

SUNRISE RESOURCES plc

("the Company")

AIM Announcement

3 August 2017

UPDATE CS POZZOLAN-PERLITE PROJECT, NEVADA

Sunrise Resources plc, the AIM-traded company focusing on the development of its CS Pozzolan-Perlite Project in Nevada, USA, is pleased to provide this update following completion of the drilling programme announced on 13 July 2017.

HIGHLIGHTS:

- **Drilling programme completed on schedule.**
 - **Programme expanded from 5 drill holes in Main Zone to 9 holes, including 2 holes in Tuff Zone.**
 - **Thick intervals of perlite-pozzolan visually identified from drill samples (to be confirmed by testing).**
 - **Quality testing of drill samples now underway.**
 - **Exceptional results from initial testing of surface samples from new Northeast Zone.**
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Commenting today, Executive Chairman Patrick Cheetham said: "I am delighted to report the intersection of substantial thicknesses of rock identified as perlite and pozzolan. The drilled thicknesses now being reported are comparable to those documented for other deposits now in production elsewhere in the USA. The drilling programme progressed quickly allowing us to expand the programme to include successful drill testing of the Tuff Zone, which was not originally planned, but where we have now intersected a very thick sequence of the target pozzolanitic tuff. A comprehensive programme of drill sample testwork will now follow. Testing is an ongoing process as we work towards the provision of samples for more extensive customer testing."

Further information

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See over for detailed information.

Detailed Information.

The plan for the recently completed drill programme was announced on 14 June 2017 and comprised five holes to test the perlite-pozzolan areas in the centre of the Main Zone.

The drilling, which started and finished on schedule, progressed quickly and available budgets allowed for a further four drill holes to be added to the programme. Two additional holes were drilled at one site in the Main Zone to provide structural information and two holes were drilled in the Tuff Zone.

Drilling in the Main Zone encountered thick intervals of glassy rock visually identified as pozzolan and perlite. Thicknesses up to 27m from surface (perlite and pozzolan in Hole 17CSRC3) are comparable to those reported from many commercial deposits currently in production. Drilling in the Main Zone is currently too widely spaced, with drill holes 150-200m apart, to confirm correlation between holes. However, it is noted that the target zones were intersected in all drill holes completed in this programme with no significant overburden.

Drilling on the Tuff Zone encountered thick intervals of the target tuff including 61m of tuff in hole 17CSRC8 from bedrock surface to the end of hole. The tuff is mapped as dipping at a very shallow angle and so the intersection in this vertical hole approximates true thickness.

Further information on the target zones intersected in this drill programme is shown in the accompanying table. Designation of the intervals as pozzolan-perlite or pozzolan is currently based on the visual appearance of drill samples, but is supported by continuity with adjacent surface exposures already tested positive by the Company as perlite-pozzolan or pozzolan. The Company has a high level of confidence in this designation but a comprehensive testing programme is now underway on the drill samples to confirm this and to ensure that the quality of the surface material continues at depth.

Pozzolan and perlite testing is an ongoing process with multiple sequential tests being undertaken over significant time periods. The tests are designed to not only confirm the industrial value of the CS Project but to encourage further end-user testing of samples. Material developments will be announced as they arise.

A drill hole location plan and example cross-sections through the Main Zone and the Tuff Zone will shortly be added to the CS Project page on the Company's recently redesigned and relaunched website: <https://www.sunriseresourcesplc.com/cs-project>

Northeast Zone

On 29 June 2017 the Company announced the discovery of a new zone of interest, the Northeast Zone.

The Company is able to announce that two surface samples from the north end of this zone have returned exceptional results in strength testing with a 20% Portland Cement replacement mortar mix returning a 28 day strength in excess of that of a 100% Portland Cement mix. Many commercial pozzolans increase the long-term strength of concrete but such improvement at 28 days curing is an unusually good result and further samples have been taken for confirmation testing.

Mapping carried out during the drill programme suggests that there is likely to be continuity between the Main Zone and the Northeast Zone.

Table showing down-hole intersections of Target Zones in July 2017 drill programme

Hole Number	From (m)	To (m)	Target Zones, To be tested as:
MAIN ZONE			
17CSRC1	7.00	12.19	Perlite & Pozzolan
	12.19	27.43	Pozzolan
	27.43	EOH 30.48	Perlite & Pozzolan
17CSRC2	0.00	EOH 24.38	Perlite & Pozzolan
17CSRC3	0.00	27.43	Perlite & Pozzolan
17CSRC4	1.52	16.76	Perlite & Pozzolan
*17CSRC5	0.00	4.57	Perlite & Pozzolan
*17CSRC6	0.00	6.10	Perlite & Pozzolan
*17CSRC7	0.00	18.29	Perlite & Pozzolan
TUFF ZONE			
17CSRC8	7.62	EOH 60.96	Pozzolan
17CSRC9	0.00	18.29	Pozzolan

Notes to Table:

Grades normally reported for exploration drilling results are not applicable to intersections of pozzolan and perlite, the value of which depends on “whole rock” physical and chemical properties yet to be determined for the reported intersections.

All holes vertical except 17CSRC6 (50 degree angle, azimuth 044 degrees) and 17CSRC7 (51 degree angle, azimuth 095 degrees).

**Three holes drilled at different angles and azimuths (note above) from same collar location for structural information.*

EOH – End of Hole.

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.

Notes:

- 1. 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.*
- 2. This announcement contains inside information.*
- 3. 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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