

AIM Announcement

31 October 2025

Pioche Sepiolite Project - Update

Following the Company’s announcements of 15 April 2025 and 23 July 2025, Sunrise Resources plc is pleased to provide an update for its Pioche Sepiolite Project in Nevada, USA, following the completion of a second phase of developmental testwork.

HIGHLIGHTS:

- Phase 2 testwork confirms Pioche sepiolite as a suitable gelling clay to replace Amargosa sepiolite and Florida attapulgite.
 - Process breakthrough yielded results comparable to ‘gold-standard’ Spanish sepiolite in high-value gelling applications.
 - Bench-scale processing of samples being ramped up to provide processed samples for customer trials.
 - Commercial processing routes now being evaluated.
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Commenting today, Executive Chairman Patrick Cheetham said:

“Since taking delivery in July of all remaining surface and drill hole samples collected by Tolsa during their exploration at Pioche, and working with our partner Tom Powell, we have been continuing our process development testwork, building on the preliminary results released back in April this year. We are very pleased to report continuing positive results and a breakthrough in processing Pioche sepiolite clay that has delivered results comparable to those obtained with high-grade Spanish sepiolite.

“Given that we have not yet been able to test higher-grade Pioche sepiolite samples, this is a great result. We are now gearing up bench-scale production of processed sepiolite to service demand from potential customers where, to date, we have only been able to provide raw clay samples to date.”

Sepiolite is a naturally occurring, fibrous clay mineral (a hydrous magnesium silicate) that is rarely found in commercial quantities. On the Company’s Pioche Project, sepiolite clays have been shown by drilling and surface sampling to occur at surface and at shallow depth over at least a 2.6 x 1.3km area with cumulative thicknesses up to several metres.

Sepiolite typically sells in the range US\$150-800/ton with specialty surface treated grades commanding a value over US\$1,800/ton.

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

Sepiolite is a naturally occurring, fibrous clay mineral (a hydrous magnesium silicate) that is rarely found in commercial quantities.

Whilst sepiolite has many commercial applications these applications fall into two main categories – lower value applications that rely on the sorptive properties of sepiolite (e.g. pet litters, animal feeds) and higher value applications that rely on sepiolite's 'gelling' properties, i.e. its ability to increase the viscosity of fluids in both fresh and salt water (e.g. in oil and gas well drilling fluids, paints and coatings, and building products). Attapulgite clay also serves this market but is mined in northern Florida, whereas the main oilfield markets are in Texas, Oklahoma, and Louisiana.

Visible at a microscopic scale, sepiolite clay is comprised of elongated fibres or ribbons which when dispersed in fluids increase viscosity. Viscosity is measured in Centipoise (cP), a unit of measurement for dynamic viscosity, which describes a fluid's resistance to flow. Liquids with higher centipoise values are thicker and flow more slowly, while those with lower values are thinner and flow more easily. For reference, water at 20 degrees centigrade has a viscosity of approximately 1cP, molasses 5-10,000cP.

In commercial deposits, the mineral sepiolite occurs in association with other clay minerals such as saponite, and gangue minerals, such as quartz and dolomite but in commercial practice it is expensive to separate the sepiolite so the clay is characterised as either waste,

medium, or high grade depending on the relative proportion of sepiolite, the quality of the contained sepiolite and the use to which the sepiolite is intended. Generally, Spanish sepiolite is higher grade and higher quality compared to that currently mined and used in the USA. The performance of a sepiolite clay can be improved by applying appropriate mineral processing (non-separation) techniques that modify the physical properties of the sepiolite.

The Company's evaluation to-date has focused on the gelling properties of Pioche sepiolite and comparison of Pioche samples with commercial reference samples from the USA and Spain. It has sought to build on testing carried out by Tolsa on various surface and drill samples as well as the preliminary testwork reported by the Company in April this year.

Tolsa undertook viscosity testing on 293 separate sample of Pioche clay collected from surface and from drill holes across a wide area of the Pioche Property using their inhouse testing protocol for freshwater applications. No testwork was done for saltwater applications as, although a large market in the USA, this is not a market in their geographical segment.

Tolsa's testwork on Pioche clays yielded samples with freshwater viscosities up to 24,680cP. However, for whatever reason, Tolsa only returned samples to the Company that had tested up to 11,400cP, the higher grade samples presumably having been consumed in testwork.

