Sun Valley Receives Exploration Licence at Tarumán Main – Prepares for Trenching; Further Expands & Defines Gold-Silver-in-Soil Anomaly at Tarumán Main; Provides General Update on Activities, Mineral Licences & Applications

February 28, 2025

Dear Sun Valley Shareholder or Follower,

Sun Valley Minerals Inc. ("**Sun Valley**" or the "**Company**") is pleased to provide the following updates, including recent activities at the Company's wholly owned Tarumán Gold-Silver Project in Uruguay:

- *Receives ~484-hectare Exploration Licence at Tarumán Main – Prepares for Initial Trenching Program*
- *Receives Key ~5,391-hectare Prospecting Licence Contiguous to Tarumán Main*
- *Submits Two New Prospecting Licence Applications in Uruguay – One of which is Contiguous to and Aims to Add ~9,698 Hectares to the Existing Tarumán & Keana Land Package*
- *Follow-up Auger-Soil Sampling at Tarumán Main Further Expands & Defines Gold-Silver-in-Soil Anomalies – Additional Infill & Step-Out Auger-Soil Sampling is Underway*
- *Completes 50m Line Spacing Ground Magnetic Survey Over ~484-hectare Exploration Licence Area – Ground FDEM & Orientation Gravity Surveys to Commence in Mid-March*
- *Commences Expansion of On-Site Work Facilities at Tarumán Main*
- *Commences Baseline Water-Quality Assessment Study at Tarumán Main - Establish Pre-Existing Water Quality Conditions as Reference for Ongoing & Future Environmental Monitoring*
- *Completes Regional Orientation Soil Sampling Program at Keana and Tarumán – Results Pending*
- *Completes ~2,526 Hectares of 50m Line Spacing Ground Magnetic Surveys Within Broader Keana & Tarumán Licences – Additional Ground Magnetic Surveys are Ongoing*

Mineral Licences & Licence Applications

Receives ~484-hectare Exploration Licence at Tarumán Main - Prepares for Initial Trenching Program

The Company received notice that its exploration licence application covering ~484 hectares of the Tarumán Main gold-silver target has been approved, allowing for exploration trenching and drilling within the licence area. The licence is valid for an initial period of 36 months following the notification of approval date, after which the licence can be extended on an annual basis for up to an additional 36 months. A ~163-hectare portion within the licence area was historically under an exploration licence held by B2Gold and its then local partner company. Refer to *Figure 1* for an overview of the exploration licence location.

Sun Valley's work to date has primarily focused on developing trenching and drilling targets within the exploration licence area. The Company is currently preparing for its initial trenching program, expected to commence in early April, following the expansion of its on-site work facilities, the completion of a baseline water-quality assessment study, as well as infill and step-out auger-soil sampling programs currently underway in the western portion of the exploration licence area, and immediately north of the exploration licence. Frequency Domain Electromagnetic (FDEM) and orientation gravity surveys are also scheduled to commence in mid-March, ahead of trenching. An

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estimated 2,000 – 2,500 meters of trenches targeting anomalous gold-silver-in-soil and gold-silver-in-rock chip samples are planned for the initial program.

Receives Key ~5,391-hectare Prospecting Licence Contiguous to Tarumán Main

The Company received notice that one of its prospecting licence applications, covering ~5,391 hectares immediately east and north of Tarumán Main, has been approved *(Figure 1)*. The licence unlocks key areas within the broader land package, most notably the area immediately north of Tarumán Main where the broader gold-silver-in-soil anomaly defined to date is unconstrained and believed to potentially extend onto the recently granted prospecting licence. The licence is valid for an initial period of 36 months following the notification of approval date, after which the licence can be extended on an annual basis for up to an additional 36 months.

