

SUNRISE RESOURCES plc (“the Company”)

AIM Announcement

17 February 2023

AGM Chairman’s Statement

Sunrise Resources plc is pleased to provide the following Chairman’s Statement and project update ahead of its Annual General Meeting (“AGM”) to be held at 10.00am today, 17 February 2023.

Chairman’s Statement

“It is my pleasure to Chair the Company’s AGM later this morning and to provide this update for shareholders. I will be giving a presentation on the Company’s projects at the AGM and this is now live on our website.

Since its discovery, the CS Natural Pozzolan-Perlite Project in Nevada, USA, has been, and continues to be, the main focus for our resources. It is our flagship project within a balanced portfolio of US projects and royalty interests that seeks to mitigate risk from over exposure to any one single project. We continue to engage with multiple interested parties who are potential partners for the CS Project. 2022 also saw, with limited input of our human and cash resources, the significant evolution of our Pioche Sepiolite Project and our second natural pozzolan project at Hazen, both also located in Nevada.

Your Board believes these three key projects now form a strong Nevada based portfolio of industrial mineral project with solid fundamentals, each having the potential to significantly enhance shareholder value. The US Government is committed to carbon reductions strategies that, we believe, will inevitably lead to an increase in price and demand for natural pozzolan. Our CS and Hazen projects are well placed to take full advantage of this and with the added potential of the Pioche Project your Board believes that we have enhanced our prospects for value accretion in 2023.

Strategy

In the immediate future we will be wholly focused on the continued development of these key industrial mineral projects. Our strategy remains to partner with leaders in their respective industries who are already selling these same minerals into industrial markets. This strategy has been effective at the Pioche Project, where we are now working with world leading’s sepiolite producer, Tolsa S.A. It is moving forward at the Hazen Project where commercial scale testwork is progressing; and remains the Company’s primary strategy at the more advanced CS Project.

Our experience shows that the cement and ready-mix companies are conservative. Each has its own raw material formulas and needs to do their own detailed tests on product suitability before committing to a new source of raw material. However, once a partnership of offtake is struck, these relationships tend to be long-term and so are sources of long-term regular recurring cashflow, particularly when the material source is as large as the Company’s CS Natural Pozzolan Project.

All other routes to the creation of stakeholder value remain under ongoing consideration. We are monitoring the progress at two natural pozzolan grinding projects in Utah (Geofortis) and Arizona (Eco Material Technologies), where dedicated pozzolan processing plants are now commissioned, to gauge the success of a more capital intensive go-it-alone strategy.

The following update sets out some of the steps we are taking to ensure our existing strategy is a success. We look forward to welcoming shareholders at the AGM and to reporting on our progress throughout 2023.”

CS Project, Nevada USA

The CS Project is fully permitted and shovel ready with a fully approved mine plan for the extraction of a total of 14.5 million tons of pozzolan and 1.3 million tons of perlite at a rate of up to 500,000 tons per year. The Company's permits continue indefinitely, subject to periodic, procedural renewals.

As a guide to the value of natural pozzolan, the latest pricing information available to the Company suggests fly ash, for which natural pozzolan is a replacement, sells for c.US\$100 delivered into Las Vegas and the cement price, which natural pozzolan can partially replace, is currently around US\$140/ton and rising.

The Company is continuing to target discussions with the large integrated cement and cement and ready-mix companies that could both grind the pozzolan as a fly ash replacement or to make 1P (pozzolan) cement. We are also targeting fly ash distributors who see natural pozzolan as a means to continue their business at a time when coal fly ash supplies are threatened by the closure of coal-fired power stations. We have also extended our discussions to materials companies that supply (for example aggregates) to the concrete industry, and to the producers of new-generation cements that are based on natural pozzolans.

We have also commissioned a number of industry insiders to assist in this process as this approach has worked very successfully for the Company in bringing world leading sepiolite producer, Tolsa. S.A. into the Company's Pioche Sepiolite Project.

A detailed market study has been commissioned for the cement and supplementary cementitious industries in California and Nevada to update the preliminary study we obtained some time ago. We expect this will help identify additional opportunities for further development of the CS Project.

We are continuing our work to develop markets for perlite with an emphasis on horticultural grade perlite. A number of companies have undertaken tests on our raw perlite and expressed interest in buying material when commercially available. Other companies have material ready for testing, are awaiting test materials when next available or have recently completed testwork. In the latter category is a large industrial consumer of finer grained, industrial grade perlite which recently completed preliminary testwork and which has now expressed interest in moving to larger scale tests.

The latest published price for raw perlite is \$66/ton at the mine gate, an average for all grades.

Hazen Natural Pozzolan

In October 2022 the Company announced a collaborative arrangement with an existing processor of natural pozzolan for mining and test grinding of a 250-ton bulk sample. This programme is being carried out at no cost to Sunrise.

The bulk sample was mined successfully and demonstrated that the Hazen pozzolan is free digging and so amenable to low-cost mining. The bulk sample is currently at the process plant awaiting test grinding when sufficient silo space is available.

Pioche Sepiolite Project

The Pioche Project contains an extensive deposit of sepiolite, an industrial clay that is rare in commercial deposits. All evaluation work is being solely funded by Spanish company, Tolsa S.A., the world's largest producer of sepiolite.

Tolsa holds an option to purchase the Pioche Project for US\$1.25 million payable by 28 December 2023 and Sunrise will retain a 3% royalty on net turnover from any future production. Tolsa has recently staked a further 31 mining claims to more than double the size of the Pioche Project following a successful trenching programme last year and is planning a resource definition drilling programme this coming Spring.

Patrick Cheetham

Executive Chairman

Further information

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Shares in the Company trade on AIM. EPIC: "SRES".

Website: www.sunriseresourcesplc.com

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.