The Company's first phase of testwork established that the Pioche sepiolite "ribbons" were matted and bundled together and this contributed to lower viscosities but when processed by mechanical shearing the viscosities increased several- fold due to delamination of the sepiolite ribbons.

The second phase of testwork had two objectives. The main objective was to build on the results of SRM's Phase 1 testing to devise a standardised sample preparation methodology that gave freshwater viscosity results in line with Tolsa's own viscosity testing which, when applied to commercial reference samples, would provide a benchmark against which Tolsa's results could be evaluated to identify those areas where more detailed drilling might be expected to define mineable reserves.

Twelve samples were selected having viscosities between 0 and 11,400cP in Tolsa's testing (higher grade Pioche samples not being available). After some experimentation the Company was able to develop a standardised bench scale process that yielded results comparable to those obtained by Tolsa and comparable to Amargosa sepiolite ore produced on a commercial basis in Nevada. One outlier sample tested yielded a viscosity of 24,600cP a result comparable to that obtained in testing gold-standard Spanish sepiolite.

A second objective was to test the same range of samples for their gelling effect in saltwater, an important application for drilling through saltwater formations in oil and gas wells. Tolsa did not evaluate this application. The Company's testing was carried out in accordance with American Petroleum Institute procedures and yielded results comparable to those obtained from Amargosa sepiolite. This underlines the potential for Pioche sepiolite to replace Amargosa sepiolite where future mining is under regulatory threat.

In the final stages of the Phase 2 testwork, the processing method was developed further and achieved a significant breakthrough, increasing the saltwater viscosity in the two samples tested by a factor of 4x, giving results only seen so far in the Company's testing of Spanish sepiolite.

Given the limitations on samples currently available to the Company, where some of the highest quality samples based on Tolsa's own testing could not be tested, this is a very significant result.

Taken together all of the work carried out by the Company continues to highlight the East Mesa area of the Pioche Property as the prime target for resource definition and first commercial production. Geological cross sections are attached.

The Company is now in the process of producing on the bench-scale kg quantities of processed sepiolite for customer testing having only supplied raw clay products to date.

NOTES:

The testwork programme now being reported was designed and executed by Mr. Tom Powell. Mr. Powell is a degreed chemist and was formerly the General Manager of the IMV sepiolite mine in the Amargosa Valley, Nevada, USA. Mr. Powell is an acknowledged expert on specialty clays and sepiolite in particular, and holds a number of patents on clay products. Mr. Powell holds a 20% economic interest in the Pioche Sepiolite Project.

About the Pioche Sepiolite Project

The Pioche Sepiolite Project claims are 100% owned by SR Minerals Inc. ("SRM"), a Nevada-registered and wholly owned subsidiary of Sunrise Resources plc. Tom Powell holds a 20% beneficial interest in the Project.

The Project is located in Lincoln County, Nevada, to the northeast of Pioche, a historic mining town just off US Route 93. The Company's mining claims are on Federally owned land administered by the Bureau of Land Management. Access to rail is available at the town of Caliente, 35 miles south of the project area on Route 93.