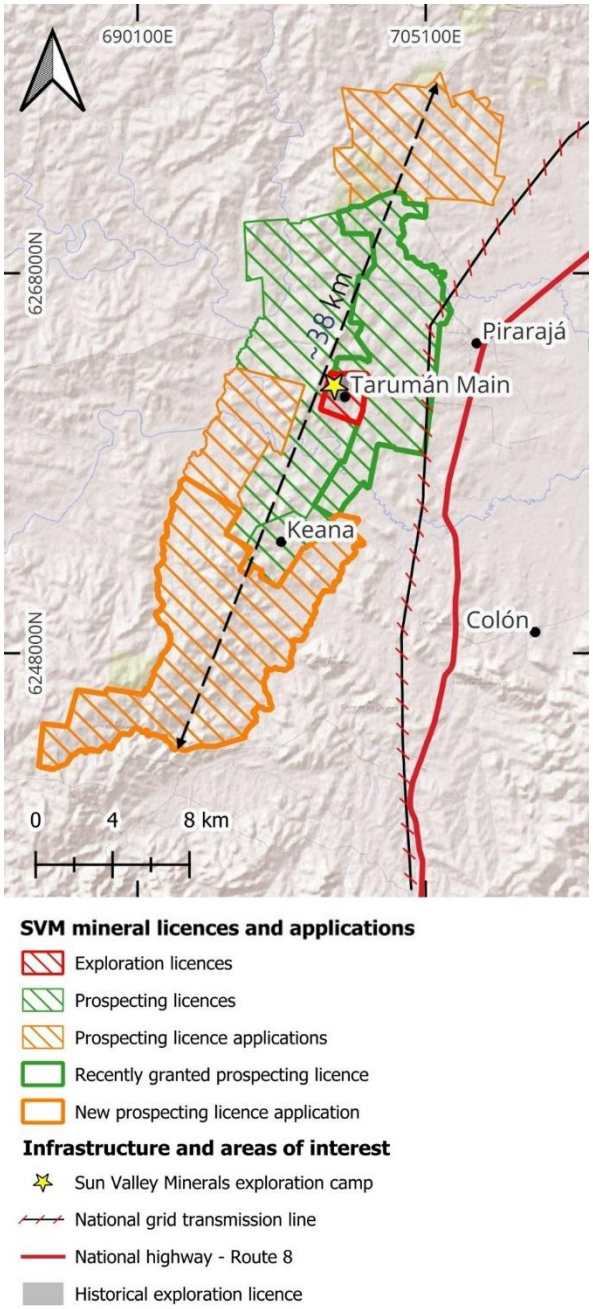


Figure 1: Lavalleja Land Package.

Submits New Prospecting Licence Applications in Uruguay

The Company submitted two new prospecting licence applications in Uruguay, the largest of which is contiguous to its existing land package in Lavalleja Department, which contains the Tarumán Main and Keana targets. This new licence application covers ~9,698 hectares of prospective ground along the northeast-southwest trending Dom Feliciano Fold-and-Thrust Belt and aims to expand the footprint of the Company's combined and consolidated licences and licence applications in the area to ~30,725 hectares (*Figure 1*).

The second new prospecting licence application, located near the Company's existing Rivera prospecting licence application in Rivera Department, north-eastern Uruguay, covers ~123 hectares and is believed to include historical exploration targets with untested exploration potential. Refer to *Figure 2* for an overview of the new prospecting licence application location in Rivera Department.

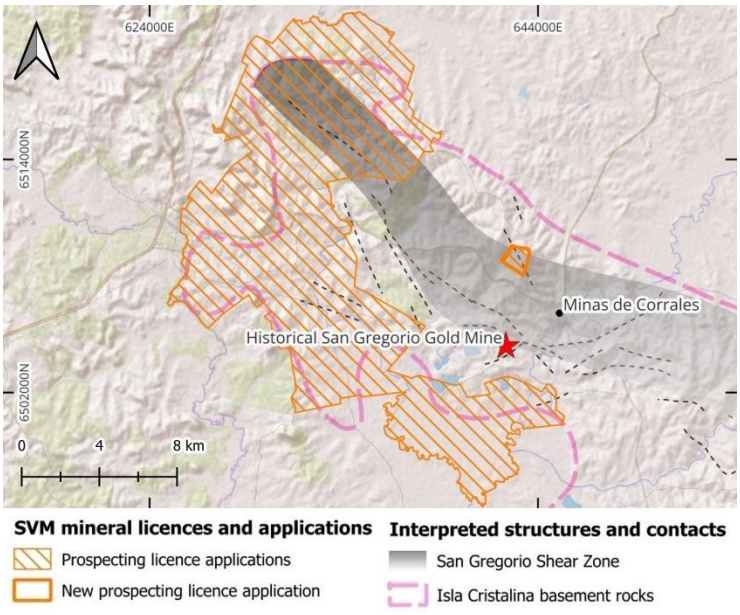


Figure 2: Rivera Land Package.

Tarumán Main - Prospecting & Exploration Activities

Follow-up Auger-Soil Sampling Further Expands & Defines Gold-Silver-in-Soil Anomalies

Follow-up auger-soil sampling at Tarumán Main aimed at infilling and expanding the anomalous footprint of gold-silver mineralization identified during Work Program 2 has successfully delineated a well-defined gold-silver-in-soil surface anomaly. This anomaly correlates well with rock chip and source-proximal heavy mineral concentrate (HMC) stream sediment sampling results to date, with combined results suggesting that the southeastern and southwestern margins of the mineralized footprint are bounded by prominent northeast-southwest and northwest-southeast trending geological structures, respectively. Surface mineralization remains unconstrained to the north-and-northeast where current ongoing work aims to potentially further expand the anomaly.

The primary gold-in-soil anomaly, described as the *"Core Zone"*, is characterized by gold-in-soil concentrations greater than ~15 ppb Au, with many values exceeding 100 ppb Au. This anomaly measures up to ~1,800 by ~1,000 meters and is encompassed by a broader ~1,850 by 1,600-meter *"Fringe Zone"* gold-in-soil anomaly, with concentrations exceeding ~7 ppb Au. Both the Core- and-Fringe Zone anomalies coincide with a prominent ~2,000 by 1,650-meter silver-in-soil anomaly, which is characterized by silver-in-soil concentrations greater than ~60 ppb Ag, with many values exceeding 200 ppb Ag. The gradational nature of the gold-silver-in-soil anomaly can potentially be attributed to geochemical zonation within the broader mineralized system. The combined gold-silver-in-soil anomaly exhibits variable moderate to strong correlations with antimony, tin, arsenic, molybdenum, tellurium, copper, and lead. Refer to *Figures 3, 4 and 5* for an overview of the gold-silver-in-soil anomalies identified to date.

