

EXPLORATION UPDATE

Sunshine Gold Limited (ASX:SHN, “Sunshine Gold”, “the Company”) is pleased to provide an update of recent field activities. Soil sampling results for the Campbell Creek Prospect, Hodgkinson, have now been returned and field validated. Soil sampling and mapping is ongoing at the Ravenswood West Project.

HIGHLIGHTS

- Gold anomalism defined over 3km at Campbell Creek in the recent soil sampling and mapping campaign. The anomalies are associated with a ridge line comprised of abundant quartz veining within coarse sandstones. The anomalies tie in well with historic prospector maps, identifying the locations of “gold in stone” during prospecting activities over the tenure.
- Soil sampling has been completed in the Dreghorn Prospect, Ravenswood West. A total of 1,555 samples have been collected.
- Soil sampling has commenced at the Elphinstone Creek REE-Cu-Mo-Au Prospect, Ravenswood West. The sampling campaign is designed to identify a source for light rare earths and gold anomalism detected in stream sediment sampling.



Figure 1. Campbell Creek Prospect, Hodgkinson Project.

Sunshine Gold’s Managing Director, Damien Keys commented: *“The results from Campbell Creek have refined targets for potential reef-style, gold mineralisation. The anomalies are hosted in quartz-veined, coarse iron-rich sandstones which define a ridge line. Prospector maps highlight the presence of “gold in stone” and two “reefs” along the anomalous 3km ridge line. Alluvial gold has also been worked from the creeks either side of the ridge line.*

Field programs have also progressed at Ravenswood West with programs focussed on filling gaps in soil sampling at Dreghorn collecting over 1,500 samples. Field teams are also focussing on sampling and mapping the Elphinstone Creek REE-Cu-Mo-Au prospect before drilling recommences. Rig availability delays mean that drilling at the Titov and Keans Cu-Mo-Au-Ag prospects is now likely to commence in mid-September 2021. Assay results from the recent Dreghorn RC drill program have also been delayed and are anticipated to be released in early September 2021.”

SUNSHINE GOLD LIMITED (ASX:SHN)

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Capital:

Ordinary shares: 356,711,618
Unquoted shares: 88,000,000 (24m Esc)
Deferred shares: 100,000,000 (24m Esc)
Unlisted options: 71,000,000 (24m Esc)
Unlisted plan options: 1,000,000
Perf Rights: 17,000,000 (24m Esc)

CAMPBELL CREEK PROSPECT SOILS PROGRAM, HODGKINSON (Sunshine Gold 100%)

Sunshine Gold completed a 334-sample soil geochemistry program over Campbell Creek to identify potential sources of alluvial gold that has been historically worked in the area. The sample grid was 2.5km wide x 4.6km long with 200m sample centres closing to 100m within the main area of interest. Lines were spaced 200m.

Assay results from the program have identified three discrete coherent anomalies (Figure 2) being Red Ridge North, Red Ridge South and West Point. The largest anomaly (Red Ridge North) extends north-south for 500m. Soil sampling at Red Ridge North was partially infilled to 100m x 100m spacing. The anomaly has a broad core of >20ppb Au and a high spot anomaly of 243ppb Au (or 0.24g/t Au). Subsequent check mapping of Red Ridge South identified a high quartz content in the area. Mapping also confirmed that the soil anomaly is coincident with a quartz-bearing ridge which is predominantly composed of psammite (micaceous, metamorphosed sandstone) which strikes north-northwest. The psammite grades locally to quartzite. Quartz float is abundant on the ridge and trends in the general direction of bedding and could represent an increased density of veining.

The ridge and the psammite dominant zone are interpreted to continue to the south where they coincide with another 300m long soil anomaly, Red Ridge South. A series of “gold in stone” and “reef” occurrences have been documented (2007 Annual Tenement Report EPM 11945; CR50773, 2007) between the two soil anomalous zones. The length of the gold anomalous zone is 3km.

