

## ASX Release

18 September 2023

### Drill preparation commences at Coronation Cu-Au 6 Strong Gravity Anomalies to be Drilled

#### Highlights

- Preparations for RC drilling of 6 strong gravity anomalies at the exciting Coronation Cu-Au target have commenced. The program will consist of up to 9 holes (1770m).
- In addition, first mapping and sampling of several Cu-Au-Zn targets has been completed. Targets mapped include Coronation, Bowerbird, Wedgetail, Scrubby Dam and Teepee. Assays have been returned for rock chip samples from Coronation and Bowerbird and include:

**1.91 g/t Au, 27 g/t Ag** at Coronation (CO23\_002)

**13.90% Cu, 173 g/t Ag, 0.95% Zn** at Bowerbird (BB23\_004)

**Sunshine Metals Limited (ASX:SHN, “Sunshine”) has commenced preparations for upcoming RC drilling at the exciting Coronation Cu-Au target, at the Ravenswood Consolidated Project (100%), North Queensland.**

Sunshine Managing Director, Dr Damien Keys, commented “*Completion of the Greater Lontown acquisition has now paved the way for a 9-hole drill program to commence at Coronation. The program is particularly exciting as it will be the first test of 6 strong gravity anomalies, possibly caused by massive sulphide pipes. The presence of gold in quartz-barite veins has been confirmed by recent first pass mapping, further likening Coronation to the 3.9Mt @ 5.4% Cu & 1.1 g/t Au Highway- Reward Cu-Au Mine (2.7km south).*

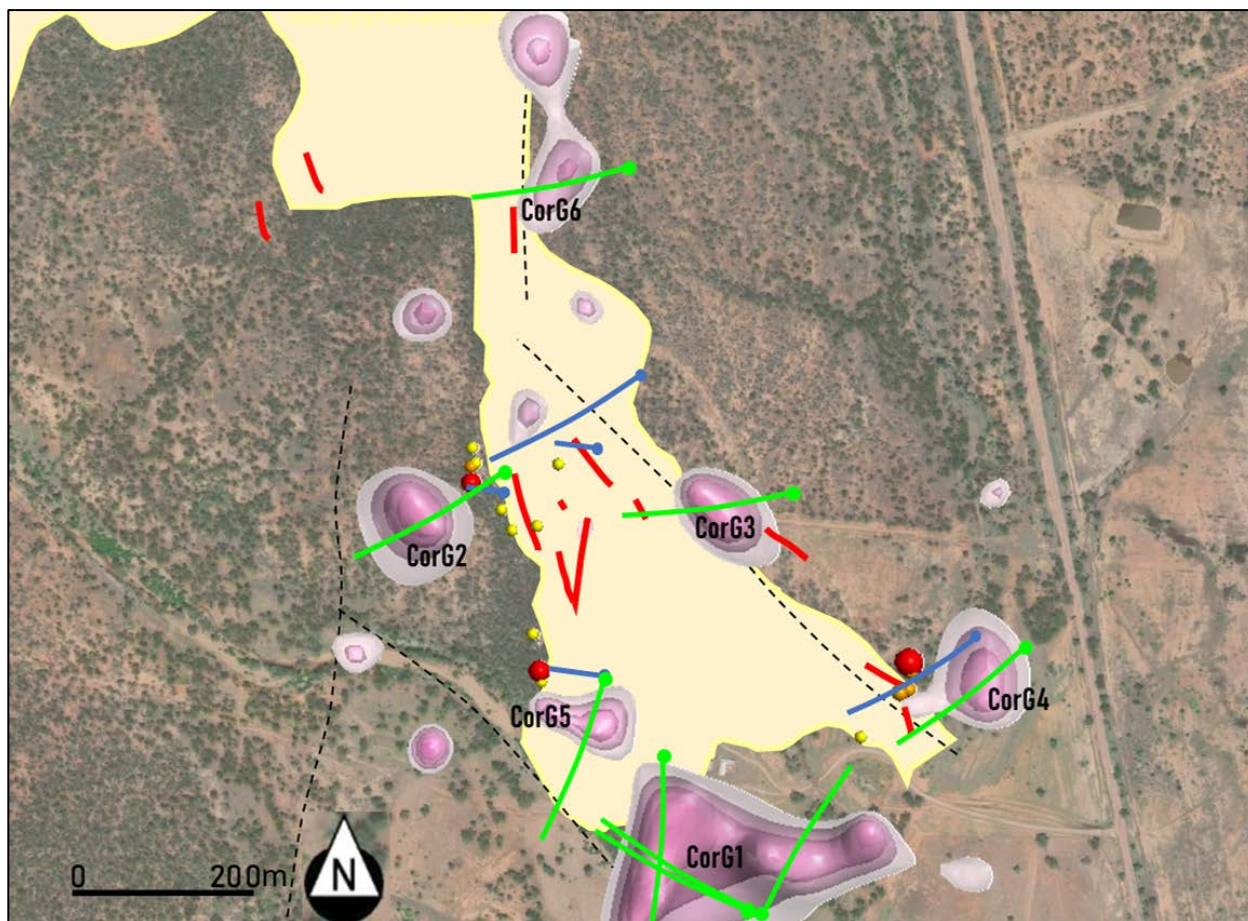
*Furthermore, first field reconnaissance at several targets within the VMS prospective Mt Windsor Volcanics has been completed. Anomalous rock chip results and mapping will be used to refine future drill targets, with a best result grading 13.90% Cu and 173 g/t Ag at Bowerbird.”*



**Figure 1:** Barite, quartz and remnant sulphides in veining from Coronation Cu-Au (CO23\_002, 1.91 g/t Au & 27 g/t Ag).

