

AIM Announcement

7 November 2023

Notice of General Meeting Proposed Sub-Division of Share Capital and Cancellation of Deferred Shares Proposed Issue of Equity & Total Voting Rights

Sunrise Resources plc announces that a General Meeting of shareholders will be held at 9.00 a.m. on Wednesday 22 November 2022 at The Great Room, Central Court, 25 Southampton Buildings, London, WC2A 1AL. The Company is calling the General Meeting to propose the sub-division of its Existing Ordinary Shares into one New Ordinary Share and One Deferred Share (see definitions following) and the subsequent Buy Back and cancellation of the Deferred Shares.

A Shareholder Circular and Notice of General Meeting ("the Circular") has been published on the Company's website and is being notified and distributed to shareholders today in line with Company procedures.

Proposed Sub-Division of Ordinary Shares

The closing mid-market price of the Existing Ordinary Shares as at Friday 3 November 2023 (being the latest practicable date prior to printing of the Circular) was 0.07 pence per Existing Ordinary Share. As the Company is not permitted by law to issue shares at an issue price which is below their nominal value (being 0.1 pence per shares), it is unable, in the present climate, to raise funds by way of a fresh issue of new Existing Ordinary Shares due to the fact that the market price of the Existing Ordinary Shares is below their nominal value. In order to enable the Company to issue shares in the future at an issue price which exceeds their nominal value, shareholder approval is being sought to complete a sub-division of the ordinary share capital of the Company. Each of the Existing Ordinary Shares will be subdivided into 1 New Ordinary Share and 1 Deferred Share.

The Sub-Division will not of itself affect the value of the Company's ordinary shares. After the Sub-Division, there will be the same number of New Ordinary Shares in issue as there are Existing Ordinary Shares in issue and therefore shareholders' equity will not be diluted unless a further equity fundraising is completed by the Company.

The Sub-Division is being proposed as a contingency measure. As at the date of this announcement the Directors have no intention of issuing any new equity securities, other than the Buy Back Shares, assuming the passing of the Resolutions at the General Meeting.

The New Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares in issue, including those relating to voting and entitlement to dividends. Shareholders will not be issued with a new share certificate for the New Ordinary Shares and the existing certificates will remain valid. The Company's International Securities Identification Number (ISIN) will not change.

Holders of options or warrants over Existing Ordinary Shares will maintain the same rights as currently accruing to them, including in relation to any anti-dilution protection, and will not be issued with new warrant or option certificates.

The Deferred Shares will have no significant rights attached to them and carry no right to vote or participate in distribution of surplus assets and will not be admitted to trading on the AIM market of the London Stock Exchange plc. The Deferred Shares will effectively carry no value.

Agreement with Towards Net Zero, LLC

Following the Sub-Division, and as disclosed in the Company's Regulatory News Service announcement of 5 June 2023, the Floor Price for the convertible security issued to Towards Net Zero, LLC, as defined in the Company's Regulatory News Service announcement of 30 November 2022, will be reset to the nominal value of the New Ordinary Shares.

Existing Shareholder Authorities

The authorities granted at the last annual general meeting of the Company to issue and allot shares pursuant to section 551 of the Act was referenced to the nominal value of the Existing Ordinary Shares, meaning that when applied to the New Ordinary Shares, the Company theoretically would have the ability to issue more New Ordinary Shares. However, for the avoidance of doubt the Directors have undertaken that the number of New Ordinary Shares that can be issued under these authorities will not exceed the number of Existing Ordinary Shares that could have been issued notwithstanding the lower nominal value of the New Ordinary Shares.

Issue of Equity, Buy Back And Cancellation Of Deferred Shares

Subject to the Sub-Division being approved by shareholders, then because the Deferred Shares effectively carry no value, and in order to ensure that the balance sheet of the Company is kept simple, the Company is seeking shareholder approval to acquire and cancel the Deferred Shares for £1.00 in aggregate.

Under the Act a share buy back by a public company (such as the Company) can only be financed through distributable reserves or the proceeds of a fresh issue of shares made for the purpose of financing a share buy back. The Company currently has no distributable reserves to finance the £1.00 consideration payable for the buy back of the Deferred Shares and, therefore, the buy back of the Deferred Shares will be financed out of the proceeds of a fresh issue of 10,000 New Ordinary Shares ("**Buy Back Shares**") made for the purpose of financing the Buy Back. Accordingly, the Company will allot and will issue the Buy Back Shares to Peterhouse Capital Limited, at a price of 0.07 pence per Buy Back Share (being the average closing mid-market price of the Existing Ordinary Shares for the five Business Days ending on Friday 3 November 2023), part of the proceeds of which will be used to fund the purchase of the Deferred Shares for an aggregate purchase price of £1.00.

The buy back and cancellation of the Deferred Shares can be effected by way of an off-market buy back agreement to be entered into between the Company and an appointed representative of the holders of the Deferred Shares. The Company's entry into the Buy Back Agreement will require the approval of a resolution of Shareholders in accordance with section 694(2) of the Act.

