

ASX Release

Work commences on 3,865m Lontown diamond core.

Resource infill and extensional drilling.

Highlights

- 3,083m (12 holes) of diamond core transported to Townsville head office for logging, cutting and assaying. Results expected July 2023.
- 410m (2 holes) assayed with results pending. Results expected June 2023.
- 372m (2 holes) delivered to laboratory for analysis. Results expected June 2023.

Sunshine Gold Limited (ASX:SHN) has commenced work on 3,865m of diamond drill core from the Lontown deposit at the Ravenswood Consolidated Project (100%) in north Queensland.

Sunshine Managing Director, Dr Damien Keys, said the drilling was an added bonus.

“The completed diamond drilling that accompanied the Greater Lontown acquisition gives Sunshine a fantastic kick start into field work in the district. The core, which would cost ~\$200/m to drill, is a valuable dataset that will compliment a Resource upgrade planned for late 2023.

*Of the 5,904m (26 holes) of diamond drilling completed, only 2,039m (9 holes) were assayed with outstanding results recently released by Sunshine. These results included **8.1m @ 10.65 g/t Au** (LTDD22055), **5.3m @ 4.95 g/t Au & 1.36% Cu** (LTDD22054) and **2.2m @ 6.73 g/t Au & 2.03% Cu** (LTDD22062).*

Two holes (410m) have been assayed with assays pending. In addition, a further 2 holes have been (372m) dispatched to the laboratory for assaying. We have commenced logging the remaining 3,083m of drill core. We look forward to reporting the drilling results throughout June-July 2023.”



Figure 1: 3,083m (22 pallets) of diamond core strapped for transit to Sunshine’s Townsville warehouse.

Cautionary Statement: *Sunshine* has entered into binding agreements to acquire 100% of Greater Lontown in two separate transactions with unrelated, third parties. These acquisitions are subject to the satisfaction of certain conditions prior to completion of the transactions. Greater Lontown is not yet owned by Sunshine. Conditions precedent are to be satisfied prior to completion.