### Coronation RC Drill Program

Coronation is an outstanding target located 2.7km north of Highway-Reward Cu-Au Mine (3.9Mt @ 5.4% Cu & 1.1 g/t Au mined) and ~32km, by sealed road, south of the mining centre of Charters Towers. The RC program will test 6 strong gravity anomalies with 9 holes averaging ~200m depth. The gravity anomalies are potentially related to sulphide-rich pipes and analogous to Highway-Reward.



**Figure 2:** Mapped silica-sericite-pyrite alteration system, planned drilling (green), previous drilling (blue), barite veins (red), rock chip sampling and 6 dense gravity anomalies (CorG1 to CorG5).

Key feature	Highway-Reward	Coronation
Au-bearing quartz-barite veining	First identified in road cutting 1953	Mapped in outcrop to 4m wide
	Barite routinely intersected in "halo" drilling eg. 21m @ 16.06% Ba (HM045, from 95m)	Barite intersected in RC drilling incl. 6m @ 9.14% Ba (MC142, from 78m)
		Max rock chip sample of 13.8 g/t Au from quartz-barite vein
Large silica-sericite-pyrite alteration system	Forms halo to mineralised system at Highway-Reward	Large, central mapped silica-sericite-pyrite alteration
		Au-bearing barite veins & geophysical anomalism on margins of alteration system
IP geophysical anomalism	Expected chargeable anomaly over massive sulphide pipes given the dominance of pyrite and chalcopyrite in the ore zone	Small 1982 survey shows IP chargeable anomaly on south-west alteration margin
		IP anomaly coincides with gravity anomaly adjacent to mapped fault zone

Key feature	Highway-Reward	Coronation
<b>EM geophysical anomalism</b>	Reward is a strong EM conductor. Down-hole EM used to target at depth	Airborne EM anomalies on margins of alteration system (1982)
<b>Gravity geophysical anomalism</b>	Massive sulphide lodes formed significant gravity anomalies (very dense)	Four discrete, large, gravity anomalies. "Pipe-like" geometries modelled.
<b>Cu/Pb soil/stream anomalism</b>	Coherent Cu >250ppm, Pb >500ppm soil anomalism	Coherent Cu >100ppm, Pb >180ppm, Zn >150ppm soil anomalism
		Strong Cu stream sediment anomaly in creek on SW alteration margin
<b>Rhyolite, dacite, andesite volcanics</b>	Mineralisation in volcanoclastics around margins of rhyolite bodies	Geochemical, geophysical anomalism on margins of mapped rhyolite
<b>Halo Pb/Zn mineralisation in drilling</b>	3m @ 0.45% Zn, 0.1% Pb from 129m (HM036), 100m south of 30m @ 3.5% Cu, 0.72g/t Au from 200m (HM034)	1m @ 0.5% Zn, 0.3% Pb from 75m (MC141), 100m WNW of gravity anomaly

**Table 1:** Key geological features observed at both Highway-Reward and Coronation.

As demonstrated in Table 1 above, Coronation is a clear analogue for Highway-Reward which produced 3.9Mt @ 5.4% Cu, 1.1g/t Au. Outlined below are some of the key features at Coronation.

**Gold bearing, quartz-barite-sulphide veins:** Detailed field mapping has identified a broad silica-sericite alteration zone and several gold bearing, quartz-barite-sulphide veins at Coronation (Jododex Australia 1972, Esso Australia 1974-82, Aberfoyle 1986, Red River Resources 2019). Importantly, barite is observed in the halo to the massive sulphide mineralisation at Highway-Reward. The outcropping barite veins at Coronation have reported up to 13.8 g/t Au in rock chips. Furthermore, of 49 samples of barite veining, 16 samples graded >0.5g/t Au<sup>1</sup>. SHN has field validated these barite veins with rock chips that have returned up to 1.91g/t Au and 27g/t Ag (CO23\_002). Further assays are pending. These barite veins occur around the margin of a broad silica-sericite alteration zone within dominantly rhyolitic host rocks (Figure 2).

**Induced polarisation ("IP") anomaly:** Three IP survey lines were completed at Coronation in 1982. One line displayed a strong IP chargeable response on the SW margin of the broad silica-sericite alteration zone. This IP anomaly coincides with a discrete gravity anomaly (CorG5) and mapped NW oriented fault.

**Large, 400m x 200m, soil anomaly:** Soil sampling has delineated a 400m x 200m, 100 ppm Cu anomaly on the NE margin of the silica-sericite alteration zone. A 500 ppm Pb soil anomaly coincides with barite veining and the 13.8 g/t Au rock chip result.

**Electromagnetic ("EM") anomalies:** Two discrete EM anomalies are denoted on 1982 maps. The EM anomalies occur on the margins of the mapped silica-sericite alteration zone. One of the EM anomalies coincides with gravity anomaly (CorG2) and a mapped NW oriented fault.

**Five dense gravity features:** A detailed gravity survey completed at Coronation in 2020 aimed to delineate zones of high gravity response which would indicate dense host rocks e.g. massive sulphide bodies. The survey identified 5 (CorG1 to CorG5) main dense features requiring further evaluation and drill testing (Figure 4). A combination of geophysical techniques including gravity, IP and EM surveys were used to successfully delineate the nearby Highway-Reward mineralisation. Gravity is considered to be one of the most important of these techniques.