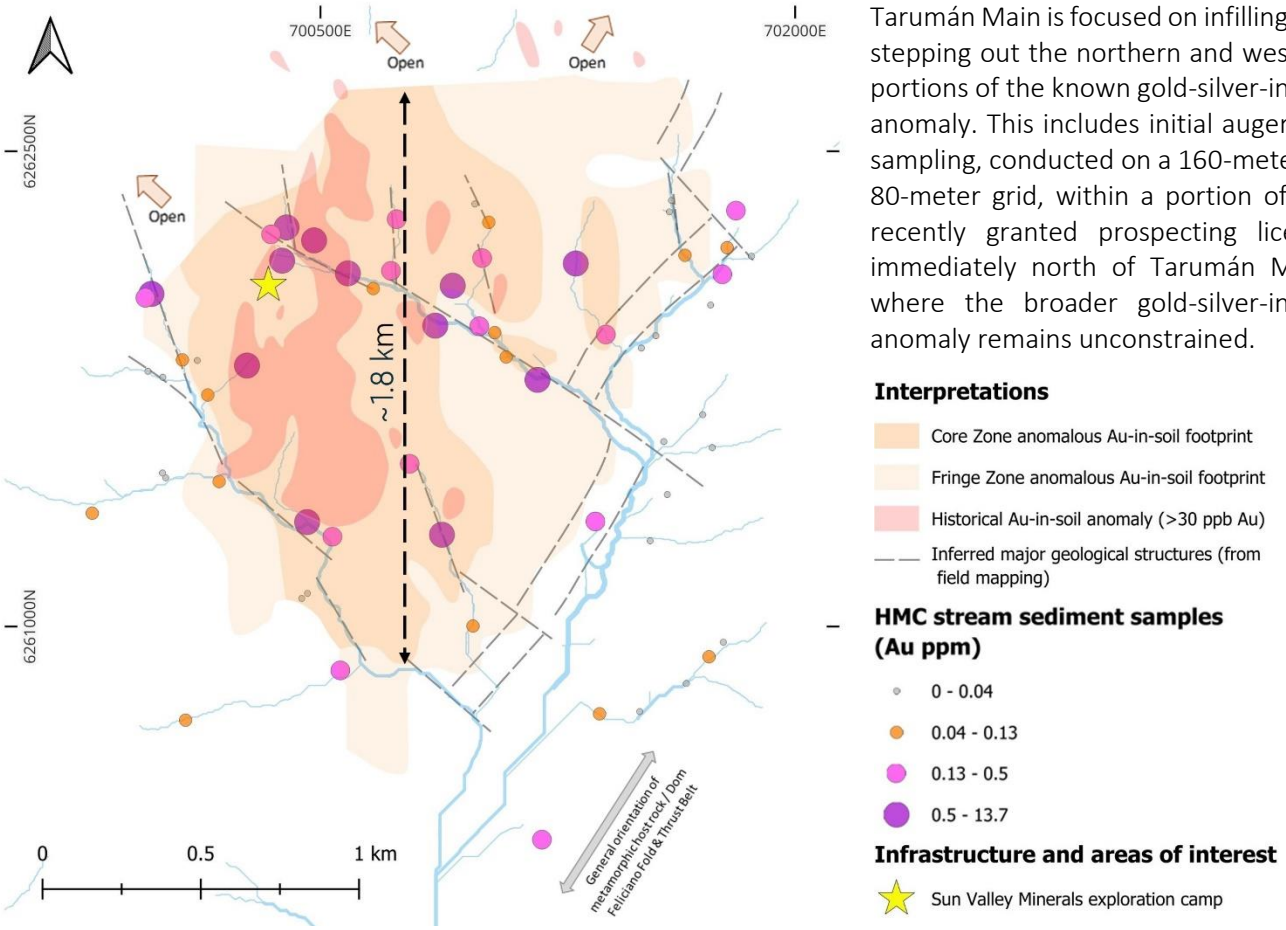


Figure 3: Interpreted Gold-in-Soil Anomaly vs. HMC Stream Sediment Results.

Current ongoing auger-soil sampling at Tarumán Main is focused on infilling and stepping out the northern and western portions of the known gold-silver-in-soil anomaly. This includes initial auger-soil sampling, conducted on a 160-meter by 80-meter grid, within a portion of the recently granted prospecting license immediately north of Tarumán Main, where the broader gold-silver-in-soil anomaly remains unconstrained.

