



**AIM Announcement**

**20 September 2019**

### **CS PROJECT AGREEMENT, GRINDING & MINERAL PROCESSING PLANT**

Sunrise Resources plc (ticker symbol 'SRES') is pleased to announce that it has signed an agreement incorporating a detailed term sheet (“the Agreement”) allowing the Company to evaluate and, if appropriate, to lease a mothballed grinding and mineral processing plant located close to the Company’s CS Pozzolan-Perlite Project in Nevada USA (“the Plant”).

The Agreement is made with the owners of the Plant, Tonopah Resources Inc. and its ultimate controlling shareholder, Granite Peak Holdings LLC. The Plant is located at Millers, 15 miles by road from the CS Project, adjacent to Highway 6 and some 13 miles west of the town of Tonopah. Millers is an abandoned townsite where a 100-stamp mill was built in 1906 to treat silver and gold ores from the silver mines of Tonopah. The Plant now of interest was built in 1976 by Lurghi Engineering to reprocess the tailings from the original mill which is no longer present.

The Plant operated successfully until the 1980s and comprises a large ball mill, mill building, gantry cranes and downstream silver leaching and extraction plant. The Plant will require additional permits and significant modification if it is to be used for producing a ground pozzolan product including the addition of front-end crushing facilities and mill-downstream size classification. The Plant site has mains power connected, highway access and is located on a parcel of private land owned by Tonopah Resources Inc.

The Agreement provides for a 9-month period during which the Company can carry out due diligence to evaluate the adaptability of the Plant for grinding pozzolan. If the Plant is unsuitable the Plant area could be leased as a favourable site for a completely new pozzolan grinding plant.

Should the Company’s due diligence prove positive the Agreement allows Sunrise Resources to elect that all parties use their best endeavours to negotiate in good faith and enter into a further agreement (“the Lease Agreement”) whereby Sunrise Resources will lease a 5.5-acre area containing and surrounding the Plant. The Agreement provides that the Lease Agreement will be on substantially the same terms - and on the same financial terms - as those contained in a detailed term sheet annexed to, and forming part of, the Agreement. This term sheet provides for a 20-year lease, extendable by mutual agreement for two further periods of 10 years each.

Should the Company proceed with the Lease Agreement it will pay to Tonopah Resources an annual lease payment of \$25,000 per annum and an amount of 22 cents per ton for any material processed and sold from the site. These amounts will be fixed for three years and then subject to annual adjustment for inflation.

***Commenting today Sunrise Executive Chairman Patrick Cheetham said: “We see this agreement as an important piece of the jigsaw we are putting together for the CS Project. Our short-term objective is to start producing natural pozzolan as a by-product of processing perlite and by selling run-of-mine natural pozzolan to customers with existing grinding facilities. However, we will secure the widest market and the best price by producing a ground pozzolan product and leasing of the Plant would bring forward this objective. The Plant is ideally located for the Project and the markets we are targeting.”***

*This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.*

**Further information**

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Shares in the Company trade on AIM under the symbol "SRES" and also on the NEX Exchange (Secondary Market).

**Location Plan and photograph on next pages.**

# Location Plan: Millers Grinding Plant and Proposed Lease Area

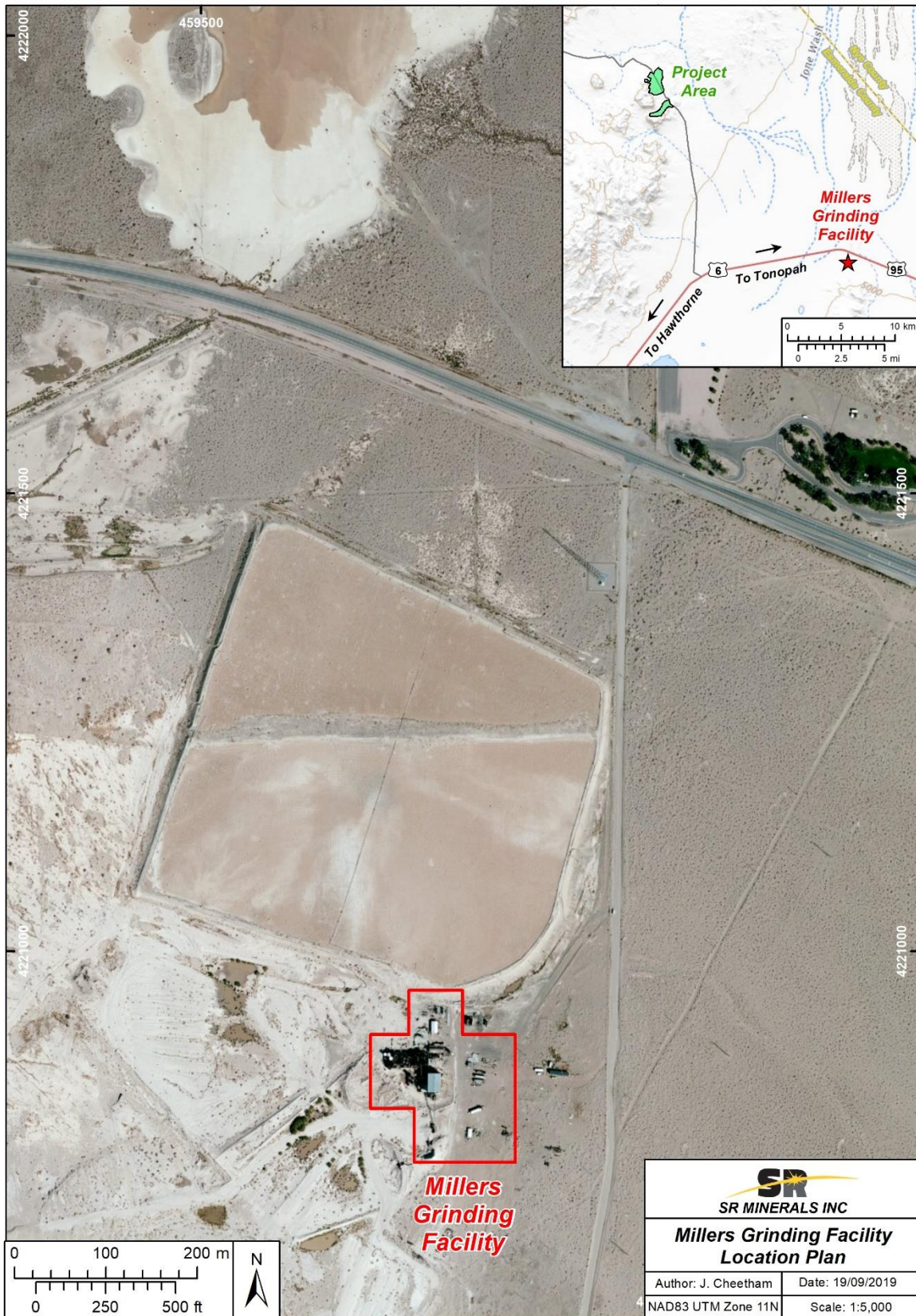


Photo: Ball Mill inside Mill Building

