

Convertible Security – Extension of Term

Further to its announcements of 30 November 2022 and 5 June 2023, Sunrise Resources plc is pleased to advise that it has agreed to extend the term of the Second Convertible Security (the “Convertible”) which was otherwise due to mature on 7 June 2025 when the outstanding balance of £123,000 would have been convertible to ordinary shares in full.

The holder of the Convertible, Towards Net Zero, LLC (“TNZ”), has also agreed additional amendments in favour of the Company.

Summary:

- Convertible Maturity Date is extended by 18 months to 7 December 2026.
 - TNZ is prohibited from converting any part of the Convertible for the next three months unless trading volumes exceed a defined hurdle.
 - Price for conversion is amended in favour of the Company where conversion would otherwise take place below a certain price.
 - Company now has the option to make monthly cash repayments towards the outstanding balance of the Convertible, interest and penalty free, up to £10,000 per month.
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More detailed information is provided below and should be read in conjunction with the Company’s announcements of 30 November 2022 and 5 June 2023.

Commenting today, Executive Chairman Patrick Cheetham said:

“The amendments to the Convertible being announced today provide added flexibility to the Company and allows the Company the choice to make cash repayment of any outstanding balance over time, in lieu of conversion. We are grateful for TNZ’s continued support while the Company advances its diverse portfolio of projects.”

Further information

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

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DETAILED INFORMATION

Background

The Second Convertible Security, in the amount of £200,000, was issued to US institutional investor Towards Net Zero, LLC on 7 June 2023 under the terms of an amended Convertible Securities Issuance Deed (the "Deed") details of which were set out in the Company's regulatory news release dated 5 June 2023 (the "June Announcement").

The Convertible is interest free and the original terms of the Deed are set out in the Company's regulatory news release of 30 November 2022 (the "November Announcement").

The First Convertible Security issued under the Deed was for £200,000 and has been fully converted/repaid. The Second Convertible Security issued under the Deed currently has an amount outstanding of £123,000. No further Convertible Securities will be issued under the Deed.

The Deed has now been further amended by a Second Deed of Amendment (the "Second Amendment").

Second Amendment

Under the Second Amendment a number of changes have been made to the Deed, primarily to extend the Maturity Date term of the Second Convertible Security but also to incorporate a number of other changes that are generally more favourable to Sunrise and which are designed to ensure the continuing and orderly operation of the Deed in the current market conditions.

Most importantly, the Maturity Date, being the date any outstanding balance would become convertible, has been extended by 18 months to 7 December 2026. Furthermore, no conversions will be permitted in the next three months unless the trading volume exceeds a certain threshold.

The Deed has also been amended to give the Company the option, exercisable once per month, to make penalty-free repayments up to £10,000 each month.

The conversion pricing formula is set out in the November and June Announcements and the rounding factor referred to therein has been reduced in the Company's favour by a factor of ten when the number being rounded is less than or equal to 0.01pence.

Finally, if a conversion would result in the effective discount to the prevailing market price of the Company's shares being in excess of 25%, the conversion price will be increased by half of such excess.

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.

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