Gold-in-Soil: Completed & Planned Auger Sampling

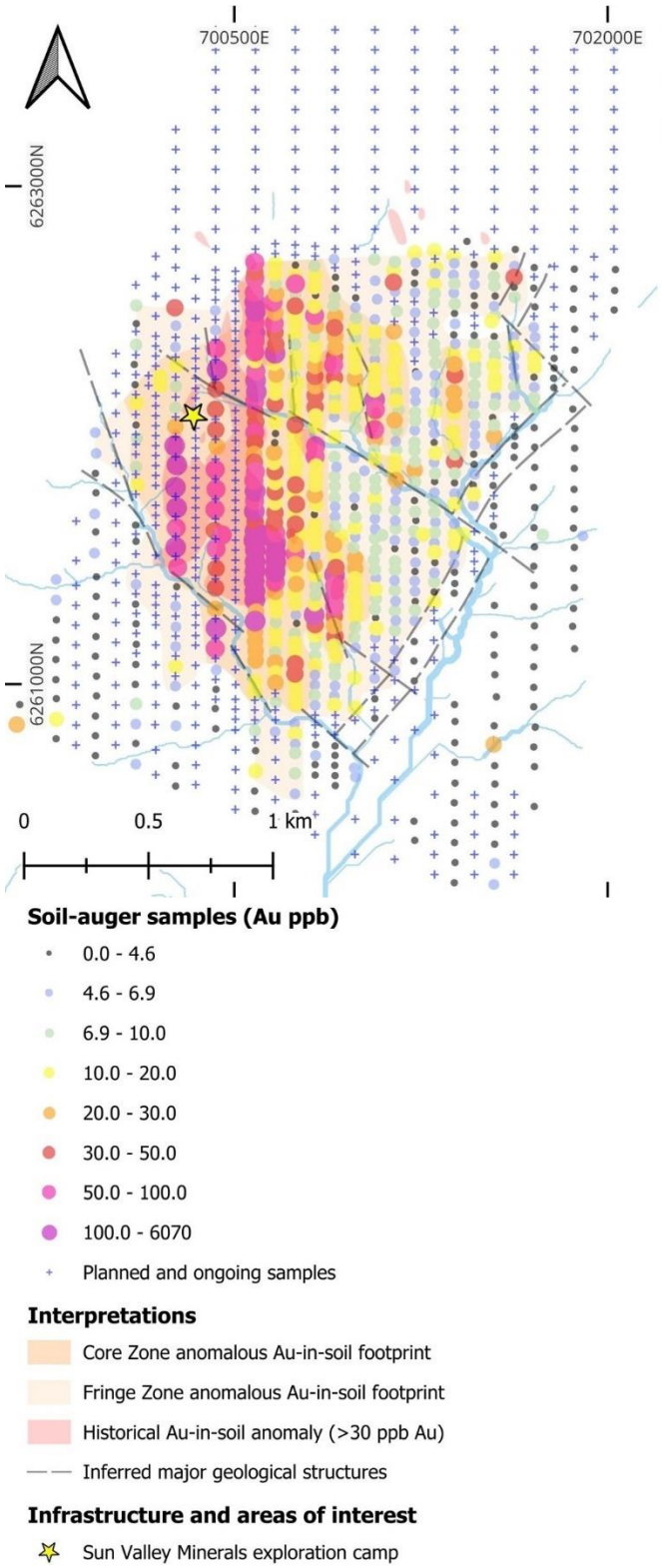


Figure 4: Gold-in-Soil Results to Date.

