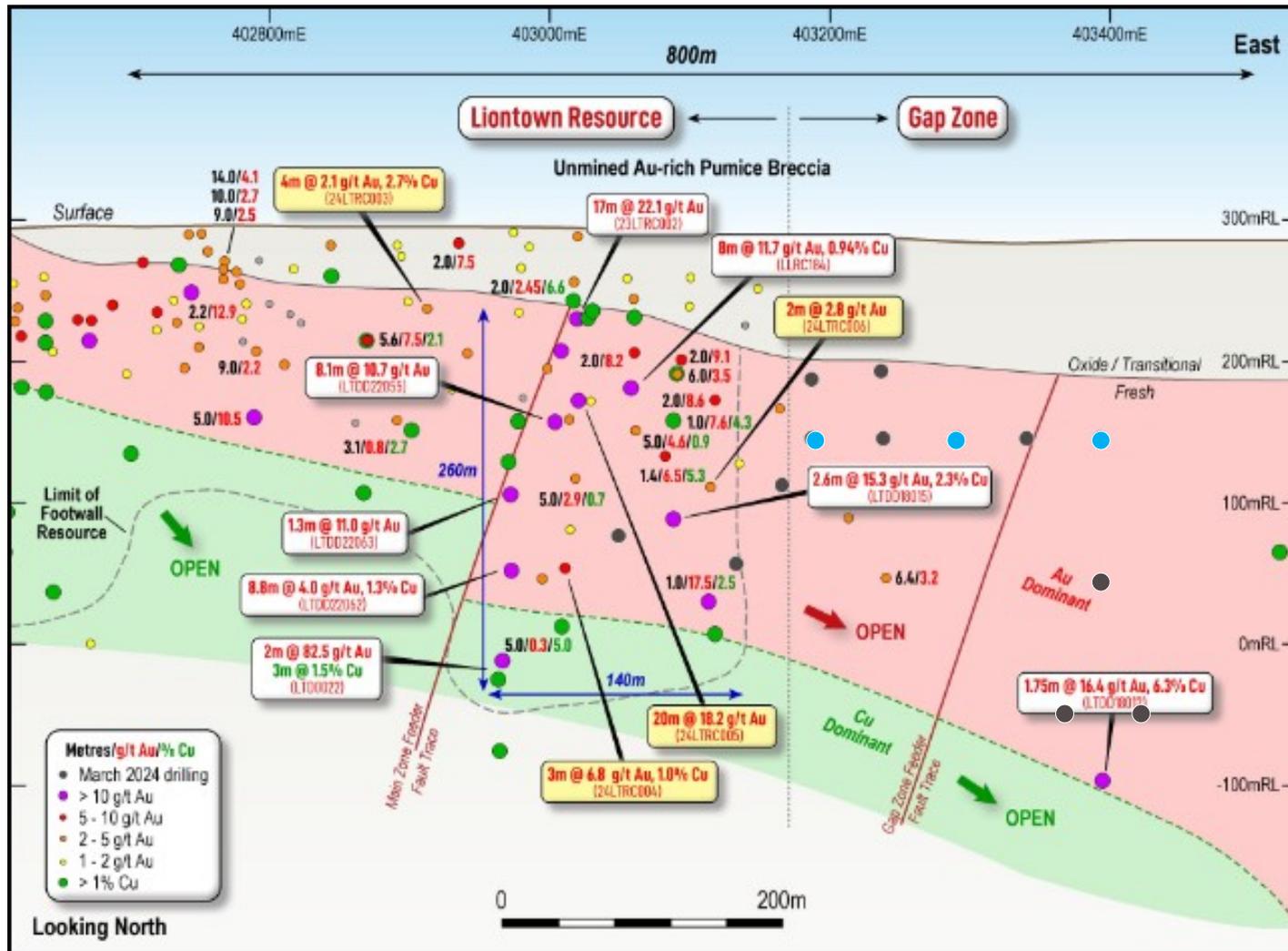


Figure 2: Long-section looking north at the Au-Cu rich, Liontown footwall showing recent intercepts in yellow boxes and historic intercepts in white boxes. The high-grade pumice breccia horizon near the Main Feeder Zone is highlighted. Also highlighted are the planned extensional holes heading east towards the Gap Zone Feeder (Black dots - planned holes, blue dots - RC pre-collared holes in progress).

Planned activities

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

- March 2024: Diamond drilling ongoing, Liontown Au-Cu
- March 2024: Results from geophysical surveys, Liontown & Truncheon
- April 2024: First field work Trooper Creek, Windsor North, Truncheon
- April 2024: Results from drilling, Liontown Au-Cu
- May 2024: RIU Resources Round-up, Sydney

Sunshine's Board has authorised the release of this announcement to the market.

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About Sunshine Metals

Two projects. 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% Inferred¹);
- 26 drill ready VMS Zn-Cu-Pb-Au IP geophysical targets where testing of a similar target has already led to the Lioneast discovery which hosts a current Resource of 1.47mt @ 11.0% ZnEq (100% Inferred);
- the under-drilled Lioneast Au-rich footwall with significant intersections including:
 - **3.0m @ 46.2g/t Au** (20m, LRC0018)
 - **2.0m @ 68.6g/t Au** (24m, LRC0043)
 - **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)
 - **2.6m @ 15.3g/t Au & 2.3% Cu** (236.3m, LTDD18015)
- advanced Au-Cu VMS targets at Coronation 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% Cu².

Triumph Project (Au): More than 85% of Triumph's Inferred Resource of 118,000oz @ 2.03g/t Au³ (100% Inferred) is <100m deep and largely located within 1.2km of strike within a 6km long trend. Recent drilling has confirmed Triumph's intrusion-related gold system is analogous to the large Ravenswood Mine (5.6Moz Au Resource).

***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.*

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

² 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".

³ SHN ASX Release, 31 March 2022, "Robust Maiden Resource at Triumph Gold Project".

No new information has been collected and all material assumptions remain unchanged.