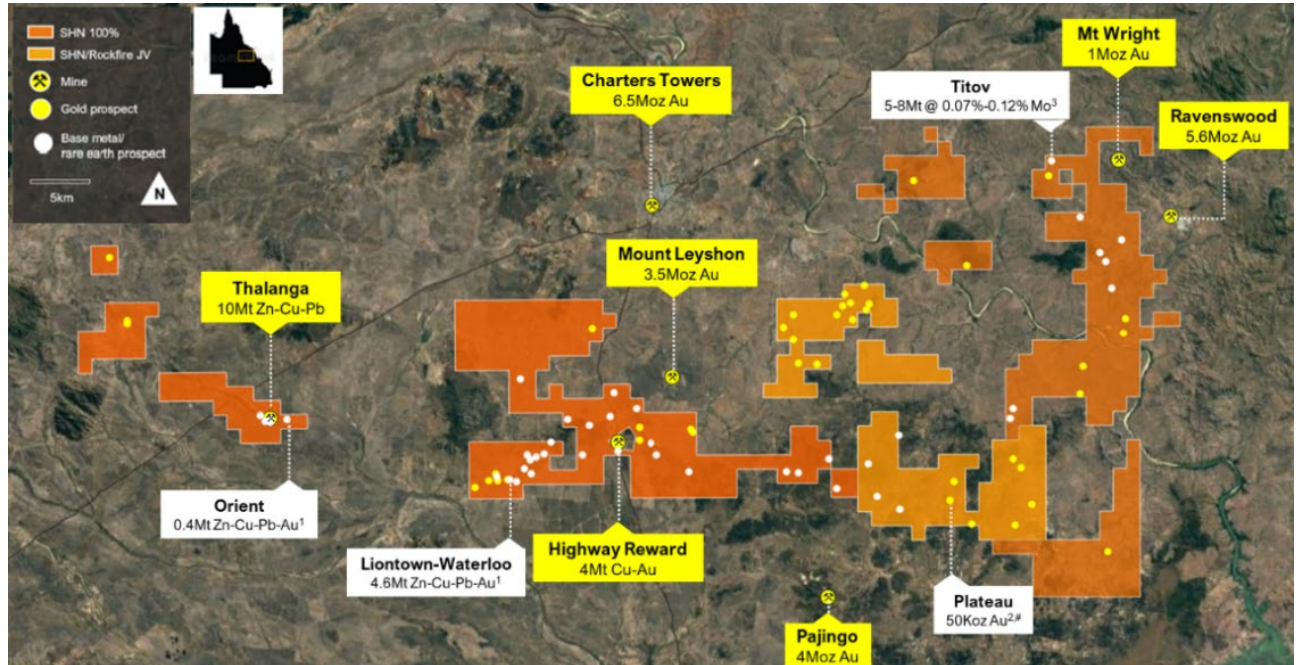


Figure 2: Ravenswood Consolidated showing Sunshine's tenements and large mines in the district.

Lontown Diamond Drilling Program.

The previous owners completed a 26 hole (5,904m) infill and extensional diamond drill program at Lontown and Lontown East in August 2022. The program targeted the Gap Lode (between Lontown and Lontown East), and the Western Footwall, Carrington and the New Queen Lodes at Lontown.

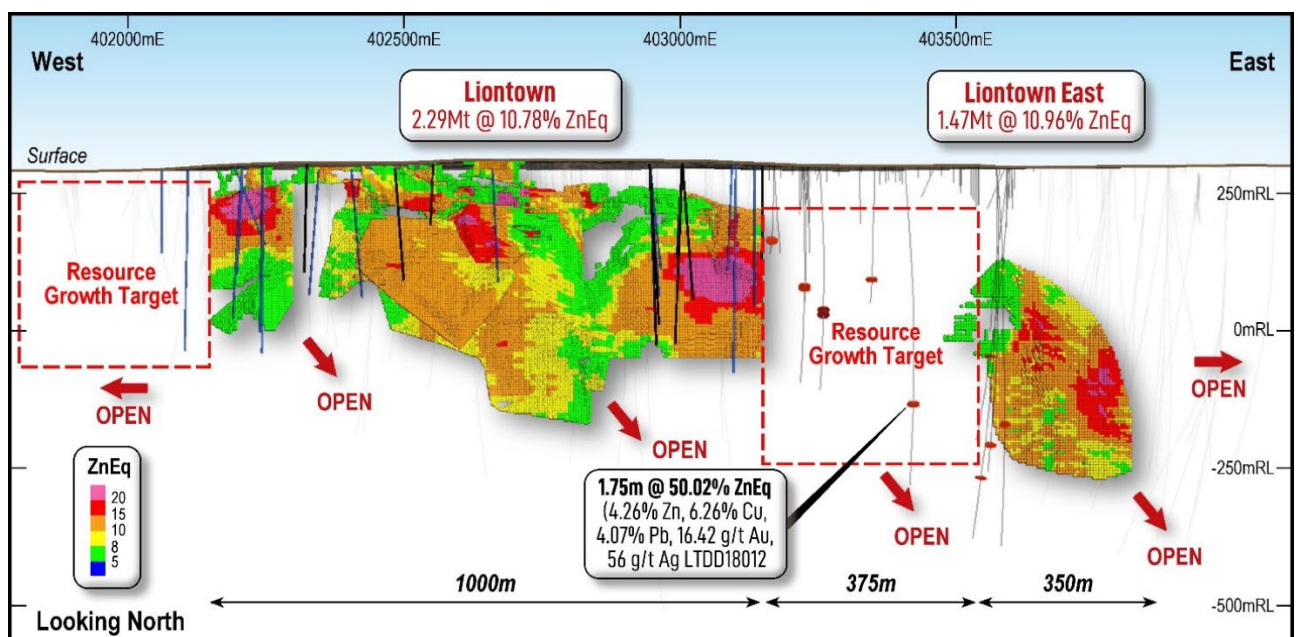


Figure 3: Long section of the Lontown Resource showing unreported drill holes as thick blue/black traces.

Only 9 of the holes (2,039m) were logged, sampled and assayed. These holes were announced by Sunshine (ASX 8 May 2023) and highlight the high-grade Au-Cu potential of the Liontown East footwall (Table 1).

The remaining 16 holes (3,865m) will be logged, cut and dispatched for assay as applicable. Results from program will be incorporated into a Resource update in the December 2023 quarter.

