

AIM Announcement

16 February 2018

CS PROJECT - PHASE 2 DRILLING RESULTS POINT TO LARGER POZZOLAN TONNAGE POTENTIAL

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 positive update on results from the Phase 2 drill programme at its CS Project.

CS Project natural pozzolans are being evaluated as a "green" replacement for Portland cement in cement mixes and concrete mixes. Perlite is also used as a lightweight industrial material and horticultural growing medium.

HIGHLIGHTS:

- 25 reverse circulation percussion drill holes completed for a total of 838m of drilling to better define the zones of commercial interest and assist in the preparation of mine plans for permitting.
- Eight holes drilled in the **Tuff Zone** pozzolan (including two repeat holes where original holes had poor sample recovery):
 - Thick zones of Tuff pozzolan intersected from bedrock surface (immediately beneath shallow colluvium) in all but one hole.
 - Majority of holes ended in Tuff pozzolan with intersections up to 46m thick.
- 16 holes drilled in the **Main Zone** perlite and tephra pozzolan:
 - 12 holes intersected perlite from bedrock surface.
 - Thick perlite intersections, up to 26m (18CSRC18), were encountered.
 - Thick tephra pozzolan also intersected in step-out hole 18CSRC31 from bedrock surface (4.6m deep) to end of hole at 32m.
- First step-out hole into **Northeast Zone** (18CSRC32) hit tephra pozzolan from bedrock surface (1.5m deep) to a depth of 40m.

Commenting today, Executive Chairman Patrick Cheetham said: "The Phase 2 drill programme has delivered everything that was hoped for and more. The thick and open ended intersections of tephra pozzolan from bedrock surface in the step-out holes in the Main Zone and Northeast Zone are impressive and demonstrate potential to add substantially to the known pozzolan deposits in the Tuff and Main Zones. We are now very confident that the Main and Northeast Zones are part of one continuous zone with a very large open-pit tonnage potential."

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Further information

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|--|---------------------------------|
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Additional Information

Details and objectives for the Phase 2 drill programme were advised on 11 and 22 December 2017. The programme started as planned in early January 2018 and was completed ahead of schedule as advised on 22 January 2018.

Further information on the target zones intersected in this drill programme is shown in the accompanying table. Designation of drill intersections as perlite, tuff pozzolan and tephra pozzolan is based on the visual appearance of drill samples, but is supported by continuity with adjacent surface exposures and intersections in Phase 1 drill holes already tested by the Company. The Company has a high level of confidence in these designations.

Drill samples were taken along 5ft drilling intervals with 550 individual samples being collected. 81 composite samples will be submitted for pozzolan testing and 40 composite samples for perlite testing. Various other samples will be submitted for chemical and mineralogical evaluation.

This further testing will take place over several months but now that the high quality of the pozzolan is established and has been discussed in previous announcements, the Company will not be releasing interim test results unless they differ materially from previously announced results. A summary of the results of the testing programme for Phase 2 drill samples will be released on completion. However, important results from step out holes and from the ongoing perlite application tests and advanced pozzolan testing will be announced as and when meaningful conclusions can be reached.

This testing programme will run in parallel with other project development activities such as mine design and permitting,

A plan showing the location of the Phase 2 drill holes and the current interpretation of the extent of the target pozzolan and perlite will shortly be available on the CS Project page of the Company's website.

ENDS

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.

| Drilling Results - CS Project Phase 2 | | | | | | | |
|--|----------------|-----------------------------|----------|--------|--------------------|----------|--------|
| Drill Hole Number | Hole depth (m) | Intersected thicknesses (m) | | | | | |
| | | Pozzolan (Tuff) | From (m) | To (m) | Note | | |
| 18CSRC10 | 54.9 | 33.5 | 4.6 | 38.1 | | | |
| 18CSRC11 | 24.4 | 21.3 | 3.0 | 24.3 | | | |
| 18CSRC12 | 33.5 | 0.0 | | | | | |
| 18CSRC13 | 54.9 | 48.8 | 1.5 | 50.3 | | | |
| 18CSRC14 | 45.7 | 41.1 | 4.6 | 45.7 | | | |
| 18CSRC15 | 45.7 | 41.1 | 4.6 | 45.7 | | | |
| 18CSRC33 | 45.7 | 44.2 | 1.5 | 45.7 | Repeat of 18CSRC13 | | |
| 18CSRC34 | 44.2 | 38.1 | 6.1 | 44.2 | Repeat of 18CSRC10 | | |
| | | | | | | | |
| | | Intersected thicknesses (m) | | | | | |
| MAIN ZONE | | Perlite | From (m) | To (m) | Pozzolan (tephra) | From (m) | To (m) |
| 18CSRC16 | 36.6 | | | | 35.1 | 1.5 | 36.6 |
| 18CSRC17 | 25.9 | 12.2 | 0.0 | 12.2 | 13.7 | 12.2 | 25.9 |
| 18CSRC18 | 30.5 | 25.9 | 0.0 | 25.9 | | | |
| 18CSRC19 | 45.7 | 6.1 | 0.0 | 6.1 | | | |
| 18CSRC20 | 36.6 | 7.6 | 1.5 | 9.1 | | | |
| 18CSRC21 | 30.5 | 24.4 | 0.0 | 24.4 | | | |
| 18CSRC22 | 30.5 | 22.9 | 1.5 | 24.4 | | | |
| 18CSRC23 | 36.6 | 21.3 | 6.1 | 27.4 | | | |
| 18CSRC24 | 18.3 | 6.1 | 0.0 | 6.1 | | | |
| 18CSRC25 | 13.7 | 0.0 | | | | | |
| 18CSRC26 | 30.5 | 21.3 | 0.0 | 21.3 | | | |
| 18CSRC27 | 15.2 | 4.6 | 1.5 | 6.1 | | | |
| 18CSRC28 | 30.5 | 0.0 | | | | | |
| 18CSRC29 | 12.2 | 3.1 | 3.0 | 6.1 | | | |
| 18CSRC30 | 18.3 | 6.1 | 0.0 | 6.1 | | | |
| 18CSRC31 | 32.0 | | | | 27.4 | 4.6 | 32.0 |
| | | | | | | | |
| | | Intersected thicknesses (m) | | | | | |
| NE ZONE | | Pozzolan (tephra) | From (m) | To (m) | | | |
| 18CSRC32 | 45.7 | 38.1 | 1.5 | 39.6 | | | |
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Notes:

1. *Intersected thicknesses shown in the accompanying table are believed to approximate true thicknesses as perlite and pozzolan beds dip at shallow angles.*
2. *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.*
3. *This announcement contains inside information.*
4. *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.*

Shares in the Company trade on AIM. EPIC: "SRES". Website: www.sunriseresourcesplc.com