Silver-in-Soil: Completed & Planned Auger Sampling

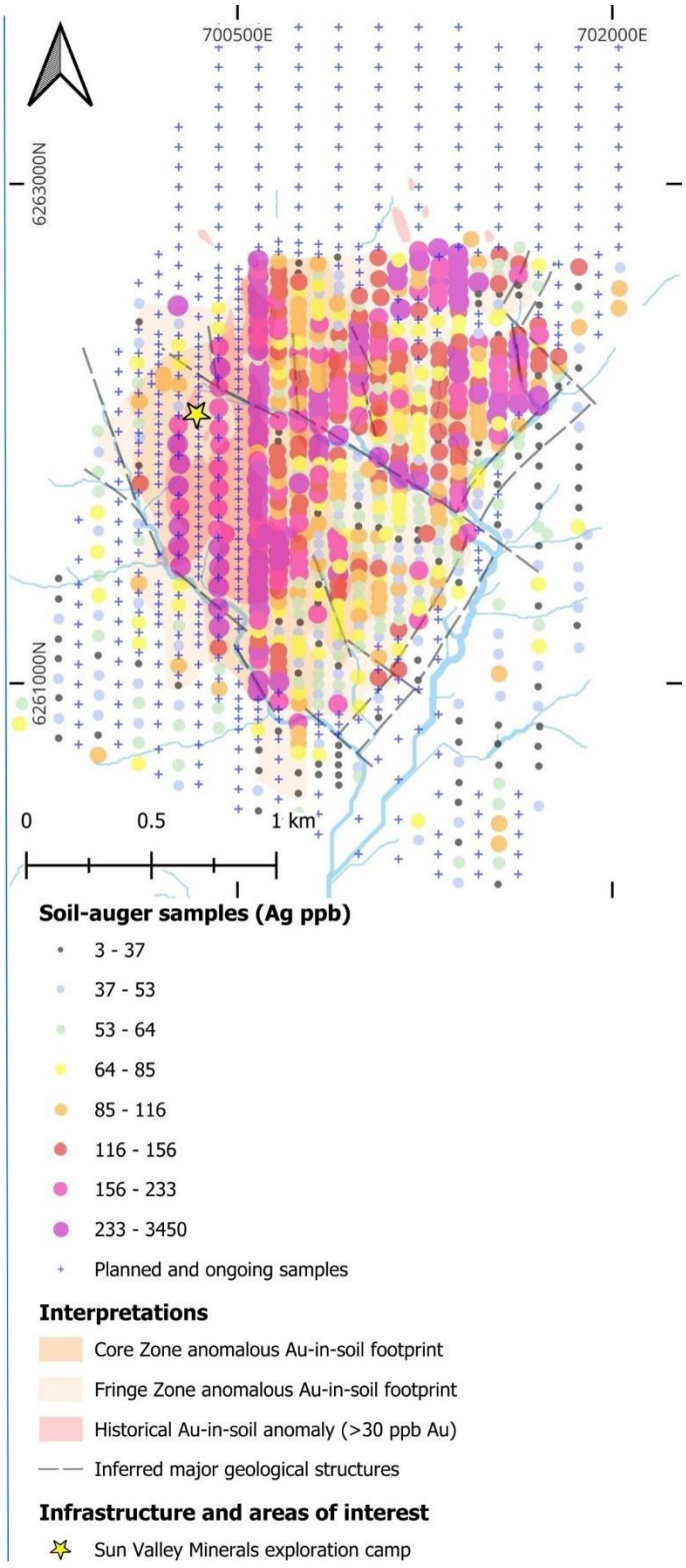


Figure 5: Silver-in-Soil Results to Date.

Completes Ground Magnetic Coverage Over ~484-hectare Tarumán Main Exploration Licence Area – Ground FDEM & Orientation Gravity Surveys to Commence in Mid-March

High resolution (50-meter line spacing) ground magnetic surveys have expanded coverage across the known gold-silver-in-soil anomaly at Tarumán Main, providing additional structural and geophysical context. However, magnetic survey interpretation has proven challenging due to the largely non-magnetic nature of the host rocks and the presence of highly magnetic cross-cutting dykes, which obscures structural and lithological features. Refer to *Figure 6* for an overview of Sun Valley's ground magnetic surveys completed at Tarumán Main to date.

Based on observations and work to date, including a petrophysics study completed in 2024, and following expert recommendations, the Company has committed to a cost-effective ground-based orientation geophysics program involving FDEM and orientation gravity surveys. The program is anticipated to commence in mid-March and will cover the entire ~484-hectare exploration licence area, as well as a ~163-hectare portion of the recently granted prospecting licence, immediately north of the exploration licence. The program aims to compliment ground magnetic surveys completed to date, and to enhance ongoing geological mapping by providing detailed conductivity data, potentially identifying sulphide-rich zones, structural corridors, and areas of hydrothermal alteration. The orientation gravity survey is being trialed to assess its capability to detect large-scale structural features such as thrusts, shear zones, and fold-related density variations.

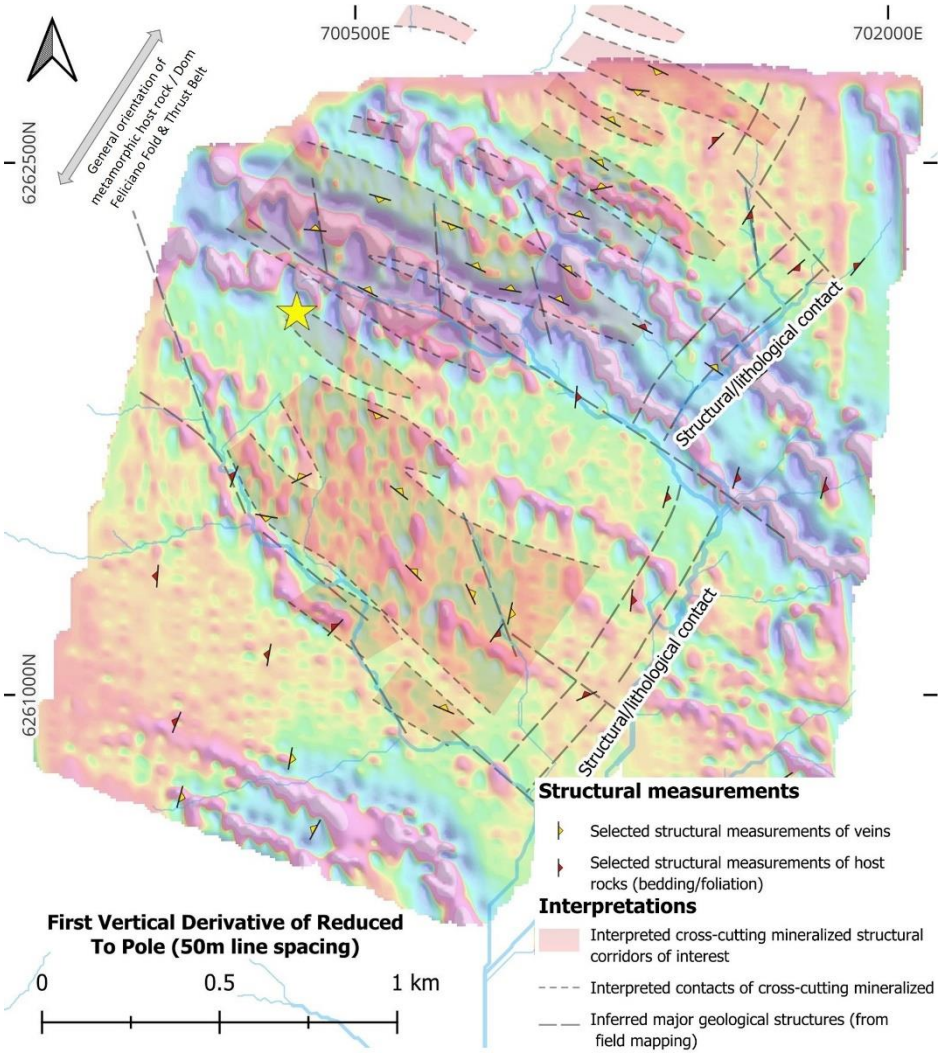


Figure 6: Tarumán Main Ground Magnetics.