BHID	From	To	Interval	Cu %	Pb%	Zn%	Au (g/t)	Ag (g/t)	%ZnEq	Lode
LTDD22053	249.60	250.90	1.30	3.00	0.02	0.09	0.27	6.38	8.79	Gap Lode
LTDD22053	257.00	261.55	4.55	0.64	0.04	0.29	2.31	2.22	5.73	Gap Lode
LTDD22053	270.00	271.00	1.00	0.71	0.19	0.11	3.14	13.90	7.34	Gap Lode
LTDD22053	280.80	284.00	3.20	0.52	0.11	0.85	2.26	2.57	5.85	Gap Lode
LTDD22054	197.50	198.80	1.30	0.78	0.03	0.16	7.65	1.80	14.45	Gap Lode
LTDD22054	195.00	200.30	5.30	1.36	0.99	2.46	4.95	12.39	14.46	Gap Lode
LTDD22054	196.70	198.35	<i>incl.</i> 1.65	1.68	2.83	7.00	7.97	25.07	25.40	Gap Lode
LTDD22055	132.60	134.40	1.80	0.04	6.35	11.10	0.28	10.20	14.04	Gap Lode
LTDD22055	152.20	160.30	8.10	0.16	0.25	0.28	10.65	3.50	17.77	Gap Lode
LTDD22055	152.20	154.00	<i>incl.</i> 1.80	0.06	0.01	0.01	18.93	1.87	30.23	Gap Lode
LTDD22055	156.0	160.30	<i>and</i> 4.30	0.30	0.46	0.51	12.10	5.78	20.82	Gap Lode
LTDD22055	161.25	162.25	1.00	2.17	0.01	0.05	0.15	3.30	6.24	Gap Lode
LTDD22061	219.30	223.00	3.70	6.54	0.15	0.49	0.63	14.55	19.56	Gap Lode
LTDD22061	219.30	221.35	<i>incl.</i> 2.05	10.48	0.15	0.76	1.03	23.50	31.29	Gap Lode
LTDD22062	257.50	258.70	1.20	0.43	0.05	0.06	16.34	6.85	27.28	Gap Lode
LTDD22062	264.10	266.30	2.20	2.03	0.90	2.64	6.73	27.73	19.50	Gap Lode
LTDD22065	152.82	158.40	5.60	0.29	2.78	6.45	0.88	62.79	10.47	Gap Lode
LTDD22065	161.80	162.80	1.00	0.06	0.61	4.77	0.10	11.10	5.06	Gap Lode
LTDD22065	171.00	173.60	2.60	0.25	1.68	4.45	0.37	33.75	6.71	Gap Lode
LTDD22065	175.75	180.10	4.35	1.37	1.73	8.55	0.18	23.30	12.91	Gap Lode
LTDD22071	46.45	48.10	1.65	3.08	9.82	0.65	1.06	10.62	16.30	WFW/Carrington
LTDD22071	50.60	54.30	3.70	1.74	2.43	1.07	1.14	106.63	10.66	WFW/Carrington
LTDD22071	65.80	67.00	1.20	1.84	0.08	0.07	0.07	8.20	5.35	WFW/Carrington
LTDD22179A	117.00	117.90	0.90	1.08	1.08	11.98	2.39	20.33	18.23	Gap Lode
MET02	72.95	83.10	10.15	0.15	2.34	4.21	0.67	12.04	6.69	New Queen
MET02	91.00	92.00	1.00	0.02	2.27	4.46	0.03	8.40	5.43	New Queen

Table 1: Significant intercepts for the first 9 holes logged, sampled and assayed (ASX 8 May 2023).

Sunshine intends to update the Resource in the December 2023 quarter incorporating:

- all drilling results undertaken after estimation of the initial Resource;
- Sunshine interpretations and modifying factors; and
- further metallurgical test work.

