

5th September 2024

Sun Silver US\$60m Qualifying Advanced Energy Project Tax Credit application advances

Initial submission for US Silver Paste Production Facility supported by the US Government as the Company moves to the final application stage of the 48C program

Highlights:

- Sun Silver has been selected by the US Department of Energy for the final application stage of the Qualifying Advanced Energy Project Allocation Program (48C Program).
- The Section 48C Program offers a 30% investment tax credit to projects that support advanced energy manufacturing and enhance US competitiveness in clean energy.
- If successful, the Company will receive a US\$60 million tax credit for its proposed US Silver Paste Production Facility.
- Initial feedback from the US Department of Energy suggests a positive recommendation is likely based on Sun Silver's initial submission.
- The Silver Paste Project aims to produce local high-quality silver paste, which is critical for improving the efficiency and sustainability of solar PV cells.
- The proposed facility would enable Sun Silver to supply silver paste to solar photovoltaic (PV) cell manufacturers in the US, aligning with efforts by the US to reduce its dependence on China for silver paste supply and bolster domestic supply chains.
- The Silver Paste Project studies will run in parallel to the development of the Company's globally significant Maverick Springs Silver-Gold Project in Nevada, which hosts a JORC 2012 Inferred Mineral Resource of 423Moz of contained silver equivalent (AgEq) metal grading 67.25g/t AgEq.¹

Sun Silver Limited (ASX Code: "SS1") ("Sun Silver" or "the Company") is pleased to advise that the US Department of Energy has selected the Company to enter the final application stage under the Qualifying Advanced Energy Project Allocation Program (48C Program) to receive a US\$60 million tax credit to support the development of a Silver Paste Production Facility within the United States.

¹ Sun Silver ASX Announcement dated 28th August 2024 – Resource Increased by 45% to 423Moz at 67.25g/t Silver Eq



Initial positive feedback has been received from the Department of Energy relating to the Company's initial submission.

"Concept papers were evaluated across multiple criteria and policy factors. This letter of encouragement does not convey any DOE judgement on the merits, viability, or profitability of the project separate from the 48C Program, only that the project is likely to receive a recommendation based on the concept paper received."

The Section 48C Program, administered by the Department of Energy, supports innovative energy projects that contribute to reducing greenhouse gas emissions. This federal incentive program provides a 30% investment tax credit (ITC) for qualified expenditures on advanced energy manufacturing facilities such as Sun Silver's Silver Paste Project. It aims to strengthen domestic supply chains, enhance US competitiveness in the global clean energy economy, and foster job growth in related industries.

Under the IRA, advanced energy project credits can be monetised through a sale for cash, in addition to offsetting income tax liability. To realise the full credit amount, companies must meet the requirements outlined in Section 48C of the Internal Revenue Code and adhere to operational and employment plans submitted to the IRS.

The Company's Silver Paste Project aligns with the objectives of the Section 48C Program by enhancing the efficiency and sustainability of solar PV cells through the production of high-quality silver paste. Silver paste accounts for up to 23% of the material cost of a photovoltaic cell (solar panel), crucial for creating electrical contacts essential in converting sunlight into electricity.

As the demand for renewable energy continues to grow – particularly in the US, where solar commitments are targeted to reach 30% of the country's energy requirements by 2030 (up from 3% in 2022) – ensuring a stable and efficient supply of silver paste becomes increasingly crucial.

In early May 2024, US President Joe Biden approved an increase in tariffs on Chinese solar imports from 25% to 50% to encourage further onshoring of manufacturing. This policy underscores the strategic importance of domestic production, supporting initiatives like Sun Silver's Silver Paste Project.

The preliminary location for the Silver Paste facility is strategically positioned in Census Tract 9502, Elko County (Census Tract ID: 32007950200), near the Maverick Springs Project (85km south of Elko, Nevada). This location was chosen to minimise transport costs and facilitate the sharing of resources, materials and equipment between the mine, processing infrastructure and the Silver Paste facility. Elko County's well-developed infrastructure, supported by a population of over 20,000, ensures year-round access to a local skilled workforce.

Sun Silver Executive Director, Gerard O'Donovan, said:

"We are delighted to have been selected by the US Department of Energy to enter the final application stage for the 48C Program. This is another milestone for Sun Silver, reflecting the potential impact of our proposed Silver Paste Production Facility. We look forward to continuing to work with the DoE and advancing through the final application stage."

Section 48C is one of several funding options available from the Department of Energy. Sun Silver is actively exploring additional grant opportunities to support the Maverick Springs Project and Silver Paste Production Facility. The Company is committed to pursuing these avenues to align our projects with government targets, initiatives, and mandates.

In addition to pursuing investment tax credits through the Department of Energy's Section 48C program, Sun Silver is actively identifying other funding opportunities through the Department of Defence.

Antimony, a critical mineral as defined by the United States Geological Survey, is a key material for supporting US national security and various defence applications. Recent work at the Maverick Springs Project has revealed anomalous results for antimony². Should these initial results prove consistent and develop into a resource of commercial scale, the Maverick Springs Project could play a crucial role in securing a reliable domestic supply of this strategic material, enhancing the USA's internal supply chain and strengthening national security.

Maverick Springs Project

Sun Silver's cornerstone asset, the Maverick Springs Project, is located 85km from the fully serviced mining town of Elko in Nevada and is surrounded by several world-class gold and silver mining operations including Barrick's Carlin Mine.