Encouragingly, alluvial gold workings are also present in the creeks to the west and east of the Red Ridge North and South anomalies. The alluvials have been worked sporadically for >40 years.

The third anomaly, West Point, consists of two zones, separated by the Campbell Creek in an area known as Red Workings (alluvial). Twelve rock chip samples were also taken during a follow up mapping program and are currently pending assay. Samples were collected from several sources including quartz veins, quartzite and psammite. There has been no historical drilling at West Point.

Results from the pending rock chip assays will assist in drill target delineation at Campbell Creek.

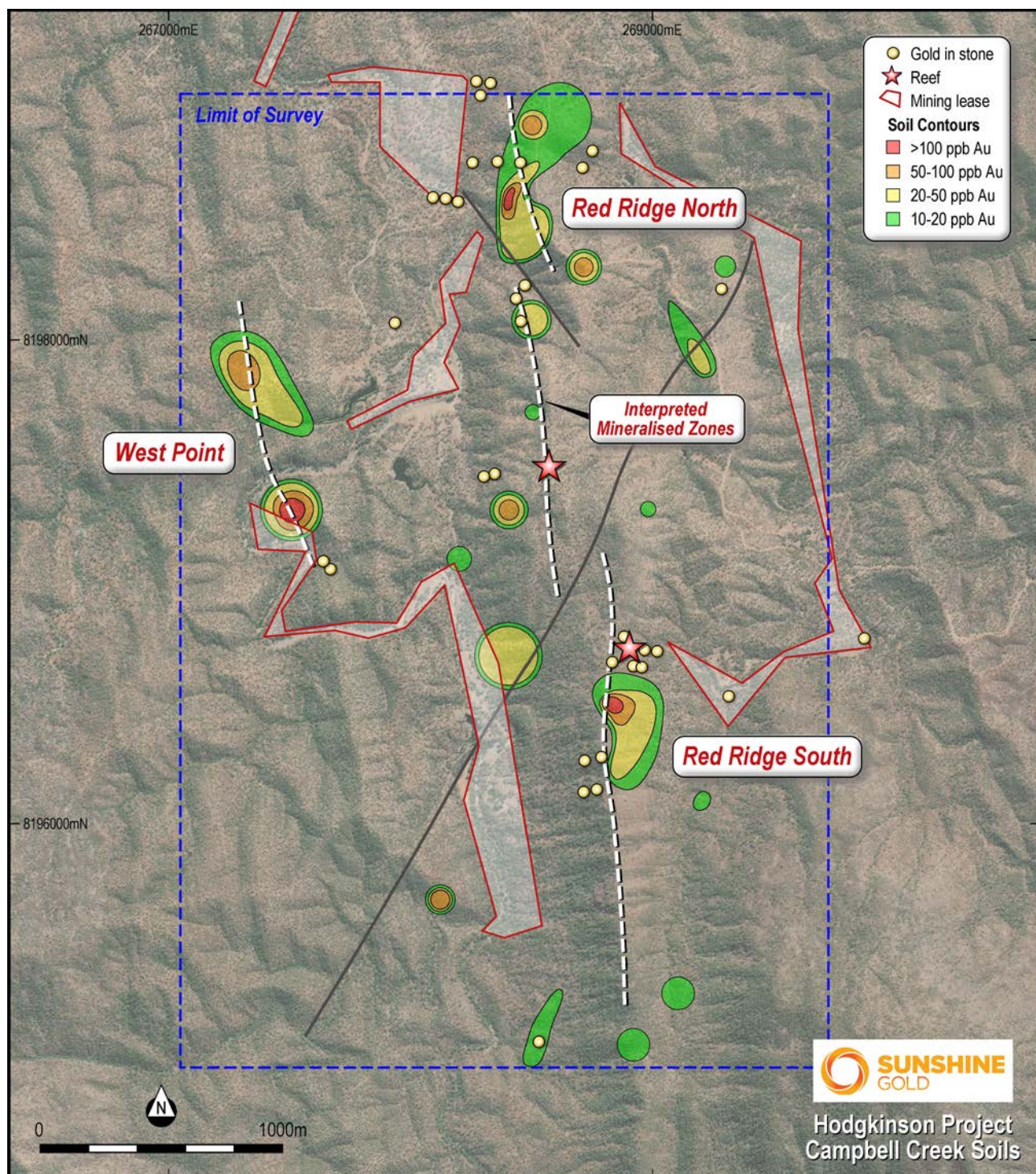


Figure 2. Soil anomalism and documented gold occurrences at Campbell Creek, Hodgkinson Project.