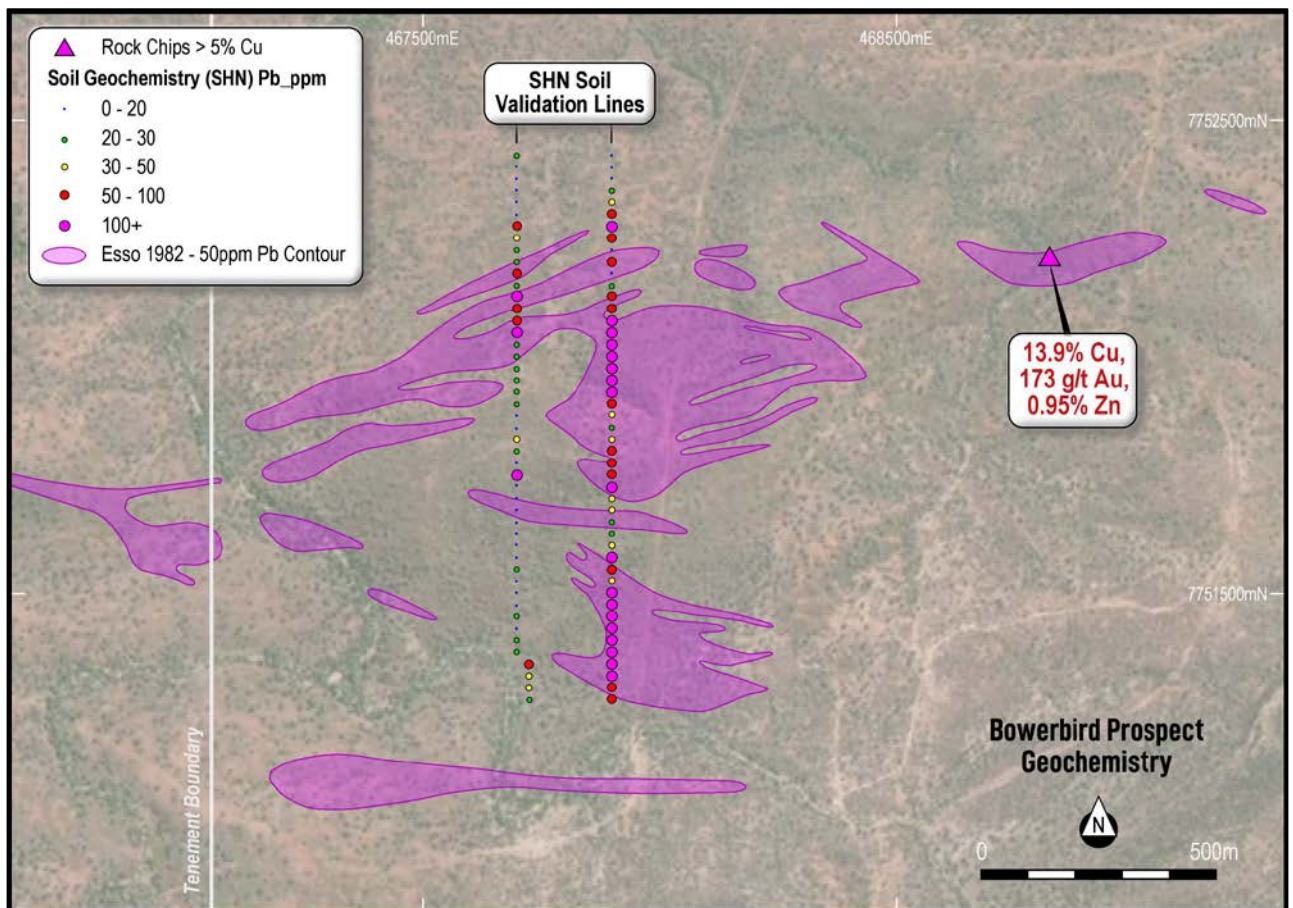
**Ineffective historic RC drilling:** 5 historic RC holes (849m) have been drilled at Coronation. The holes were drilled in 1984 and 2002 and targeted beneath outcropping quartz-barite veins. No drilling has tested any of the geophysical (IP, EM, gravity) anomalies. Hole MC142 intersected 6m @ 9.14% Ba, ~80m north of the CorG5 gravity anomaly.

<sup>1</sup> ASX: SHN, Outstanding Coronation Cu-Au Target Update & Drill Plan, 15th August 2023