Pursuant to the rights attaching to the Deferred Shares, the Selling Shareholders will irrevocably authorise the Company to appoint any person to execute a transfer and/or any agreement to transfer the Deferred Shares to the Company at any time. Under the terms of the Buy Back Agreement, which will be entered into after the General Meeting if approved by shareholders, the Company will purchase and subsequently cancel all of the Deferred Shares,

for an aggregate consideration of £1.00, as contemplated by the rights and obligations attaching to the Deferred Shares as set out in the Circular. A copy of a draft of the Buy Back Agreement will be available to view on the Company's website <u>www.sunriseresourcesplc.com</u> and at the Company's registered office for not less than 15 days ending with the date of the General Meeting and at the General Meeting itself.

The Company intends to appoint Mr Rodney Venables, the Company Secretary, as the appointed representative of the Selling Shareholders to execute the Buy Back Agreement on behalf of the Selling Shareholders.

Admission to AIM

Application has been made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM. Provided that the Sub-Division is approved at the General Meeting, it is expected that the Sub-Division will become effective and admission of the New Ordinary Shares will take place at 8.00 a.m. on Thursday 23 November 2023.

Application will also be made to the London Stock Exchange for admission of the Buy Back Shares to trading on AIM. Provided that the Buy Back is approved at the General Meeting it is expected that the issue and admission of the Buy Back Shares will take place on or around 8.00 a.m. on Wednesday 29 November 2023, following which the total number of New Ordinary Shares in issue in the Company will be 4,095,062,030 ("Admission").

Total Voting Rights

For the purposes of the Disclosure and Transparency Rules of the Financial Conduct Authority, the Board of Sunrise hereby notifies the market that, following Admission, the Company will have 4,095,062,030 shares in issue with each share carrying the right to one vote. There are no shares currently held in treasury. The total number of voting rights in the Company will therefore be 4,095,062,030 and this figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Board Recommendation

The Board considers the Proposals to be in the best interests of Shareholders and the Company as a whole and if not put in place the Company will not be in a position to continue to raise funds to continue its activities whilst the Existing Ordinary Shares trade at a price below their nominal value. The Directors therefore recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own directly held shareholdings, which in aggregate amount to 153,846,801 Existing Ordinary Shares being 3.76 per cent. of the entire issued Existing Ordinary Shares of the Company as at Friday 3 November 2023 (being the latest practicable date prior to publication of the Circular).

The Circular is available for download from the Company Documents section of the Company's website at the following URL: <u>https://www.sunriseresourcesplc.com/aim-rule-26#companyDocuments</u>

A letter or email, depending on individual preference, has been sent to registered shareholders to notify them of the publication of the Circular.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Circular	Tuesday 7 November 2023
Latest time and date for receipt of proxy	9.00 a.m. Monday 20 November 2023
appointments	
General Meeting	9.00 a.m. Wednesday 22 November 2023
Announcement of the results of the General	Wednesday 22 November 2023
Meeting	
Record Date	6.00 p.m. Wednesday 22 November 2023
Effective time of the Sub-Division, issue of the	8.00 a.m. Thursday 23 November 2023
New Ordinary Shares and admission to trading	
on AIM	
Issue of the Buy Back Shares and admission to trading on AIM	8.00 a.m. Wednesday 29 November 2023
Completion of the Buy Back	On or around Wednesday 29 November 2023

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through the Regulatory News Service. All references to time and dates in this Circular are to time and dates in London.

DEFINITIONS

Act	Companies Act 2006 (as amended)
Buy Back	the proposed buy back of the Deferred Shares (conditional upon the passing of the Resolutions)
Buy Back Agreement	the agreement between Company and the appointed representative of the Selling Shareholders pursuant to which the Buy Back will be effected (assuming that the Resolutions are passed at the General Meeting)
Buy Back Shares	the 10,000 new New Ordinary Shares to be subscribed for to finance the Buy Back (assuming that Resolution 1 is passed at the General Meeting and the Sub-Division takes place)
Company or Sunrise	Sunrise Resources plc, registered in England & Wales with company number 05363956

Deferred Shares	deferred shares of 0.099 pence each in the capital of Company resulting from the Sub-Division (and each being a Deferred Share)
Directors or Board	the directors of the Company from time to time
Document or Circular	The circular being distributed to shareholders including the Notice
Existing Ordinary Shares	ordinary shares of 0.1 pence each in the capital of Company
General Meeting	the General Meeting of the Company to be held at 9.00 a.m. on Wednesday 22 November 2023, notice of which is set out at the end of this Circular, and any adjournment thereof
New Ordinary Shares	ordinary shares of 0.001 pence each in the capital of Company resulting from the Sub-Division
Notice	the notice of General Meeting which is set out at the end of this Circular
Record Date	6.00 p.m. on Wednesday 22 November 2023 being the record date and time for the purpose of the Sub-Division
Resolutions	the resolutions to be proposed at the General Meeting as set out in the Notice
Selling Shareholders	the holders of the Deferred Shares, being the holders of the Existing Ordinary Shares as at the Record Date (assuming that Resolution 1 is passed at the General Meeting and the Sub-Division takes place)
Shareholders	the holders of the Existing Ordinary Shares on the Record Date
Sub-Division	the sub-division of the existing share capital of the Company such that each Existing Ordinary Share is sub divided into one New Ordinary Share and one Deferred Share

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.