DREGHORN SOILS PROGRAM, RAVENSWOOD WEST (Sunshine Gold 100%)

Soil sampling grids have been extended across Dreghorn to infill large data gaps across the prospect.

The westernmost soil grid has been designed to cover a regional NNW striking fault. The fault is interpreted to be the fault offset position of the Podosky Fault. At Dreghorn, the Podosky Fault zone is coincident with small historic shafts at Sundown, Ellen Boss and Clinker.

The easternmost soil grid has extended a zone of extreme soil anomalism. Magnetic interpretation of the area shows a dominantly east-west oriented fracture set that correlates well with a series of historic shafts including Hanoverian, Genoa and Tingleary.

A total of 1,555 soil samples have been collected since project acquisition in April 2021. Assays remain outstanding for 722 samples.

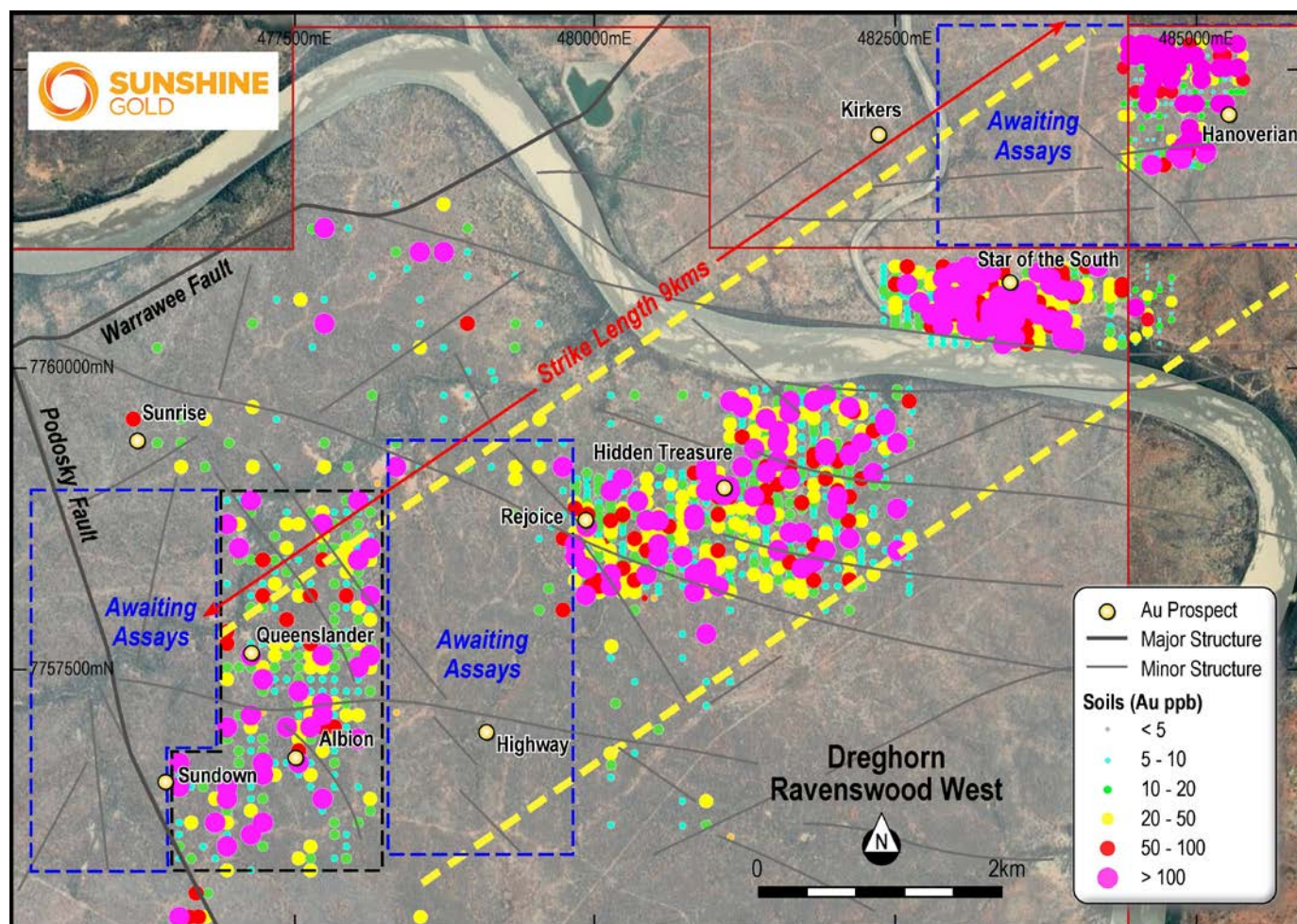


Figure 3. Completed Dreghorn soil sampling surveys, Ravenswood West Project.

ELPHINSTONE CREEK REE-CU-MO-AU SOILS PROGRAM, RAVENSWOOD WEST (Sunshine Gold 100%)

Soil sampling and mapping has commenced at Elphinstone Creek. The sampling aims to locate the source of elevated light rare earth elements (REEs) and gold in stream sediments. The soils results will also provide information over ENE oriented regional faulting in the south of the Keans area. Keans is interpreted to lie on the Buck Reef Fault, which is critical in localising gold mineralisation at the nearby Ravenswood Gold Mine.

TITOV AND KEANS CU-MO-AU-AG RC DRILLING UPDATE, RAVENSWOOD WEST (Sunshine Gold 100%)

Access tracks and drilling pads have been cleared at Titov and Keans with drilling to commence in mid-September 2021. The 2,500m drilling campaign is expected to take three weeks to complete. Upon completion of drilling at Keans, the team will move to the Triumph Project to complete follow up drilling from the successful maiden campaign.