### Regional VMS mapping campaign

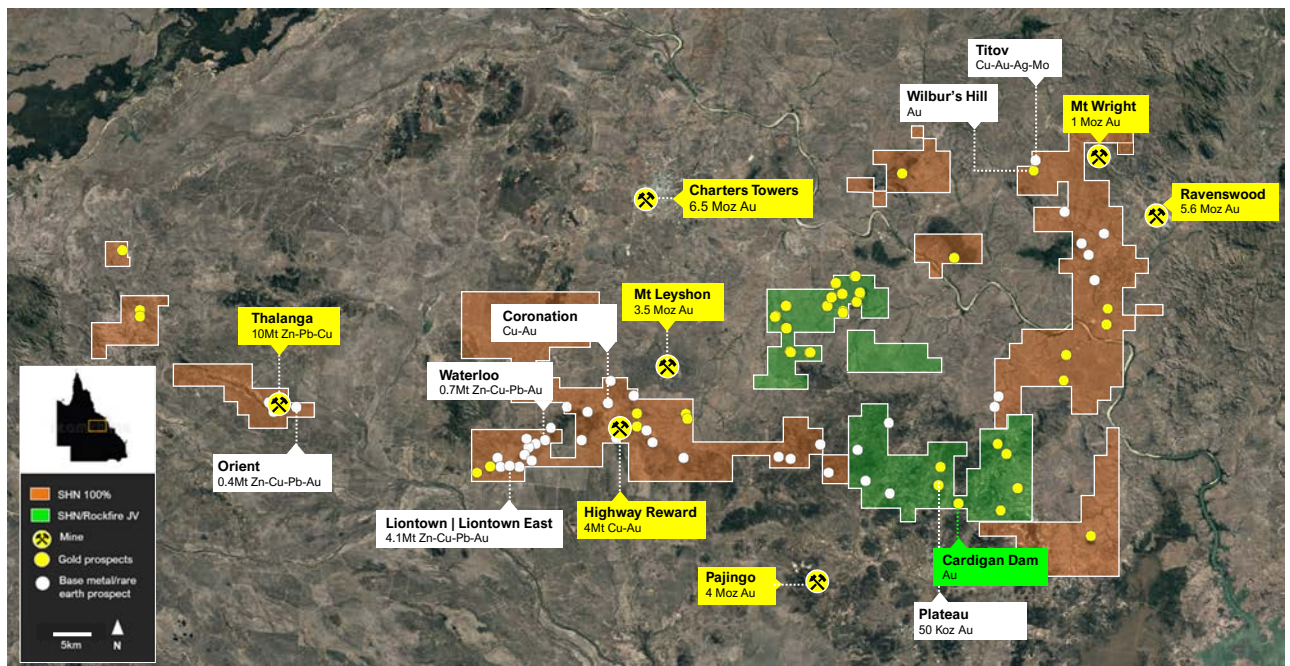
Reconnaissance activities have commenced within the VMS prospective Mt Windsor Volcanics. The Bowerbird target is located 5km west of the Magpie Cu-Pb-Zn-Ag deposit. Bowerbird is an under-drilled, stratiform VMS-style target which exhibits coherent Pb anomalism in soil (Esso, 1982) and gossanous beds on surface. Check soil samples have validated the location and tenor of the Esso Pb soil anomaly and rock chips have identified up to 13.9% Cu and 173 g/t Ag (BB23\_004) 500m east of the main Pb soil anomaly. Further field work will be planned for Bowerbird in 2024. Further VMS targets have been mapped and sampled at Teepee, Rollston River, Scrubby Dam and Wedgetail with assays pending.



**Figure 3:** Bowerbird prospect area showing Pb in soil anomalism

SampleID	Prospect	East	North	RL	Au_ppm	Ag_ppm	Cu_ppm	Pb_ppm	Zn_ppm
CO23_002	Coronation	415757	7750693	349	1.91	26.6	31.6	304	279
BB23_004	Bowerbird	468814	7752207	285	0.02	173	139000	1530	9460

**Table 2:** New rock chip samples referenced in this release.



**Figure 4:** Prospect locations reviewed in relation to the Ravenswood Consolidated Project area.

### Planned activities.

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

- Sept 2023: Drilling commences Greater Liontown, Ravenswood Consolidated
- Sept 2023: Annual Report
- Sept 2023: Quarterly Activities Report
- Oct 2023: Drilling commences Lighthouse Farm-in, Ravenswood Consolidated
- 31 Oct – 2 Nov 23: IMARC 2023, Sydney
- 15 – 17 Nov 23: Noosa Mining Conference

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

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### **Competent Person's 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 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 and 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.*

## About Sunshine Metals

### Two projects. Big System Potential.

**Triumph Project (Au):** More than 85% of Triumph's Inferred Resource of 118,000oz @ 2.03 g/t Au<sup>2</sup> 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).

**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 4.94mt @ 12.0% ZnEq (32% Indicated);
- 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 which hosts a current Resource of 1.47mt @ 11.0% ZnEq;
- the under-drilled Carrington Au Lode in the footwall of the Lontown VMS deposits with significant intersections including **3m @ 46.2 g/t Au from 20m** (LRC0018) and **2m @ 68.6 g/t Au from 24m** (LRC0043);
- advanced Au-Cu VMS targets at Coronation analogous to the nearby Highway-Reward Mine (4mt @ 6.2% Cu & 1.0 g/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% Cu.

**\*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.*

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<sup>2</sup> 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.



## Two projects. Big system potential.

**01**

Highly prospective projects in under explored Tier 1 jurisdiction.

**02**

Experienced, successful management team, North Queensland based.