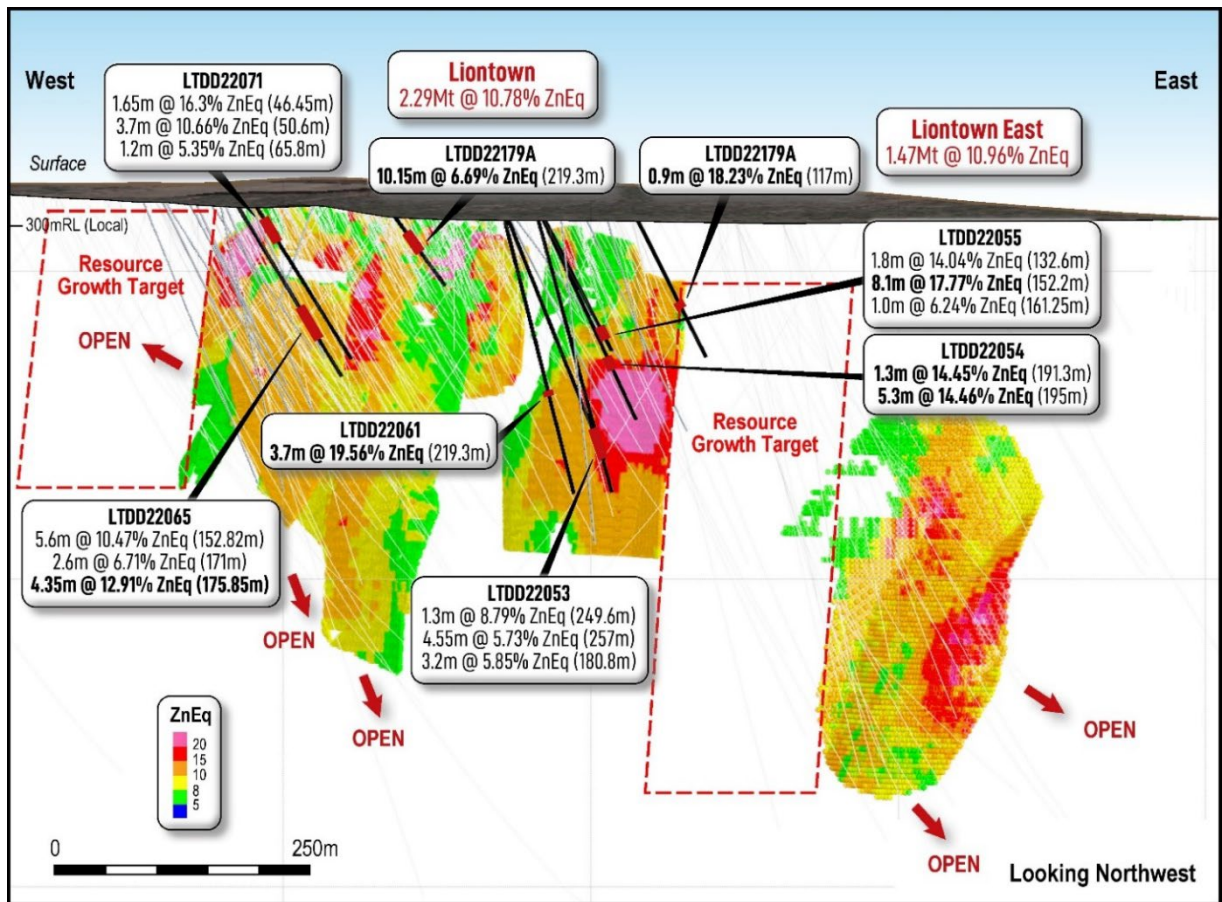


Figure 4: Long section of the current Resource at Liontown, showing results from drill holes reported 8 May 2023.