DREGHORN RC RESULTS UPDATE, RAVENSWOOD WEST (Sunshine Gold 100%)

Sunshine Gold's first pass reconnaissance drill program at Dreghorn was completed on 24 July 2021. The program totalled 3,558m of RC drilling across 34 drill holes. The program targeted known historical workings and a range of structures to assist in future target development. Assays are currently pending due to increased laboratory turnaround times.

PLANNED ACTIVITIES

- September 2021: Dreghorn RC drilling results, Ravenswood West.
- September 2021: RC drilling at Titov and Kears, Ravenswood West.
- Sept 2021 quarter: Audited financial statements.
- October 2021: September Quarterly report
- Oct – Dec 2021: Infill and extensional RC drilling at Triumph.
- October 21-22, 2021: Presentation at the Australian Gold Conference, Sydney.
- November 2021: Annual General Meeting.
- Dec 2021 quarter: Ongoing geochemical and mapping programs at Ravenswood West.
- Dec 2021 quarter: Mapping and sampling at Investigator.

ENDS

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

Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Dr Damien Keys, a Competent Person who is 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 JORC Code. 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.

ABOUT SUNSHINE GOLD

Sunshine Gold is focused on its high-quality gold and copper projects in Queensland. Following the recent acquisitions of XXXX Gold Pty Ltd and Ukalunda Pty Ltd, Sunshine Gold has secured 100% interest in the Triumph, Hodgkinson, Investigator and Ravenswood West projects.