**03**

Highly active explorer - 30km of drilling to date, delivered encouraging results

**04**

Leveraged to multiple high value metals with large-scale system potential

**05**

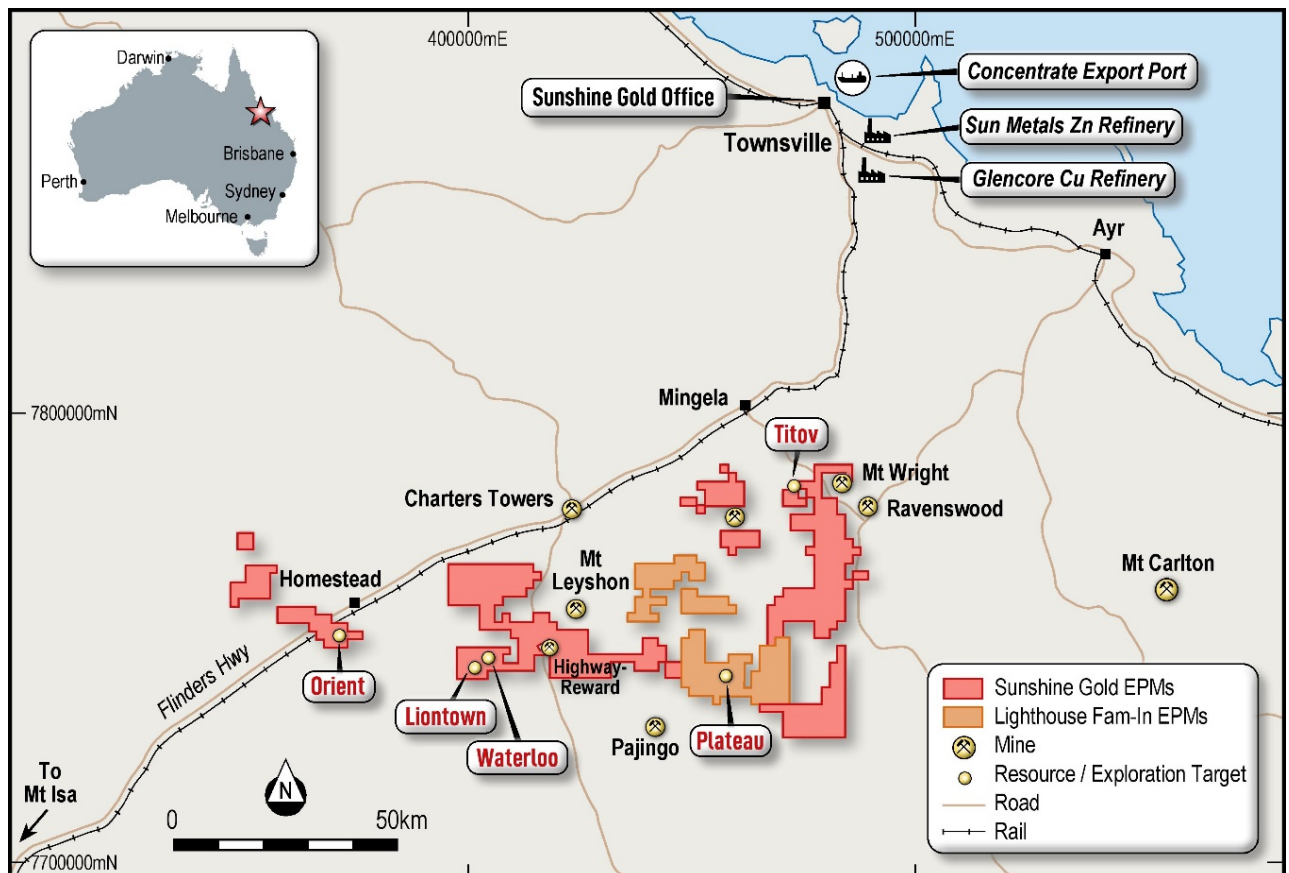
Transformational transaction to consolidate Ravenswood West and divest non-core assets

**Hodgkinson Project**  
Au-W

**Investigator Project**  
Cu

**Ravenswood Consolidated**  
Au-Cu-Mo-Zn-Pb

**Triumph Project**  
Au





## Section 1 - Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>Esso (1980, Soils) – No record of sampling methodology was reported. Samples were sent to ALS and assayed for Cu, Pb, Zn and Ag, although assay methodology is unknown.</p> <p>SHN – Rocks were selected by the field geologist and recorded as either in situ (outcrop), float (alluvial) or from working spoil. A standard geopick hammer is utilised to collect a sample typically of 1 – 2kg size along the required outcrop ensuring care is taken to only sample the required unit.</p> <p><b>DRILLING</b></p> <p>Coronation – Drillholes are reported from Esso (1984) and Thalanga Copper (2002). Esso sampled in metre intervals with Thalanga Copper in 4m composites. Esso assayed for Cu, Zn, Pb and Ag (method unknown) and Thalanga Copper for Cu, Pb, Zn, As, Ag, Fe, Mg, S, Na<sub>2</sub>O using ICP; Ba, Ti and Zr using XRF; and 30g fire assay with AAS finish for Au.</p> <p>Highway-Reward – Drillholes reported are from open-file reports by City Resources Ltd (CR 19167) and RGC Exploration (CR 30836). Exact sample methodology is unknown, however in general samples were collected in either 4m composites (upper 100m) or 2m composites or 1m individual samples (below 100m). Core samples appear to have been sampled as 1m intervals on average. Drilling methods involved open hole percussion (collar), RC to refusal, followed by diamond core (HQ or NQ). Assays were typically for Cu, Pb, Zn, Ag, As, Ba and Au as a minimum although techniques are unknown.</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p><b>DRILLING</b></p> <p>Coronation – Only RC was reported used by both Esso and Thalanga Copper.</p> <p>Highway-Reward – Open-hole percussion, RC and diamond methods were used.</p>