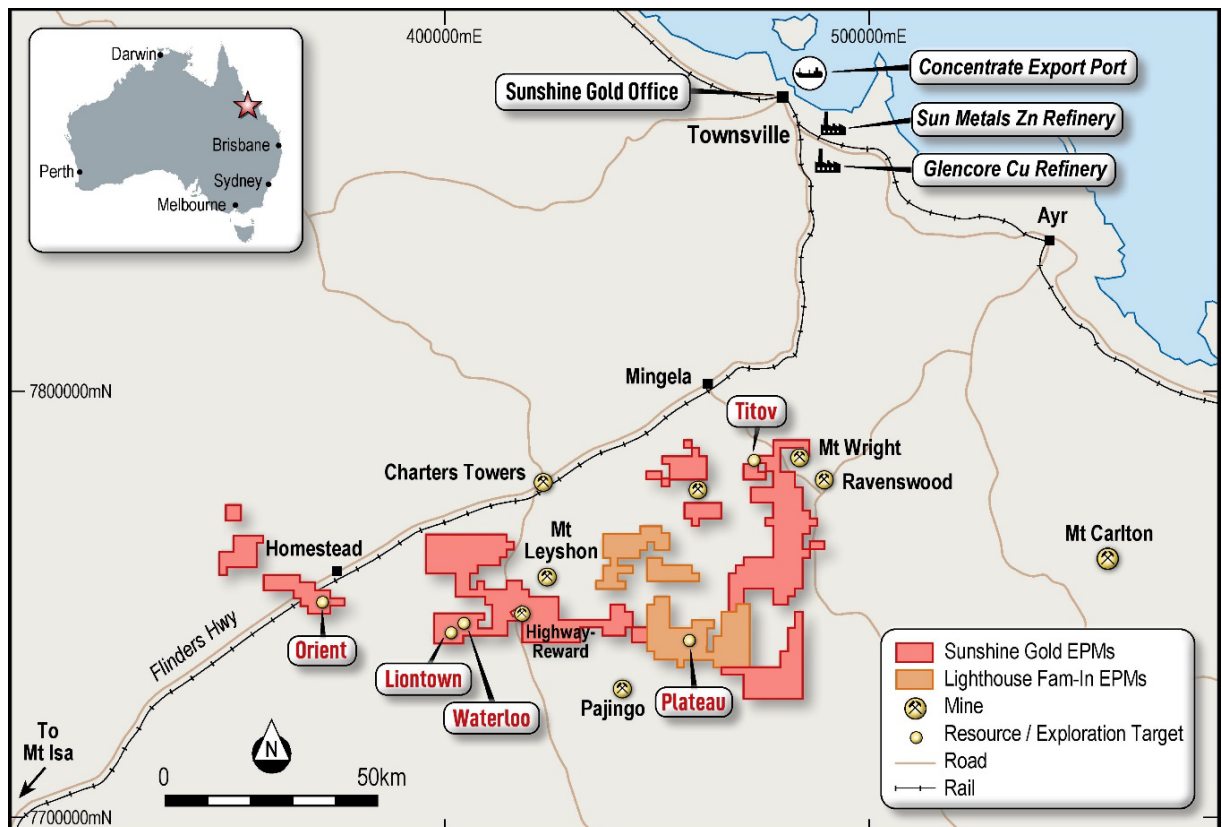


Figure 5: Ravenswood Consolidated Project displaying Townsville head office and major regional infrastructure.

Planned activities.

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

- May 2023: Assay results from RC drilling, Triumph
- June 23, 2023: General Meeting
- June/July 2023: 16 holes (3,865m) from Greater Lontown logged and assayed
- June 2023: Greater Lontown transaction completion
- June 2023: Drilling commences Lontown & Lighthouse, Ravenswood Consolidated
- July 2023: RC drilling of Targets 1 and 2 at Wilbur's Hill, Ravenswood Consolidated
- July 2023: Quarterly Activities Report

Attending:

- 22-23 June 2023: RIU Investment Showcase, Gold Coast
- 29-30 August 2023: Australian Gold Conference, Sydney

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

For more information, please contact:

Dr Damien Keys
Managing Director
Phone: +61 428 717 466
dkeys@shngold.com.au

Mr Alec Pismiris
Director & Company Secretary
Phone +61 402 212 532
alec@lexconservices.com.au

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 Lontown and Lontown East is based on information compiled and reviewed by Mr Peter Carolan, who is a Member of the Australasian Institute of Mining and Metallurgy and was a Principal Geologist employed by Red River Resources Ltd. Mr Peter Carolan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to

qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources. Mr Peter Carolan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Recoverable Zinc Equivalent calculation

The zinc equivalent grades for Greater Lontown (% ZnEq) are based on the following prices:

US\$2,500t Zn, US\$8,500t Cu, US\$2,000t Pb, US\$1,900oz Au, US\$20oz Ag

Metallurgical metal recoveries are supported by metallurgical test work undertaken and are:

88.8% Zn, 80% Cu, 70% Pb, 65% Au, 65% Ag

The ZnEq calculation is as follows:

$$\text{ZnEq} = \text{Zn grade\%} * \text{Zn recovery} + (\text{Cu grade \%} * \text{Cu recovery \%} * (\text{Cu price \$/t} / \text{Zn price \$/t})) + (\text{Pb grade \%} * \text{Pb recovery \%} * (\text{Pb price \$/t} / \text{Zn price \$/t} * 0.01)) + (\text{Au grade g/t} / 31.103 * \text{Au recovery \%} * (\text{Au price \$/oz} / \text{Zn price \$/t})) + (\text{Ag grade g/t} / 31.103 * \text{Ag recovery \%} * (\text{Ag price \$/oz} / \text{Zn price \$/t} * 0.01)).$$

For Waterloo transition material, recoveries of 76% Zn, 58% Cu and 0% Pb have been substituted into the ZnEq formula.

