

Update - Pioche Sepiolite Project

Further to its announcements of 28 June and 2 September 2022, Sunrise Resources plc is pleased to advise that Tolsa USA Inc. (“Tolsa”) has received approval from the US Bureau of Land Management (“BLM”) for its proposed trenching programme at the Company’s Pioche Sepiolite Project in Nevada, USA (the “Pioche Project”) and that Tolsa will start work this week.

HIGHLIGHTS:

- Tolsa’s BLM Notice Level permit is approved and reclamation bond submitted.
 - Up to 2km of excavator trenching will start this week to better expose and sample the mapped sepiolite deposits (see announcement of 2 September for detail).
 - On 28 June 2022, Sunrise granted Tolsa a 6-month option to purchase the Pioche Project for \$1.25 million and an ongoing payment to Sunrise of a 3% royalty. This option may be extended for a further 12 months on payment of \$50,000 to Sunrise within the option period (see announcement of 28 June for detail).
 - Tolsa is a US subsidiary of Tolsa S.A., the world’s largest producer of sepiolite.
 - Sepiolite, an industrial mineral, has unique characteristics, is scarce, with very few commercial deposits in the world.
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Commenting today, Executive Chairman Patrick Cheetham said:

“We are pleased to see that the permitting has proceeded smoothly and in a timely manner and that Tolsa is now proceeding immediately with its proposed exploration programme, having already identified multiple horizons of sepiolite at the Pioche Project.

The trenching programme will provide further exposures of the sepiolite beds to enable a better evaluation of their thicknesses and quality.

Whilst our focus remains on the CS and Hazen pozzolan projects, the Pioche Project exemplifies the Company’s long-standing strategy to identify overlooked mineral opportunities and convert these into cash and free carried royalty interests such as those the Company already holds on the Junction, Garfield and Stonewall exploration projects.

We are pleased that the Pioche Project continues to advance at a fast pace and we look forward to the results from this next stage of evaluation.”

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Further information

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Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

Notes

About Sepiolite

Sepiolite is a non-swelling, lightweight, porous clay with outstanding sorption capacity. The largest market globally for sepiolite is for use in lightweight non-clumping pet litters where it has superior properties compared to other clays used in this application.

Sepiolite is also used extensively in agriculture as a slow-release absorbent and adsorbent carrier for chemicals and pesticides and in animal feeds as a binder and carrier for nutrients and growth promoter. It is also used as a suspending agent in paints, medicines, pharmaceuticals and cosmetics, and in high temperature drilling muds.

Sepiolite is a very uncommon clay because of both its unusual characteristics and scarce occurrence. There are very few commercial deposits in the world and, with one exception, there are no significant sepiolite deposits known in the USA, so a large potential market would exist for any new US producer of sepiolite.

About Tolsa

Tolsa S.A., founded in Spain in 1957, is a privately owned specialist clay mining and processing company that now operates in 95 countries including the USA where it has bentonite mining operations in Wyoming and processing facilities in Nevada.

It is the largest producer of sepiolite in the world, mainly from its mining operations near Madrid in Spain and it is Europe's largest producer of lightweight hygienic pet litter with 37% of the European market.

In 2021, Tolsa reported global turnover of Euros 193 million, a clay processing capacity of 1.2 million tons/year and annual production of over 1 million tons of clay products.

Qualified Person Information:

The information in this release has been compiled and reviewed by Mr. Patrick Cheetham (MIMMM, MAusIMM) who is a qualified person for the purposes of the AIM Note for Mining and Oil & Gas Companies. Mr. Cheetham is a Member of the Institute of Materials, Minerals & Mining and also a member of the Australasian Institute of Mining & Metallurgy.