Criteria	Explanation	Commentary
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p><b>DRILLING</b></p> <p>Highway-Reward – Recovery records appear to be available with typically recoveries around 85 – 90% (not substantiated at this time). For further readings see CR 19167 and CR 30836.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN – Rocks have been logged for lithology, alteration, mineralisation and veining and recorded in the SHN Geochemistry Database. Photos are taken of all submitted samples.</p> <p>Esso (1980, Soils) – No geology was recorded against the samples.</p> <p><b>DRILLING</b></p> <p>Coronation – Drill holes were group logged (i.e. not metre by metre) for lithology, alteration and mineralisation.</p> <p>Highway-Reward – Drill holes are believed to have been logged in their entirety.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN: Sample size of 1 – 2kg is deemed representative as a “point sample” within a referenced outcrop or location. They are not deemed representative of the entire outcrop or prospect as a whole. No SHN QC procedures are used for rock chips. Samples have utilised the laboratory in-house QAQC protocols.</p> <p>Esso (1980, Soils) – No sub-sampling techniques were recorded.</p> <p><b>DRILLING</b></p> <p>Coronation – Esso sampled using 1m intervals. Thalanga Copper used 4m composites with the aim of returning for 1m individual samples if required.</p> <p>Highway-Reward – Some samples appear to have repeat samples for Au undertaken. No review on these values has been undertaken at this stage.</p>

Criteria	Explanation	Commentary
	<p><i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	
Quality of assay data and Laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN – Rock chips were assayed using a 50g fire assay for gold with AAS finish, which is considered appropriate for this style of mineralisation. Fire assay is considered total assay for gold. All other elements were assayed using an ICP-MS/OES.</p> <p>Esso (1980, Soils) – No assay methodology or QAQC information is known.</p> <p><b>GEOPHYSICS</b></p> <p>RVR Gravity 2020 - The data was collected by Atlas Geophysics along 16 traverses orientated at 30 degrees east of north. Data station spacing 50m with most lines spaced 50m apart and the outer survey lines collected with 100m separation. No detail on the sampling equipment has yet been located. There are no stations from this survey coincident with known observations, however the observed data reportedly sat well within the national gravity image and that repeated stations within the survey correlated well. Resultant products from processing (profile and grid) were coherent and the data was considered fit for purpose.</p> <p>Esso (1983, IP, EM) – No details are reported on data quality of the original survey, however subsequent review by RGC in 1998 reported that the anomalism identified in the original surveys were repeated.</p> <p><b>DRILLING</b></p> <p>Coronation – No QAQC or reports on data quality have been reviewed.</p> <p>Highway-Reward – Some samples appear to have repeat samples for Au undertaken. No review on these values has been undertaken at this stage.</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN – All rock chips are considered valid for that point location only if outcrop, or as an example of ore/waste material if mullock.</p> <p>Esso (1980, Soils) – Data utilised is open-file data only, as provided by the GSQ geochemical data. No subsequent verifications have taken place.</p>



Criteria	Explanation	Commentary
	<p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data</i></p>	<p><b>GEOPHYSICS</b></p> <p>RVR Gravity 2020 – The raw data was reviewed for quality by Montana GIS and subsequently modelled for Bouguer Anomaly, including corrections for terrain.</p> <p>Esso (1983, IP, EM) – A review by RGC in 1998 reported that the anomalism identified in the original surveys were repeated.</p> <p><b>DRILLING</b></p> <p>Coronation – No drill holes were twinned. All data is as is historically reported.</p> <p>Highway-Reward – Verification of assays would have been undertaken during production of the Highway-Reward mineral deposit.</p>
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN – Sample locations are located as points using handheld GPS in GDA94, Zone 55 format</p> <p>Esso (1980, Soils) – Data points were reported in a historic, local grid. These have been converted by GSQ to UTM coordinates which were then imported by SHN. No further validation against these coordinates has taken place.</p> <p><b>GEOPHYSICS</b></p> <p>RVR Gravity 2020 – The data was collected utilising DGPS in GDA94, Zone 55 format, although equipment is unknown.</p> <p>Esso (1983, IP, EM) – Dipoles were spaced 50m apart, however no record of how sample points were measured are present.</p> <p><b>DRILLING</b></p> <p>Coronation – Esso drill hole collars were collected on a local grid and subsequently converted; Collars in later drilling by Thalanga Copper were collected in AGD84, Zone 55.</p> <p>Highway-Reward – Drill hole collars were collected on a local grid.</p>
Data spacing	<p><i>Data spacing for reporting of Exploration Results.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN – No data spacing has been applied to the rock chip samples due to the nature of the technique</p> <p>Esso (1980, Soils) – Samples were spaced 200m x 25m on a NNE-trending local grid.</p>

Criteria	Explanation	Commentary
and distribution	<p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p><b>GEOPHYSICS</b></p> <p>RVR Gravity 2020 - The data was collected by Atlas Geophysics along 16 traverses orientated at 30 degrees east of north. Data station spacing 50m with most lines spaced 50m apart and the outer survey lines collected with 100m separation.</p> <p>Esso (1983, IP, EM) – Two lines trending northeast were surveyed, spaced approximately 300m apart with 50m dipole spacing.</p> <p><b>DRILLING</b></p> <p>Coronation – Due to the exploratory nature of the drilling, spacing of holes currently varies between 70m and 350m.</p> <p>Highway-Reward – Drill holes reported were likely part of a mineral resource development program and likely to be closely spaced (no direct information provided).</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN – Rock samples are collected as “point” samples with no bearing on overall orientation of the possible structure.</p> <p>Esso (1980, Soils) – Samples likely run oblique to stratigraphy, but the close sample density and pipe-like target of mineralisation implies this is less critical than if exploring for strata-bound VMS-styles.</p> <p><b>GEOPHYSICS</b></p> <p>RVR Gravity 2020 - The detailed 50m x 50m spacing over the majority of the survey area provides unbiased sampling grid. The 50m x 100m spacing in the far north of the survey area was slightly oblique to the likely stratigraphy but is not deemed material at this time.</p> <p>Esso (1983, IP, EM) – IP survey ran northeast and EM survey north-south, both of which are sub-parallel to interpreted stratigraphy.</p> <p><b>DRILLING</b></p> <p>Coronation – Drill holes from both the Esso and Thalanga Copper campaigns were oriented perpendicular to interpreted vein strike to limit bias.</p> <p>Highway-Reward – Drill holes reported were likely part of a mineral resource development program and specifically targeting a pipe-like mineralised body, thus true widths of mineralisation may vary to apparent widths.</p>