For Lontown oxide material, recoveries of 44% Zn, 40% Cu and 35% Pb have been substituted into the ZnEq formula. Further metallurgical testwork is required on the Lontown oxide domain.

It is the opinion of Sunshine and the Competent Person that all elements and products included in the ZnEq formula have reasonable potential to be recovered and sold.

About Sunshine Gold

Two projects. Big System Potential.

Triumph Project (Au): More than 85% of Triumph's Inferred Resource of 118,000oz @ 2.03g/t Au¹ 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 (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 lead 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 Cu-Au 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.*

¹ SHN ASX Release, 31st 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



Attachment A: Drill Collar, Survey and Status of Outstanding Resource Infill and Extensional Drilling, Liontown Resource.

Hole ID	Resource	Tenement (collar)	Prospect	Drill Method	Planned Easting	Planned Northing	Planned Elevation	Dip	NAT Grid AZI	Est PCD Depth	Actual EOH Depth	Status
LTDD22181A	Liontown	EPM14161	The Gap	NQ	403120	7742807	293.0	-62.0	0.0		252.0	Assayed
LTDD22063	Liontown	EPM14161	The Gap	PCD-NQ	402951	7742808	299.3	-62.0	8.0	60	242.2	Cut, Unsampled
LTDD22072	Liontown	ML10277	Western Footwall	PCD-NQ	402279	7742969	297.5	-54.0	147.5	70	157.9	Assayed
LTDD21039	Liontown	EPM14161	Main Lode Lower	PCD-NQ	402697	7742600	290.5	-60.0	5.0		210.0	Unsampled
LTDD22066	Liontown	EPM14161	Main Lode Upper	PCD-NQ	402469	7742689	291.0	-56.0	7.0	70	251.0	Unsampled
LTDD22067	Liontown	EPM14161	Main Lode Upper	PCD-NQ	402416	7742715	290.0	-59.0	352.8	70	235.9	Unsampled
LTDD22064	Liontown	EPM14161	The Gap	PCD-NQ	402951	7742808	299.3	-52.0	8.0	60	215.2	Delivered to lab
LTDD22069A	Liontown	EPM14161	The Gap	PCD-NQ	403090	7742802	296.9	-83.0	355.0	60	337.2	Unsampled
LTDD22075	Liontown	ML10277	Western Footwall	PCD-NQ	402162	7742879	291.9	-61.0	359.8	68	156.8	Delivered to lab
LTDD22076	Liontown	ML10277	Western Footwall	PCD-NQ	402205	7742802	292.8	-65.0	357.8	80	326.0	Unsampled
LTDD22080	Liontown	ML10277	Western Footwall	PCD-NQ	402205	7742869	291.6	-52.0	358.9	64	209.0	Unsampled
LTDD22078	Liontown	ML10277	Western Footwall	PCD-NQ	402292	7742813	294.7	-62.0	353.5	70	278.0	Unsampled
LTDD22068	Liontown	ML10277	Western Footwall	PCD-NQ	402293	7742867	297.1	-60.0	355.0	59	203.1	Unsampled
LTDD22074	Liontown	ML10277	Western Footwall	PCD-NQ	402326	7742826	296.1	-64.0	357.9	70	299.2	Unsampled
LTDD22073	Liontown	ML10277	Western Footwall	PCD-NQ	402326	7742826	295.7	-76.0	359.0	70	311.2	Unsampled
LTDD22070	Liontown	EPM14161	The Gap	PCD-NQ	403084	7742852	296.9	-71.0	353	60	180.2	Unsampled

