

AIM Announcement

27 September 2023

Pioche Project Update

Sunrise Resources plc is pleased to advise that Tolsa USA Inc. (“Tolsa”), the company holding an option to purchase the Company’s Pioche Sepiolite Project in Nevada, USA, has provided a report to the Company on its summer drilling programme.

HIGHLIGHTS:

- 20 drill holes completed over an area 2km x 1.1km.
- Holes drilled to average depth of 47ft using truck mounted auger drill.
- Two principal horizons of medium-high grade sepiolite confirmed.
- 166 drill samples submitted to Tolsa’s laboratory in Madrid.
- 40 samples selected for initial laboratory investigations to determine commercial quality.

Tolsa (a subsidiary of Spanish Company, Tolsa S.A., the world’s largest producer of sepiolite) has an option to purchase the Pioche Project for US\$1.25 million no later than 28 December 2023 with the Company retaining a 3% revenue royalty on production from the entire project area.

Following the successful completion of the drilling programme, Tolsa and the Company have agreed to move forward to draft a definitive option agreement as envisaged by the existing binding option agreement.

Commenting today, Executive Chairman Patrick Cheetham said:

“We are pleased to see that Tolsa’s drilling campaign was successful in demonstrating continuity of the sepiolite beds over a wide area and in providing additional samples for commercial evaluation, work which is ongoing in Spain. We are also encouraged by the decision to proceed to a definitive agreement and look forward to Tolsa’s decision on exercise of the option in due course.”

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.

Detailed Information

Drill Programme

The drill programme was carried out using an auger drill mounted on a Ford F550 truck and hauled from Tolsa USA's Casper Wyoming mine area.

Twenty drill holes were completed for a total of 929.5 linear ft. Holes were drilled to an average depth of 47ft reflecting the shallow occurrence of sepiolite amenable to open-pit mining. The drill holes were spaced relatively evenly over an area of 2km x 1.1km, where track access allowed and where surface disturbance could be minimised. A helical drill stem was used to extract the samples and sepiolite, and other samples were cut from the materials retained on the auger drill stem on extraction from the ground. Good recovery was achieved.

The drilling confirmed two main levels of medium-high grade sepiolite clay and 166 samples were taken and shipped to Tolsa's laboratories in Madrid. Based on textures, appearance, colour and lithological differences, 40 samples were selected for testing for their commercial properties.

Testing is in progress.

Definitive Agreement

The Company's existing option agreement with Tolsa provides that a more detailed agreement will to be entered into to incorporate the terms of the existing binding agreement and to set out in more detail the parties agreement on the matters contained in that binding agreement. Specifically this will include the agreed form of the Conveyance Deed for transfer of the mining claims on exercise of the Option and an agreed form of the Royalty Deed to detail the terms and calculation, payment and auditing of the royalty.

About Sepiolite

Sepiolite is a rare form of clay with very few commercial deposits in the world. It is non-swelling, lightweight and highly porous. It is used extensively in pet litter, 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 a valuable gelling agent and viscosity modifier in several industrial products.

- Further information on the Pioche Project and photographs from the drill programme can be found on the Company's website at:
<https://www.sunriseresourcesplc.com/pioche-sepiolite-project>.
- Further information on the Company's agreement with Tolsa and information on Sepiolite and Tolsa can be found in the company's news release of 28 June 2022 at:
<https://www.sunriseresourcesplc.com/news/category/news>

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

Website: www.sunriseresourcesplc.com

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.

Photographs from the drilling campaign follow.



Drill stem advancing



Sample recovery



Clay on auger stem



Cutting samples from auger stem