Criteria	Explanation	Commentary
Sample security	<i>The measures taken to ensure sample security.</i>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN – Samples were numbered in the field at the time of collection. The samples are photographed at the time of collection and are then transported by SHN to the laboratory. No third party was involved with the handling of the sample between collection and drop off.</p> <p>Esso (1980, Soils) – No known sample security protocols are available.</p> <p><b>GEOPHYSICS</b></p> <p>RVR Gravity 2020 - The data was collected by Atlas Geophysics and stored immediately on the measuring equipment. Data was likely uploaded and transferred electronically to Montana GIS for review.</p> <p>Esso (1983, IP, EM) – No known methods for security of data are reported.</p> <p><b>DRILLING</b></p> <p>Coronation &amp; Highway-Reward – No known methods for security of data are reported.</p>
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p><b>GEOCHEMICAL SAMPLING</b></p> <p>SHN will continue geochemical sampling of outcrops and soils in due course.</p> <p><b>GEOPHYSICS</b></p> <p>RVR Gravity 2020 – No review on the raw data or modelling techniques has been undertaken at this stage.</p> <p>Esso (1983, IP, EM) – A review by RGC in 1998 reported that the anomalism identified in the original surveys were repeated. SHN has not conducted a review at this stage.</p> <p><b>DRILLING</b></p> <p>Coronation – No audit has been undertaken on historical drill data.</p> <p>Highway-Reward – The deposits have since been mined, off-lease and SHN does not intend to conduct auditing on this data.</p>



## Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>Greater Lione town Exploration Permits are: EPMs 10582, 12766, 14161, 16929, 26718, 27168, 27221, 27223, 27357, 27520 and 27731 and Mining Lease Applications 100221, 100290 and 100302 (Cromarty) for a total of 463km<sup>2</sup>; and EPMs 18470, 18471, 18713, 25815 and 25895 (Hebrides) for a total of 221km<sup>2</sup>. The tenements are in believed to be in good standing and no known impediments exist.</p> <p>The Thalanga mill and mining operation was abandoned by administrators to Red River Resources. A restricted area has been placed over the mill, dumps and tailings facilities. The Queensland Department of Environment is now responsible for the rehabilitation of the aforementioned facilities. There are no known other Restricted Areas located within the tenure.</p> <p>Five third-party Mining Leases are present exist on the Exploration Permits – named MLs 1571, 1734, 1739 and 10028 (Thalanga Copper Mines Pty Ltd) and 100021 (Clyde Ian Doxford).</p> <p>Lione town, Waterloo and the majority of tenure exist on the native land of the Jangga People #2 claim, with northwestern tenure located on the native land of the Gudjala People.</p> <p>A 0.8% Net Smelter Return (NSR) royalty is payable to Osisko Ventures Ltd and a 0.7% NSR royalty payable to the Guandong Guangxin Mine Resources Group Co Ltd (GMRG) on sale proceeds of product extracted form EPM 14161.</p> <p>The Ravenswood West Project consists of EPMs 26041, 26152, 26303,26404, 27824 and 27825. The latter two EPMs are operated by Sunshine (Ravenswood) Pty Ltd and the remainder are owned 100% by Ukalunda Pty Ltd, both of which are wholly owned subsidiaries of Sunshine Gold Limited. The tenements are in good standing and no known impediments exist.</p> <p>Two current, third party Mining Leases exist on EPM 26041 – named ML 10243 (Delour) and ML 10315 (Podosky). One further current, third party Mining Lease exists partially on EPM 26152 – named ML 1529 (Waterloo).</p> <p>All of EPM 26303 and part of EPM 26041 are situated within the Burdekin Falls Dam catchment area.</p> <p>The Lighthouse Project consists of EPMs 25617 and 26705. All EPMs are owned 100% by BGM Investments Pty Ltd, a wholly owned subsidiary of Rockfire Resources Limited. No current Mining Leases exist on the tenure. South-eastern blocks on EPM 26705 are situated within the Burdekin Falls Dam catchment area. Sunshine Gold has the option to earn 75% of the project.</p>