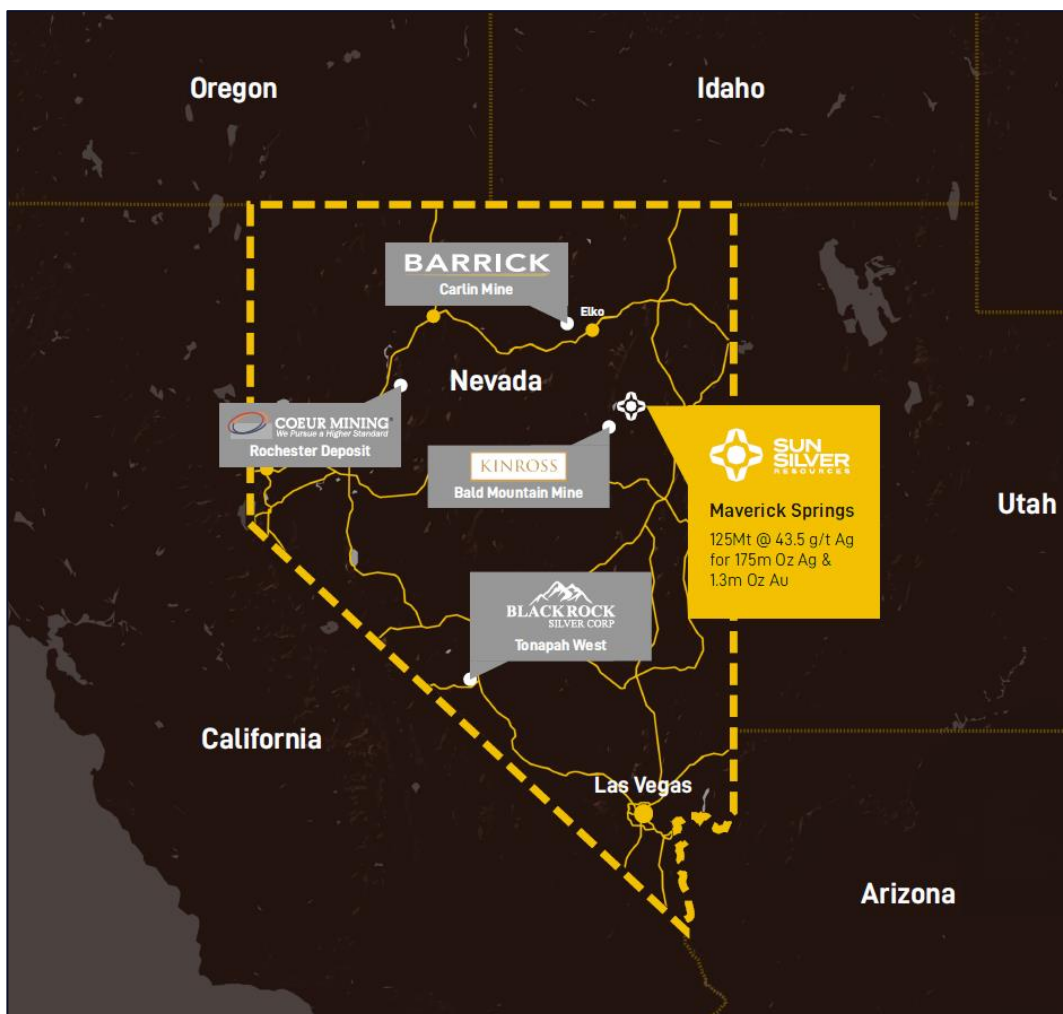


Figure 1 – Sun Silver's Maverick Springs asset location and surrounding operators.

² Sun Silver ASX Announcements dated 2nd August 2024, 22nd August 2024 and 2nd September 2024

Nevada is a globally recognised mining jurisdiction which was rated as the Number 1 mining jurisdiction in the world by the Fraser Institute in 2022.

The Project, which is proximal to the prolific Carlin Trend, hosts a JORC Inferred Mineral Resource of 195.7Mt grading 40.25g/t Ag and 0.32g/t Au for 253.3Moz of contained silver and 2Moz of contained gold (423Moz of contained silver equivalent at 67.25g/t AgEq).

The deposit itself remains open along strike and at depth, with multiple mineralised intercepts located outside of the current Resource constrained model.

This announcement is authorised for release by the Board of Sun Silver Limited.

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*This announcement may contain certain forward-looking statements, guidance, forecasts, estimates or projections in relation to future matters (**Forward Statements**) that involve risks and uncertainties, and which are provided as a general guide only. Forward Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimate", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of the Company. The Company can give no assurance that these expectations will prove to be correct. You are cautioned not to place undue reliance on any forward-looking statements. None of the Company, its directors, employees, agents or advisers represent or warrant that such Forward Statements will be achieved or prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this announcement. Actual results may differ materially from those anticipated in these forward-looking statements due to many important factors, risks and uncertainties. The Company does not undertake any obligation to release publicly any revisions to any "forward- looking statement" to reflect events or circumstances after the date of this announcement, except as may be required under applicable laws.*

Competent Person Statement

*The information in this announcement that relates to exploration results or estimates of mineral resources at the Maverick Springs Project is extracted from the Company's ASX Announcements dated 2 August 2024, 22 August 2024, 28 August 2024 and 2 September 2024 (**Original Announcements**). The Company confirms that it is not aware of any new information or data that materially affects the information contained in the Original Announcements and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.*