Initial Trenching Program at Tarumán Main

An initial trenching program is anticipated to commence early April and will comprise an estimated 2,000 – 2,500 meters of surface trenches aimed at priority targets defined by surface work completed within the exploration licence area to date. The program will be followed up by additional trenching programs, which will incorporate results from current ongoing and planned auger-soil and geophysics programs. Preparations leading up to trenching include expansion of the Company's on-site work facilities, and conducting a baseline water-quality assessment study scheduled to commence in early March. The purpose of this study is to establish pre-existing water quality conditions as a reference for future environmental monitoring.

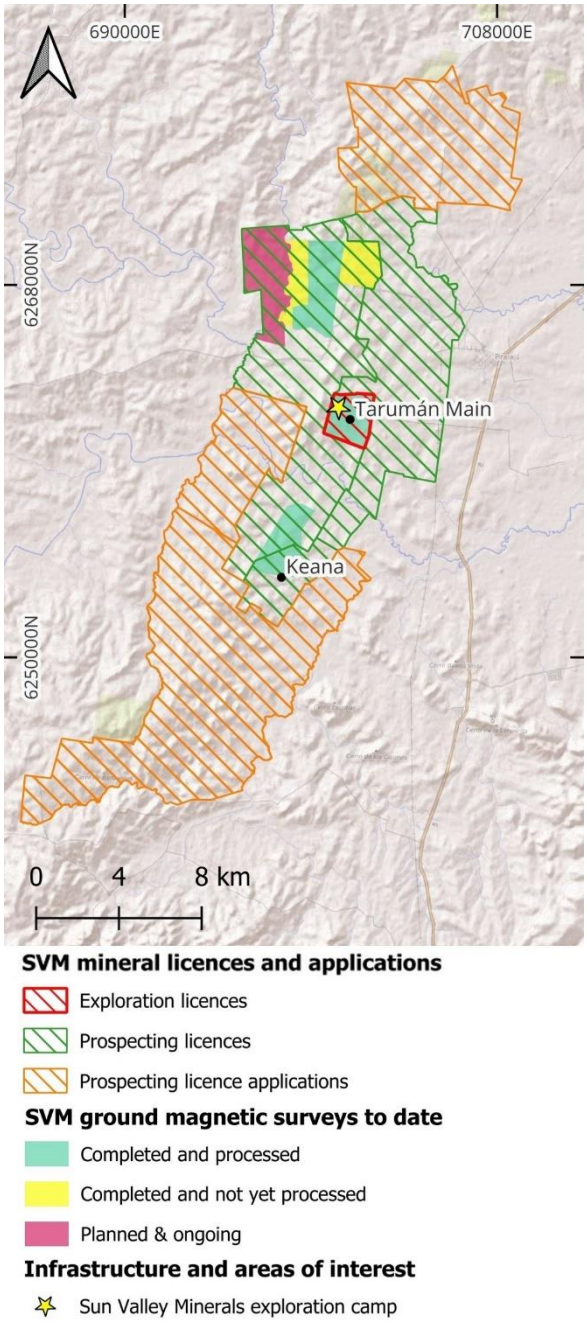


Figure 7: Regional Ground Magnetics to Date.

Regional and Licence-Wide Prospecting & Exploration Activities

While the Company's primary focus remains on advancing the Tarumán Main target, it continues to work toward generating new targets across its broader licence package. In addition to ongoing mapping and rock chip sampling, the Company recently completed an orientation auger-soil sampling program at Keana and Tarumán, for which it is awaiting analytical results. This program aims to identify optimal sample media and size fractions, as well as the most cost-and-time effective analytical procedures for gold and associated pathfinder-in-soil analysis, to guide future regional scale auger-soil sampling programs in the respective areas.

In addition to Tarumán Main (~484 hectares), the Company completed a total of ~2,526 hectares of high resolution (50-meter line spacing) ground magnetic surveys across the broader Keana and Tarumán licences to date. Refer to *Figure 7* for an overview of areas within Sun Valley's licences with completed and ongoing ground magnetic surveys.

In line with the Company's mandate to diversify its portfolio and strengthen long-term exploration potential, it continues to evaluate new exploration opportunities across Uruguay.