Criteria	Explanation	Commentary																								
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<b>CORONATION</b> Exploration activities have been carried out in the area by Carpentaria, Esso, Electrolytic Zinc, Barrack / Nede, Aberfoyle, RGC Exploration, Thalanga Copper Mines and Red River Resources. Work programs included surface mapping, and sampling, drilling and geophysics. The most detailed exploration activities at the prospect have been referred to in the body of this report.  <b>BOWERBIRD</b> The only exploration activities reported to date at Bowerbird were by Esso (1982), which included rock chip and soil sampling, mapping, IP and EM geophysics and percussion drilling. Details of these activities are available in open-file reports CR 12363 and 15697.																								
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<ul style="list-style-type: none"><li>•</li></ul> <b>CORONATION</b> The Coronation prospect is an exploration prospect with many unknowns. Current geological interpretation suggests mineralisation present could take the form of a pipe-like volcanogenic massive sulphide deposit, similar to the nearby Highway – Reward deposit, hosted by Cambro-Ordovician volcanic and volcano-sedimentary sequences.  <b>BOWERBIRD</b> Current understanding of the Bowerbird geology suggests a sequence of interbedded volcanics and sediments. Stratigraphy was described as similar to that seen at Magpie (CR12363). Review of geological observations by SHN is in progress.																								
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"><li>• easting and northing of the drill hole collar</li></ul>	<b>CORONATION</b> All drill hole information pertaining to Coronation and Highway Reward is listed as follows (MGA94, Z55): <table><thead><tr><th>Hole ID</th><th>Type</th><th>Depth</th><th>East</th><th>North</th><th>RL</th><th>Dip</th><th>Azimuth</th></tr></thead><tbody><tr><td>MC140</td><td></td><td>75</td><td>415,782</td><td>7,750,806</td><td>340</td><td>-60</td><td>277.5</td></tr><tr><td>MC141</td><td></td><td>85</td><td>415,869</td><td>7,750,846</td><td>340</td><td>-60</td><td>277.5</td></tr></tbody></table>	Hole ID	Type	Depth	East	North	RL	Dip	Azimuth	MC140		75	415,782	7,750,806	340	-60	277.5	MC141		85	415,869	7,750,846	340	-60	277.5
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Criteria	Explanation	Commentary							
	<ul style="list-style-type: none"><li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li><li>dip and azimuth of the hole</li><li>down hole length and interception depth</li><li>hole length.</li></ul> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case</p>	MC142	110	415,875	7,750,636	340	-60	277.5	
		CNMW201	300	415,908	7,750,916	382	-60	232.5	
		CNMW202	279	416,216	7,750,673	362	-60	232.5	
		HM025	Unknown						
		HM038	DD	404.5	416,937	7,747,620	321	-60	327.5
		HM051	DD	202.6	416,841	7,747,632	321	-65	327.5
		HM061	DD	153.6	416,845	7,747,666	323	-90	165.5
		HM067	DD	151.6	416,828	7,747,650	322	-65	327.5
		RPHY0816	RC	288	416,675	7,747,700	278	Unknown	
		RPHY0889	RC	299	416,805	7,747,813	260	-60	145.5
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>All grades and intercepts referred to in this document are as reported in their associated historical documents. No further adjustments or assumptions have been made.</p> <p>The zinc equivalent grades for Greater Lontown (Zn Eq) are based on zinc, copper, lead, gold and silver prices of US\$2500/t Zinc, US\$8500/t Copper, US\$2000/t Lead, US\$1900/oz Gold and US\$20/oz Silver with metallurgical metal recoveries of 88.8% Zn, 80% Cu, 70% Pb, 65% Au and 65% Ag and are supported by metallurgical test work undertaken.</p> <p>The zinc equivalent calculation is as follows: <math>Zn\ Eq = Zn\ grade\% * Zn\ recovery + (Cu\ grade\ \% * Cu\ recovery\ \% * (Cu\ price\ \\$/t / Zn\ price\ \\$/t)) + (Pb\ grade\ \% * Pb\ recovery\ \% * (Pb\ price\ \\$/t / Zn\ price\ \\$/t)) + (Au\ grade\ g/t / 31.103 * Au\ recovery\ \% * (Au\ price\ \\$/oz / Zn\ price\ \\$/t * 0.01)) + (Ag\ grade\ g/t / 31.103 * Ag\ recovery\ \% * (Ag\ price\ \\$/oz / Zn\ price\ \\$/t * 0.01))</math>.</p> <p>It is the opinion of Sunshine Metals and the Competent Person that all elements and products included in the metal equivalent formula have a reasonable potential to be recovered and sold.</p> <ul style="list-style-type: none"><li></li></ul>							



Criteria	Explanation	Commentary
Relationship between mineralisation widths and intercept length	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	Geometry of mineralisation to any reported historic intervals within this document are unknown, and all intersections should be considered as down-hole length only, as true width is not known.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	<ul style="list-style-type: none"> <li>All diagrams are located within the body of this report</li> </ul>
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<ul style="list-style-type: none"> <li>All drill intercepts are recorded within the body of this report</li> </ul>
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<p>All meaningful and material data is reported within the body of the report.</p> <p>For further reading on historic data results referred to in the report, open-file reports are listed here:</p> <ul style="list-style-type: none"> <li>CR 7957, CR 12381, CR 14497, CR 19167, CR 30386, CR 33969</li> </ul> <p>Further reading on Highway-Reward includes:</p> <ul style="list-style-type: none"> <li>Beams et al., 1998, The Exploration History, geology and geochemistry of the polymetallic Highway-Reward deposit, Mt Windsor Subprovince, 14th Australian Geological Convention, Townsville, 1998</li> </ul>
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations</i>	<ul style="list-style-type: none"> <li>Further infill drilling will be required within the deposit areas to increase confidence to Measure or Indicated Resource status.</li> <li>Further extensional drilling will be required to test possible extensions to mineralisation.</li> <li>Exploration will continue within the target VMS horizons</li> <li>Further metallurgical testwork is required to improve confidence in the resource and ZnEq calculation.</li> </ul>

Criteria	Explanation	Commentary
	<i>and future drilling areas, provided this information is not commercially sensitive.</i>	