Triumph Gold Project (EPM18486, EPM19343: 100%)

Triumph is centred around the historical Norton gold field from which ~20,000 oz of gold was extracted between 1879-1941. The project is located 50km south of the mining hub of Gladstone and comprises two exploration permits covering 138km². Triumph is located within the Wandilla Province of the New England Orogen. Nearby large gold deposits include Mt Rawdon (2.8 Moz Au), Mt Morgan (8 Moz Au and 0.4 Mt Cu) and Cracow (2 Moz Au). Triumph is a 15km² intrusion related gold system which has the potential to host both discrete high-grade vein deposits and large-scale, shear hosted gold deposits.

Hodgkinson Gold Copper Project (EPM18171, EPM19809, EPM25139, EPM27539, EPM27574, EPM27575: 100%)

Hodgkinson is located 100km north east of Cairns in North Queensland. The project comprises four exploration permits and two exploration lease applications covering 365km². The project is situated 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. Hodgkinson has been extensively explored for tungsten, owing to its proximity to the Watershed and Mt Carbine tungsten deposits, but underexplored for gold. BHP-Utah International completed stream sediment sampling across the entire tenure in the late 1980's and confirmed that the area was anomalous in gold as well as tungsten.

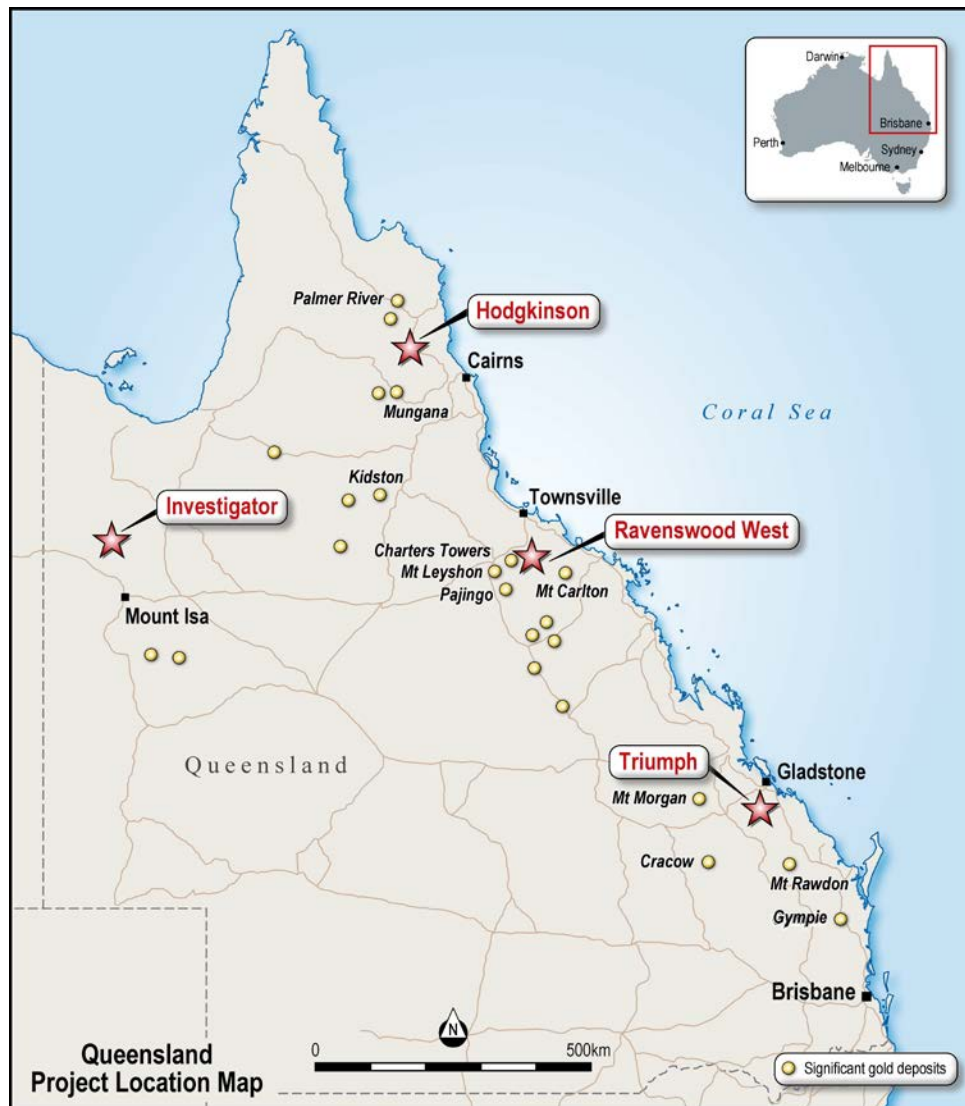
Investigator Copper Project (EPM27344, EPM27345: 100%)