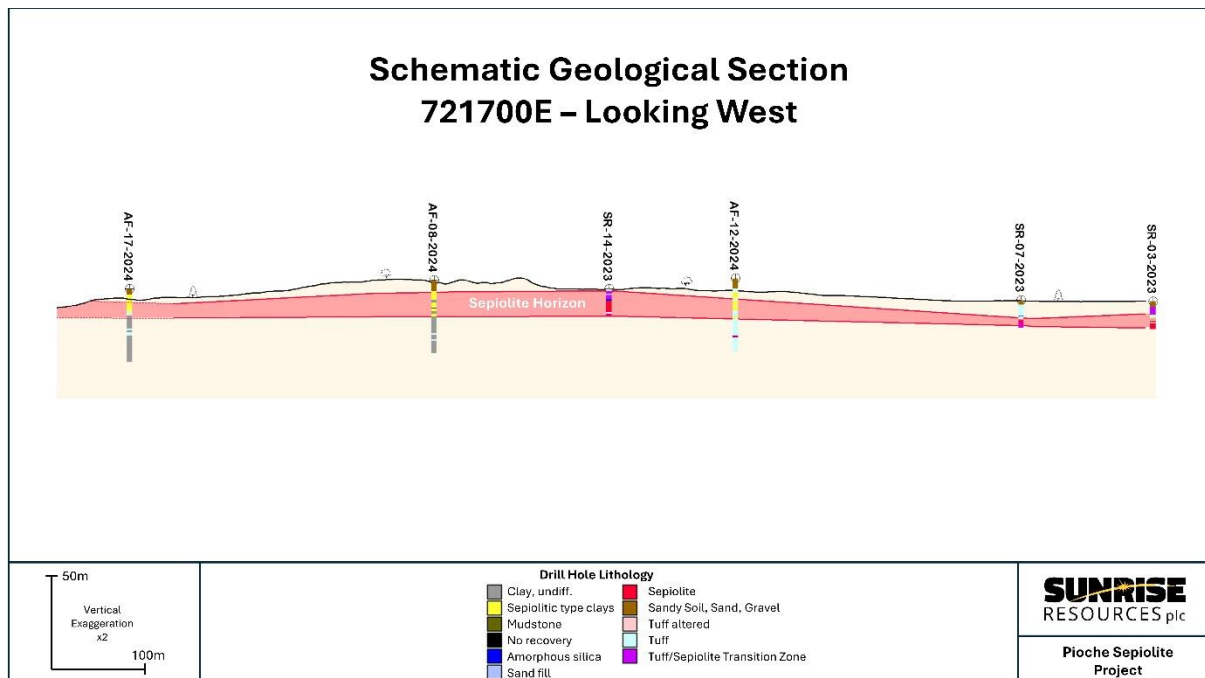
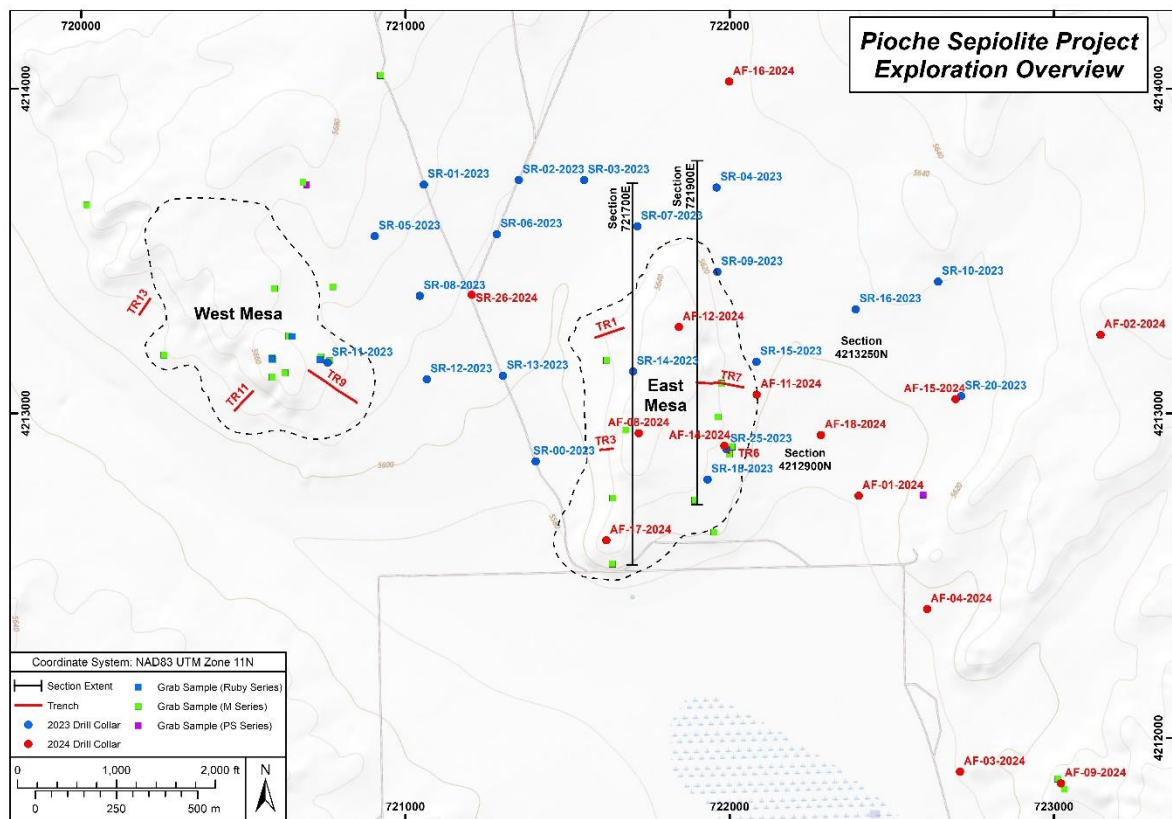
Originally documented as a sepiolite occurrence in the 1970s, the occurrence was relocated by the Company in 2021. In 2022, Tolsa USA, Inc., a US subsidiary of Spanish sepiolite producer Tolsa SA, entered into an option to purchase agreement with the Company and explored the property until December 2024 when the option period expired.