Tarumán Main - Updated Geological Understanding

The current geological interpretation of Tarumán Main suggests that mineralization is predominantly hosted within a northeast-southwest trending, poly-deformed, folded-and-thrusted sequence of lower to middle greenschist metamorphic facies, carbonate-dominated metasedimentary rocks. This sequence appears to be bounded by major northeast-southwest trending thrusts and shears located to the northwest and northeast of the project area. Mineralization occurs in two primary styles: a steep to moderately dipping east-west to southeast-northwest oriented quartz-sulphide veins and breccia-hosted style, and an intrafolial replacement style of mineralization. Locally, the quartz-sulphide veins are structurally bound and appear to be associated with northwest-southeast trending structural corridors, which are potentially

related to more prominent but still poorly defined northeast-southwest oriented intrafolial shear zones. In contrast, the intrafolial replacement style mineralization involves selective alteration and massive sulphide mineralization of carbonate units along bedding planes, foliation surfaces, fold limbs and fold noses, as well as pre-existing shear and thrust planes. This indicates both structural and lithological control on this style of mineralization. Notably, the intersection of these two styles of mineralization shows a strong spatial correlation with elevated base and precious metal concentrations, based primarily on surface observations and, to a limited extent, on historical subsurface data.

Current field evidence suggests that mineralization potentially occurred post major folding and thrusting events, coinciding with the formation of northwest-southeast to west-east oriented tension gashes during regional scale late-stage intrafolial shearing, as evidenced by the presence of undeformed quartz-sulphide veins and breccias cross-cutting the northeast-southwest oriented fold-thrust belt architecture. The structural and stratigraphic framework established during early deformation stages is critical for effective exploration targeting on a project and district scale. Given the possibility of post-peak deformation, and polymetallic nature of the system, as evidenced by elevated copper, lead, and zinc values in some areas, the mineralization does not conform to the characteristics of a typical orogenic gold system. Instead, it exhibits features which are potentially indicative of a carbonate-replacement style of mineralization, involving polymetallic sulphide deposition in reactive carbonate host rocks. While a genetic link to intrusive bodies that could have supplied heat and hydrothermal fluids is plausible, it remains speculative. As the geological model continues to evolve, further geological, structural, and geochemical studies are required to refine exploration strategies.

Qualified Person's Statement

Mr. Laubser Pepler, M.Sc. is Vice President Exploration of Sun Valley and has reviewed and approved the scientific and technical information in this shareholder update. He is a registered Professional Natural Scientist with the South African Council for Natural Scientific Professions (Pr. Sci. Nat. No.125018) and a Qualified Person for the purposes of National Instrument 43-101.

Refer to *Appendix A* for an overview of technical procedures and methodologies related to sample collection, preparation and processing, and geochemical analysis relevant to results disclosed and discussed in this document.

About Sun Valley Minerals Inc.

Sun Valley Minerals Inc., founded in 2021, is a private Toronto-based corporation focused on early-stage mineral exploration and project generation in Uruguay. The Company currently holds 100% of the Tarumán and Keana gold-silver projects located in Lavalleja Department.

For any further details, please do not hesitate to contact me.

On Behalf of The Board of Directors & The Sun Valley Team

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Cautionary Statement Regarding Forward-Looking Information

This shareholder letter has been issued as a matter of interest to investors and other followers of the Company. This shareholder update contains certain statements that constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements include, but are not limited to, statements about the future financial or operating performance of Sun Valley Minerals Inc., the anticipated mineralization of its properties, its planned exploration programs, the use of proceeds from the Offering and the anticipated nature of the Company's projects. Generally, forward-looking statements can be identified by terminology such as "plan", "expect", "believe", "project", "estimate", "forecast", "intend" and other similar terminology, or statements that certain actions, events or results "will", "may" or "would" or "will be achieved".

Forward-looking statements are based on the expectations and reasonable assumptions of the Company's management team at the time such statements are made. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of productivity, performance or achievements to differ materially from those expressed or implied by such forward-looking statements, including, but not limited to, general business, economic, competitive factors, dependence on third parties, actual results of operations and other commodity industry risks. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, other factors may cause results not to be as anticipated, estimated or intended.

The recipient agrees and acknowledges that neither Sun Valley nor any of its representatives has any obligation whatsoever to update or keep current any information contained herein at any time, and the Company hereby disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Investment in the common shares of the Company is highly speculative given its present stage of development.

All references to dollar amounts in this shareholder update are to Canadian dollars unless otherwise specified.