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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Sample intervals were selected by company geologists based on visual mineralisation and geological boundaries with an ideal sample length of one metre. Samples were sawn in half onsite using an automatic core saw. Independent certified assay laboratories were used for analysis. Recent sampling was analysed at Intertek Genalysis Laboratory in Townsville where samples were crushed to sub 6mm, split and pulverised to sub 75µm and a sub sample collected for a four-acid digest and ICP-OES analysis of the following elements; Ag, As, Ba, Bi, Ca, Cu, Fe, K, Mg, Mn, Na, Pb, S, Sb, Ti, Zn & Zr. Samples were assayed for Au using a 30g Fire Assay technique.
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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Mud rotary, RC and Diamond drilling methods were used. Mud rotary was used to establish hole collars to the base of the cover sequence then a change of drilling method to Diamond core (HQ size) or RC was undertaken. For most holes a further change in method to Diamond core NQ2 or BQ size took place for intersecting the target zone and drilling to end of hole. Reverse circulation drilling used a 5.5" bit Mud rotary drilling used a 7 7/8" PCD bit.

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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Core loss was recorded by company geologists. Recovery within the sulphide zones was 98%. Partial core loss occurs within shear zones.
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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Holes were logged to a level of detail that would support mineral resource estimation. Qualitative logging includes lithology, alteration and textures. Quantitative logging includes sulphide and gangue mineral percentages. All drill core was photographed. Drill holes were logged in full.
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><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>	<p>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Diamond core was placed in core trays for logging and sampling. Diamond core was cut in half using a core saw. Sample intervals were sampled to geological boundaries. The sample sizes are considered to be sufficient to correctly represent the mineralisation style.

Criteria	Explanation	Commentary
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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> The assay methods employed are considered appropriate for near total digestion. Various degrees of Quality Assurance and Quality Control processes were implemented through the different drilling programs. Records post 2007 are available. Red River Resources used blanks and standard reference material inserted at a rate of 1 in 20. Certified standards returned results within an acceptable range. No field duplicates were submitted for diamond core.
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><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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Laboratory results have been reviewed by Company geologists and laboratory technicians.
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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Holes LTDD21039 and LTDD22181A were surveyed with RTKGPS. Remaining holes in Appendix A have been picked up with a handheld GPS unit (accuracy to 5m). A resurvey of 105 historic drill collars was carried out by Liontown Resources Limited in 2007. Recent down hole surveys conducted with digital magnetic multi-shot camera at 20-40m intervals. Historic drill hole surveys were taken using Eastman single shot cameras. Coordinate system used is MGA94 Zone 55. Topographic control is based on a detailed 3D Digital Elevation Model.
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <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>LIONTOWN RESOURCE DRILLING</p> <p>The drilling has infilled and extended Resource classified material at Western Footwall, Main Lode, New Queen, Carrington and the Gap Lode.</p> <p>The distribution of drilling provides drill intersection spacings of:</p>

Criteria	Explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	<p>10 – 40m for majority of New Queen Lode 20 – 70m for the Main Lens upper sections 60 – 100m for the Inferred area of the Main Lode 15 – 70m for the Western Footwall Lode 15 – 150m for the Gap Lode</p> <p>The drill spacing provides evidence of mineralised zone continuity for the purposes of resource estimation. Compositing of within mineralised domains of raw assay data to approximate 1m intervals was completed in preparation for the resource estimation process.</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>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> Where possible holes were orientated to ensure drill intersections were approximately perpendicular to the strike of the ore lenses and overall geological sequence. Dip intersections to the plane of mineralisation generally occur between 45° and 80°. The orientation of the multiple lenses varies resulting in some intersections being less than perpendicular. Some holes were drilled approximately down dip for comprehensive investigation of the ore zones. The effect of local sampling biases due to orientation and spacing of drill holes is mitigated in the estimation process. Drill holes are orientated perpendicular to the strike of the host lithologies and mineralised zone. The drilling direction and inclination is designed to not bias sampling The orientation of the drill core for structural assessment is determined using a downhole digital orientation tool.
Sample security	<i>The measures taken to ensure sample security.</i>	<p>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> During Red River drill programs, samples were overseen by company staff during transport from site to Laboratories. Sample security for earlier programs cannot be validated. Given the primarily base metal nature of the deposit, sample security is not considered as a significant risk.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>LIONTOWN DRILLING</p> <ul style="list-style-type: none"> A review of the resource estimation process for Liontown was completed by Mining One Consultants in November 2015. A due diligence review of the resource estimation was also completed by Mining One Consultants in November 2013.