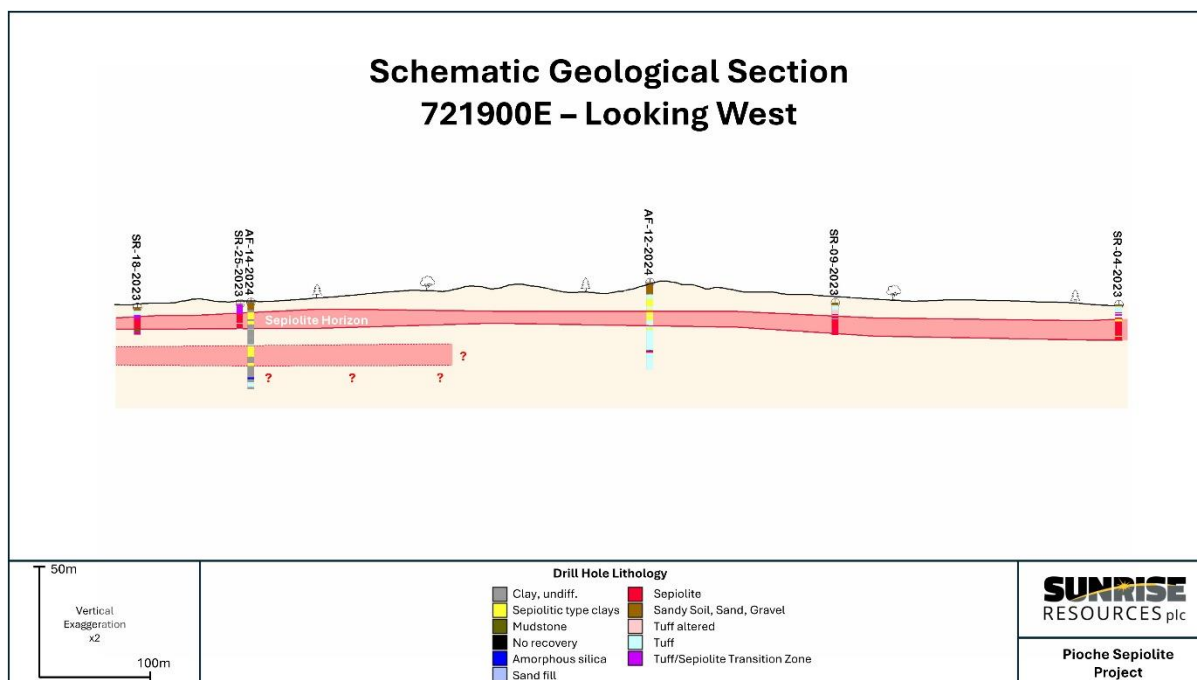
Tolsa completed programmes of geological mapping, trenching, auger drilling and sonic drilling. This identified two (possibly three) sub-horizontal and extensive sepiolite beds outcropping intermittently along the margins of two mesas now known as the West and East Mesa areas. A silica rich caprock tops the sepiolite at the discovery location forming low mesas and flattened ridgetops.

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 a number of industrial products.

At present, there is only one active sepiolite mining operation in the USA, in the Amargosa Valley, Nevada, but the future of that operation is limited by the encroachment of areas of critical environmental concern.





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.

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