

AIM Announcement

3 September 2018

CS PROJECT – COMMERCIAL TRIALS

Sunrise Resources plc, the AIM-traded company focusing on the development of its CS Pozzolan-Perlite Project in Nevada, USA, is pleased to provide the following project update.

Bulk Sampling (Market Development)

- Bulk sampling completed for first commercial-scale trials of natural pozzolan and perlite by potential offtakers:
 - 100 tons of natural pozzolan mined and supplied to a potential large customer for commercial-scale testing.
 - 8 tons of perlite mined for testing pursuant to a marketing MOU signed earlier this year with a potential customer.
- Contract awarded to SGS for processing perlite bulk sample to horticultural perlite grades.

Mine Design

- Internal mine planning work completed. Contract awarded to SRK Consulting to prepare mine designs for inclusion in the Company’s permitting Plan of Operations & Reclamation Permit.

Executive Chairman Patrick Cheetham commented: *“This phase of bulk sampling marks an important transition from exploration, bench-scale testing and smaller scale customer trials to commercial-scale testing and market development. This is progressing hand-in-hand with mine design, plant design and mine permitting.”*

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

Further information

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Detailed Information

Bulk Sampling (Market Development)

The Company has, last week, completed the mining of two bulk samples for commercial scale testing.

A 100-ton sample of natural pozzolan has been extracted from the Main Zone and provided to a potential large customer for commercial-scale testing.

An 8-ton sample of perlite has also been mined and is in transit to SGS Lakefield in Canada for crushing, grinding and screening with the objective to produce coarse horticultural grade raw perlite. Tests will also be carried out to determine the mechanical properties for crushing and grinding circuit design. This processing work will take approximately four weeks. The SGS graded perlite will then be submitted to a perlite company for expansion testing in line with a marketing MOU announced earlier this year.

The sites for the bulk samples have been chosen based on extensive drilling and laboratory testing to deliver representative high-quality samples of pozzolan and perlite to potential customers. Samples of the material delivered to customers will be re-tested by the Company for quality control purposes, but the customers' own test results will be proprietary to them and held confidential.

Mine Design

The Company has completed all of its internal mine planning work and a contract has been awarded to leading international mine consultants SRK Consulting in Reno, Nevada, to provide final mine designs for inclusion in the Company's permitting Plan of Operations and Reclamation Permit.

Whilst a substantially longer mine life is anticipated, an initial 15-year mine plan has been developed divided into three phases of open-pit build out. This will allow for progressive bonding of the mine reclamation to minimise the initial reclamation bond.

SRK's work will take up to 4 weeks to complete.

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About Natural Pozzolan

Pozzolan is a cementitious material that can partially replace ordinary Portland cement in cement and concrete mixes in amounts up to 35%. Natural pozzolans, therefore, have strong "green" credentials as the production of Portland cement is responsible for 5% of the global man-made carbon dioxide emissions with nearly one tonne of carbon dioxide (CO₂) generated for each tonne of cement produced. Natural pozzolans can also improve the strength and chemical resistance of concrete. Natural pozzolans can also replace industrial by-product pozzolans in cement such as coal fly ash. The availability and quality of fly ash is under threat as coal-fired power stations are phased out in favour of natural gas plants and fly ash quality becomes more variable due to increased emission control legislation.

About Perlite

Perlite is a glassy raw material which, when heated in a furnace, pops like popcorn and expands by up to 20 times in volume into a white or pale coloured, low density material. Expanded perlite is used in various industrial and household applications such as insulation, paint texturing, building materials, filter aids, insulating industrial cryogenic storage vessels and as a potting medium in gardening and horticulture to aid water retention and aeration of the soil. Some perlites can also be used as a natural pozzolan.

Note:

The news release may contain certain statements and expressions of belief, expectation or opinion which are forward-looking statements, and which relate, inter alia, to the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's directors. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements. Accordingly, you should not rely unduly on any forward-looking statements and save as required by the AIM Rules for Companies or by law, the Company does not accept any obligation to disseminate any updates or revisions to such forward-looking statements.

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

Website: <https://www.sunriseresourcesplc.com>