Criteria	Explanation	Commentary
		<ul style="list-style-type: none"> A review of the assay data was completed by McDonald Speijers Consultants in 2008. Earlier data reviews were carried out and documented by the various previous owners of the project.

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>The acquired leases consist of those granted to Cromarty Resources Pty Ltd and Hebrides Resources Pty Ltd. The 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 463km²; and EPMs 18470, 18471, 18713, 25815 and 25895 (Hebrides) for a total of 221km². 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>Liontown, 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>
Exploration done by other parties	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>LIONTOWN RESOURCE AND LIONTOWN EAST RESOURCE DRILLING</p> <p>Exploration activities have been carried out by Nickel Mines(1970-1973), Esso (1982-1983), Great Mines (1987), Pancontinental (1994-1995), and Liontown Resources (2007). Work programs included surface mapping, and sampling, costeans, drilling and geophysics.</p> <p>Historic exploration was carried out by Esso Exploration and Pancontinental Mining. This included drilling and geophysics. Historic drilling over the Liontown East area is shallow and did not intercept the current Mineral Resource mineralisation.</p>

Criteria	Explanation	Commentary
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	LIONTOWN RESOURCE AND LIONTOWN EAST RESOURCE DRILLING <ul style="list-style-type: none"> The Liontown and Liontown East deposits are hosted within Cambro-Ordovician marine volcanic and volcano-sedimentary sequences of the Mt Windsor Volcanic sub-province The Liontown and Liontown East deposits are volcanogenic massive sulphide (VMS) base metal style deposits. Liontown East consists of stratiform massive and stringer sulphide zones developed within the lower units of a thick sedimentary package immediately above a rhyodacite pumice breccia. Lenses of Cu Au dominated mineralisation continue into the footwall. The Carrington Au lodes are considered to be formed during a later orogenic Au event.
Drill hole Information	<p><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></p> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <p><i>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</i></p>	LIONTOWN RESOURCE AND LIONTOWN EAST RESOURCE DRILLING <ul style="list-style-type: none"> The estimate is based on 7 major drilling programs by 6 companies over a period spanning 40 years. Drill intersections from 241 drill holes were used in the Liontown estimation. <p>All drill holes comprising the resources are listed in Appendix A of this report.</p>
Data aggregation methods	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>The zinc equivalent grades for Greater Liontown (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: $Zn\ Eq = Zn\ grade\% * Zn\ recovery + (Cu\ grade\% * Cu\ recovery\% * (Cu\ price\ \\$/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))$.</p> <p>It is the opinion of Sunshine Gold 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>

Criteria	Explanation	Commentary
		LIONTOWN RESOURCE AND LIONTOWN EAST RESOURCE DRILLING <ul style="list-style-type: none"> The exploration results reported for Liontown and Liontown East were included as weighted average assay intervals for Zn, Cu, Ag and Pb. No cutting of high grades was completed when reporting as exploration results
Relationship between mineralisation widths and intercept length	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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></p>	LIONTOWN RESOURCE AND LIONTOWN EAST RESOURCE DRILLING <ul style="list-style-type: none"> The mineralisation is stratabound and interpreted to be dipping at ~70 degrees, drill holes have been designed to intercept the mineralisation as close to perpendicular as possible. Where down hole intercepts are reported, true widths are likely to be ~75%. The typical drill sample interval is 1m in length At Liontown East the average downhole thickness of the mineralised zone is 8.2m.
Diagrams	<p><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></p>	<ul style="list-style-type: none"> All diagrams are located within the body of this report
Balanced reporting	<p><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></p>	<ul style="list-style-type: none"> All drill intercepts are recorded within the body of this report
Other substantive exploration data	<p><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>	<ul style="list-style-type: none"> All meaningful and material data is reported

Criteria	Explanation	Commentary
Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<ul style="list-style-type: none"> • Further infill drilling will be required within the deposit areas to increase confidence to Measure or Indicated Resource status. • Further extensional drilling will be required to test possible extensions to mineralisation. • Exploration will continue within the target VMS horizons • Further metallurgical testwork is required to improve confidence in the resource and ZnEq calculation.