Investigator comprises two exploration permits covering 115km². It is located 110km north of Mt Isa and 12km south of the Mt Gordon Copper Mine. Investigator has seen no modern exploration and importantly, no holes have been drilled in the most prospective stratigraphic and structural positions.

Ravenswood West Gold-Copper-Rare Earths Project (EPM 26041, EPM 26152, EPM 26303, EPM 26304: 100%)

Ravenswood West is comprised of a significant holding (392 km²) of highly prospective gold-copper ground within 5 kms of the Ravenswood Mining Centre (4 Moz Au produced, a further 4.3 Moz Au in Resource and 1.8 Moz in Ore Reserves). The Ravenswood Mining Centre was purchased by EMR Capital and Golden Energy & Resources Ltd. (SGX:AUE) from Resolute Mining Ltd. (ASX:RSG) in 2020 for up to \$300m and is presently subject to a ~\$200m upgrade. In addition, there are three other gold mills within 100km, two of which are toll treating.

The Project is highly prospective for intrusion-related and orogenic gold, porphyry gold-copper-molybdenum and rare earth elements. Ravenswood West covers 20-25km of strike along a major fault that links Pajingo (4 Moz) and Ravenswood (9.8 Moz) and contains numerous historic gold workings.



JORC Code, 2012 Edition TABLE 1

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	- 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. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - 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.	SHN Campbell Creek Soil Samples: This ASX releases refers only to sample results from SHN's Campbell Creek soil sampling program. These soils were collected by removing approximately the top 5cm of the soil profile (the "A" horizon) and digging to a depth of approximately 15cm (the base of "B" horizon). A portion of this soil was then collected and placed into a sieve and sieved to -80 mesh size. Approximately 100g of the -80 mesh size material was then placed into a numbered, paper geochem bag and placed into batches within green plastic bags. A palaeopick was used to dig the sample holes. The holes were then infilled by the Field Technician immediately after collection. These were then delivered by SHN to the laboratory. Sunshine Gold Rock Chips: 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.
Drilling techniques	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.).	Drilling: Not applicable
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - 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.	Historical Drilling: Not applicable

Logging	• 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. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	SHN Soils: No logging of the individual soil sample location was undertaken. SHN Rock Chips: Rocks have been logged for lithology, alteration, mineralisation and veining and recorded in the SHN Geochemistry Database. Photos are taken of all submitted samples.
Sub- sampling techniques, sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	SHN Soils: Soil collection was undertaken as per industry standard. As part of quality control, samples were taken from the same soil horizon through removing the top 5cm of soil (the A horizon) before collection. Sieving to -80mesh is a consistent methodology and control to ensure all samples can be compared and correlated. SHN Rock Chips: Sample size of 1 – 3kg 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.
Quality of data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • 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.. • 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.	SHN Soils: SHN soils were assayed for gold using an industry standard 25g fire assay and OES finish. This is deemed appropriate for the sample type and its usage. All samples were also assayed for 55 other elements using a four-acid digest with ICP-MS finish. This provides precise multi-element assay data at low detection limits. No internal QAQC samples were used as the soils are only utilised to provide an area of interest for future follow up.

Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	SHN Soils: No independent review of assays has been undertaken. No conversions on assays have been undertaken. Primary data is received in both CSV and PDF format. Data is subsequently stored within the SHN geochemistry database. Subsequent infill of the Red Ridge North area confirmed anomalism as per the original soil samples in that area.
Location of data points	• 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. • Specification of the grid system used. • Quality and adequacy of topographic control.	SHN Soils: Soil locations were located as points using handheld GPS in GDA94, Zone 55 format.
Data Spacing and distribution	• Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied.	SHN Soils: Data spacing was typically 200 x 200m, closing to 200 x 100m in the central portion of the grid. The Red Ridge North area was partially infilled to 100 x 100m gridding.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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.	SHN Soils: Spacing on the initial grid was purposely designed to be closed from 200m centres on the flanks (which were deemed less prospective) to 100m centres in an east-west orientation in the core of the grid. This was due to the predicted (and subsequently proven) north-south trend of the lithological units, and as such would provide more detail in these areas.

Sample security	The measures taken to ensure sample security.	Historical Datasets: No information on sample security is available. SHN Soils Samples were allocated an identification number upon collection, which was pre-written on the sample. The samples were then placed into plastic bags (approximately fifty per bag) and transported by SHN to the laboratory. No third party was involved with the handling of the sample between collection and drop off.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	SHN Soils: The sampling techniques are regularly reviewed. No external audit has taken place.

Section 2 – Reporting of Exploration Results (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- 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. - 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.	The Hodgkinson Project consists of EPMs 18171, 19809, 25139, 27539, 27574 and 27575. All EPMs are owned 100% by XXXX Gold Pty Ltd, a wholly owned subsidiary of Sunshine Gold Limited. The tenements are in good standing and no known impediments exist. Ten current, third party Mining Leases exist on EPM 27575 – named MLs 20536 (Watershed B), 20567 (Watershed E) 20576 (Watershed G), 20282 (Southern Cross Two), 20590, 20591, 20592, 20596 (named Campbells No. 1 – 4 respectively), 20702 (Campbell Creek Lease 1) and 20592 (Family First). The Watershed leases are associated with the Watershed tungsten deposit; the remainders are alluvial licenses. No mining leases are present on the other Hodgkinson permits. EPM 18171 is partially covered by the Mt Windsor National Park. This report refers to only work undertaken on EPM 27575.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	It is believed only minor exploration has been undertaken on EPM 27575. Rock chip and soil samples were taken historically by Utah Development Company (UDC) and BHP, and BHP and Cyprus Metals are also believed to have taken bulk cyanide leach stream sediment samples. Nonetheless, this only totalled twenty-five rock chips and five soil samples. The stream sediments are slightly more numerous. A soil grid north of EPM 27575 was taken by Cyprus Metals although only two of these samples were within EPM 27575.
Geology	Deposit type, geological setting and style of mineralisation.	The Hodgkinson Project area geology is located within open file 100k map sheet areas 7865 (South Palmer River), 7964 (Rumula) and 7965 (Mossman). The project is hosted within the Hodgkinson Province which consists of Late Silurian to Carboniferous sediments and minor intrusives. These have subsequently been intruded and metamorphosed by granites of the Curraghmore Suite, primarily the Desailly and Kelly Saint George granites, which are Carboniferous to Permian in age. Gold mineralisation is assumed to be intrusion-related and hosted in either sediment or granite. The area is also considered prospective for tungsten, tin and antimony.
Drill hole information	- 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: - easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and intercept depth - hole length.	Not applicable

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• 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. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	Sunshine Gold soils are reported as individual point samples with no metal equivalents used.
Relationship between mineralisation widths and intercept lengths	• 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').	Any widths and strikes of anomalism mentioned within this report refer solely to anomalism caused by elemental elevations in soil and do not correlate to the true geometry of any associated mineralisation.
Diagrams	• 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.	Refer to figures contained within this report.

Criteria	JORC Code explanation	Commentary
Balanced reporting	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.	All results are presented in figures and tables contained within this report.
Other substantive exploration data	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.	No other material data is presented in this report.