

SUNRISE RESOURCES plc

("the Company")

AIM Announcement

2 April 2024

SALE OF DIATOMITE CLAIMS

Sunrise Resources plc is pleased to announce that it has signed an agreement for the sale of 29 mining claims ("the Claims") held for diatomite in the Crow Springs area of Nevada, USA to Dicalite Management Group ("Dicalite").

KEY POINTS:

- The purchase price is US\$150,000 of which US\$75,000 is payable on transfer of the Claims (which has now been received) and \$75,000 is payable when Dicalite submits a mine plan of operations to the Bureau of Land Management.
- The Claims cover surface deposits of diatomite which Dicalite is evaluating as a feed source for its Basalt diatomite processing plant some 85km distance by road.
- Sunrise will retain a royalty of US\$6/dry ton of diatomite mined and removed from the Claims and Dicalite will have an option to purchase the royalty for US\$500,000 after the 10th anniversary of the first royalty payment.
- Dicalite is privately owned and is a vertically integrated international industrial minerals company with mining and processing facilities in the United States and Europe.
- The agreement excludes the Company's County Line Diatomite Project claims which are retained by the Company.

Commenting today, Executive Chairman Patrick Cheetham said:

"We are pleased to sell these non-core claims and add another royalty interest to our portfolio. The sale is consistent with our policy to generate 100% owned attractive exploration projects at very low cost to be sold or joint ventured to other companies, and to mitigate risk from over exposure to any one project or resource. We have already done this successfully with our Garfield and Stonewall Projects with additional royalties built into the lease and option agreements on our Jackson's Wash and Pioche Projects. Our out-of-pocket expenses to date in securing and maintaining the Crow Springs diatomite claims are less than US\$25,000."

"We believe that Dicalite has the ability and ambition to turn this royalty to account in a relatively short time frame with production slated for its Basalt, Nevada processing plant."

Further information

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Market Abuse Regulation (MAR) Disclosure

The information set out below is provided in accordance with the requirements of Article 19(3) of 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').

Additional Information

The Claims were acquired by staking in March 2021 and the Company has incurred costs of US\$24,694.58 in staking and maintaining the Claims. The Company has not carried out any exploration on the Claims.

The proceeds from selling the Claims will be applied towards working capital.

About Diatomite

In its raw form, diatomite is a valuable industrial rock formed by the accumulation in marine and freshwater lake environments of vast quantities of skeletal material from single celled aquatic algae called diatoms.

Diatoms have hollow and lattice-like silica skeletons and the mass accumulation of these skeletons during algal blooms forms a rock with very high porosity suitable for use, amongst other things, as a filtration medium.

About Dicalite

Dicalite Management Group is a vertically integrated international industrial minerals company founded in 1928. It produces and processes diatomite (diatomaceous earth), perlite and vermiculite from 17 facilities in the U.S. and Europe comprising five strategic mines and twelve processing facilities. This includes a diatomite processing plant and associated mining operations at Basalt, Nevada, the fourth oldest continually operated mine in the state of Nevada.

Two varieties of diatomite are made at Basalt, calcined and natural.

Natural diatomaceous earth has a variety of uses in:

- [Animal feed additives](#)
- [Cement and concrete](#)
- [Consumer products](#)
- [Desiccants coatings](#)
- [Mild abrasive applications](#)
- [Polishing compounds](#)
- [Seed coatings](#)
- [Soil amendments](#)

After processing, which can include heating to a high temperature (calcining) to improve quality, diatomite is used, for example, in filtering beer, liquor, wine, fats, fruit juices, and solvents. Commercial deposits of diatomite have a high brightness, a low bulk density and chemical inertness which also make it a suitable filler or carrier material in various industrial and domestic products.