Appendix A

Technical Procedures and Methodologies

WORK STREAM	SUMMARY PROCEDURES & METHODS
Infill & Expansion Auger-Soil Sampling	*Laboratory: ALS - Mendoza (Argentina) Sample Collection: 1 to 2 kg auger-soil field samples were collected between 0.5 - 1.4m in depth, targeting the lower B and/or B/C horizons. Samples were collected on a 20cm run basis using mechanical hand-auger tools. All samples were logged and stored in chip trays. Sample Spacing: Initial sampling was conducted on 160m line spacing and 80m sample spacing, with final follow-up spacing of 80m line spacing and 40m sample spacing. Oven drying & SCR-51 (<75 microns): Samples were oven-dried for 12 hours at 80 degrees Celsius and dry screened to -75 µm. Final sample weights for laboratory submission ranged from 150 - 200g. AuME-ST44 (Super Trace Gold & Multi-Element by ICP-MS): -75 µm samples were analysed via aqua regia digestion followed by Inductively Coupled Plasma Mass Spectrometry (ICP-MS), offering ultra-trace detection for gold and multi-element analysis. QAQC: A 20% insertion rate of Certified Reference Materials (OREAS21f and 45h standards), field duplicates, and uncertified field blanks.*
Orientation Auger-Soil Sampling	*Laboratories: SGS & ALS – Salta and Mendoza (Argentina). Sample Collection: An average of 8kg per soil horizon was collected on a 20cm run basis, with the total sampling depth not exceeding 2m or past the lower B-horizon. Samples were collected using mechanical hand-auger tools. All samples were logged and stored in chip trays. Sample Location & Spacing: Two sampling grids of 3 x 3m (9 auger-soil holes per grid with an average of 7 samples per hole representing the various soil horizons encountered). Study areas were located on residual soils perceived as "barren" and "mineralized" for accurate comparison. Oven drying & SCR-51: Samples were oven-dried for 12 hours at 80 degrees Celsius and dry screened to custom requirements - 2mm, 1mm, 500µm, 250µm, 180µm, 120µm, 75µm, and for clay separates. SCR-CLAY (Clay Fraction Separation): Isolated clay-sized fractions (2 – 10 microns) from sampled soil horizons were extracted for further analyses. AuME-ST44 (Super Trace Gold & Multi-Element by ICP-MS): Various fractions from sampled soil horizons were analysed via aqua regia digestion followed by Inductively Coupled Plasma Mass Spectrometry (ICP-MS), offering ultra-trace detection for gold and multi-element analysis. Au-CN44 (50g Cyanide Leach with ICP-MS Finish): Various fractions from sampled soil horizons were analysed via Cyanide leach extraction of gold from a 50g sample with analysis by Inductively Coupled Plasma Mass Spectrometry (ICP-MS). QAQC: A 20% insertion rate of Certified Reference Materials (OREAS21f and 45h standards), field duplicates, and uncertified field blanks.*
Heavy Mineral Concentrate Stream Sediment Sampling	*Laboratory: ALS - Mendoza (Argentina). Sample Collection: 20 – 40kg (wet weight) of stream sediment material is collected from selected trap sites along streams not exceeding 400m in length, typically ranging between 100 – 250m. Heavy Mineral Concentrate Extraction: The entire sample underwent two cycles through a heavy mineral concentrate shaker with the heavy mineral concentrate stream being selectively removed, resulting in a final heavy mineral concentrate typically comprising 150 – 300g of silt-sized material. DRY-21 (Sample Drying): The samples were dried at 60 degrees Celsius. PUL-31 (Pulverize to 85% <75 µm): The sample was crushed and pulverized so that 85% passes through a 75 µm sieve. AuME-ST44 (Super Trace Gold & Multi-Element*

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	by ICP-MS): *Samples underwent aqua regia digestion followed by analysis with Inductively Coupled Plasma Mass Spectrometry (ICP-MS) for ultra-trace detection of gold and multiple elements.* ***Au-GRA22 (Gold by Fire Assay with Gravimetric Finish - 50g Charge):*** *Gold determination was conducted using the fire assay method with a gravimetric finish.*
Rock Chip Sampling	***Laboratory:*** *ALS - Mendoza (Argentina).* ***Sample Collection:*** *1 – 5 kg grab samples are collected either as in-situ or float material. The locations and weights of these samples are meticulously recorded in the field as they are collected, along with relevant geological information.* ***PUL-31 (Pulverize to 85% <75 µm):*** *Each sample is crushed and pulverized so that 85% passes through a 75-micron sieve.* ***ME-ICP61a (Four Acid Digestion with ICP-AES Finish):*** *Multi-element analysis employing a four-acid digestion (HF-HNO_3-$HClO_4$-HCl) followed by Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) for detection.* ***ME-OG62 (Ore Grade Multi-Element Analysis):*** *Like ME-ICP61a but specifically optimized for higher-grade ore samples to ensure accurate quantification at elevated concentrations.* ***Au-AA26 (Gold by Fire Assay with AAS Finish - 50g Charge):*** *Fire assay method using a 50g sample, with gold determination conducted via Atomic Absorption Spectroscopy (AAS).* ***Au-GRA22 (Gold by Fire Assay with Gravimetric Finish - 50g Charge):*** *Gold determination also performed using a fire assay method with a gravimetric finish for precise quantification.* ***QAQC:*** *Certified Reference Materials (OREAS 231, 21F, 235 and 240) were inserted at irregular sample intervals.*
Ground Magnetic Surveys	*Retrieved raw data at a 50m and/or 200m line spacing using a GEMS Systems GSM-19 Overhauser Magnetometer. The data collected includes timestamps, spatial coordinates (GPS), total magnetic intensity (TMI), and auxiliary sensor readings such as altimeter and base station data. This data is imported into Geosoft Oasis Montaj in CSV format, and the data attributes are meticulously checked to ensure that the correct data and data types are present. Diurnal Correction is applied. Noise issues are addressed through methods such as Spike Removal using a despike filter, and Tie Line Levelling to ensure balance between traverse lines and tie lines. The corrected data is then converted into a grid using methods like Minimum Curvature, Kriging, or other appropriate gridding techniques. The final gridded products are enhanced by applying various filters such as Reduction to Pole (RTP), various derivatives (1VD, 2VD), Upward Continuation, Analytic Signal (AS), and Tilt Derivative (TDR).*