

SUNRISE RESOURCES plc

(“the Company”)

AIM Announcement

27 March 2018

CS Project - Update

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

This follows on from the release dated 16 February 2018 when the Company advised the results of Phase 2 drilling at the CS Project and the intersection of thick zones of tephra pozzolan from bedrock surface in step-out holes in the Main and Northeast Zones.

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

HIGHLIGHTS:

- Drill sample compositing complete and all composites now submitted for perlite and pozzolan testing as part of the mine planning programme:
 - 80 composite drill samples submitted to Magmatics Inc. for pozzolan strength testing.
 - 40 composite drill samples submitted to In.Mat-Lab in Greece for perlite testing, including application specific testing.
- Requests received from potential customers to supply raw perlite for commercial scale expansion trials. Sunrise is now formulating plans to excavate and process bulk samples for this purpose.
- Contractors selected for baseline permitting studies, season sensitive fieldwork to commence in April.
- US Bureau of Land Management has appointed interdisciplinary project permitting team.
- Management team supplemented by appointment of Pozzolan specialist, Tom Adams of KMR Collaborative LLC.

Commenting today, Executive Chairman Patrick Cheetham said: “I am pleased to report that we are keeping up the momentum on the CS Project as we push ahead with mine planning, permitting and marketing. Interest in our planned perlite production from consumers is keen and we will accelerate the bulk sampling and commercial scale trials to service this demand. I am also delighted that natural pozzolan specialist, Tom Adams, is joining our team with a specific brief to help secure markets for our high quality natural pozzolan.”

Further information

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Additional Information

Details of the latest drill programme and the results of drilling were given in the Company's news release of 16 February 2018. Since then, work has been underway to prepare and ship composites of drill samples for further testing. As a result 80 composite drill samples of natural pozzolan from the Main Zone and the Tuff Zone have been submitted to Magmatics Inc. in Idaho for strength testing and 40 composite drill samples from the Main Zone have been submitted to In.Mat-Lab in Greece for perlite testing. Perlite testing will include testing at fine, medium and coarse sizes for specific agricultural and industrial uses. All of the current testing is designed for mine planning purposes.

The Company has received requests from perlite expanding companies (potential customers for the Company's raw perlite) to supply samples for commercial scale expansion trials and it is now formulating plans to excavate and process bulk samples for this purpose. This will involve excavation, crushing and screening of the required size fractions and a suitable mineral processing facility is being sought for this work.

The Company is pushing ahead with mine permitting and the lead regulator for our project, the Federal Bureau of Land Management, has now selected a multidisciplinary permitting team to progress the Company's mine permitting programme. The Company has also selected contractors for the season sensitive environmental baseline studies which will commence in April (Spring season).

The Company has joined the recently formed Natural Pozzolan Association (pozzolan.org) to increase the profile of the Company amongst its peers and potential natural pozzolan customers. The Company is also increasing the tempo in its pozzolan marketing programme and has made an additional appointment to its team by retaining Tom Adams of KMR Collaborative in Reno to help the Company enter the market with its CS project natural pozzolan.

The principal of KMR Collaborative LLC, Tom Adams, is a geomaterials engineer with strong technical and marketing focus on construction aggregates, industrial minerals and cementitious materials including natural pozzolan. He was until recently employed by Nevada Cement Company providing technical support to the sales and production teams with a focus on development of its natural pozzolan business and Portland Limestone cements. Prior to that he has worked as a geo-materials engineer with a number of consulting groups.

His diverse experience includes venture start-ups, business acquisitions, marketing, and technical lobbying at local, state and national level and he is an adjunct professor for Advanced Portland Cement Concrete and Aggregate Geology at the University of Nevada. He is also currently President of the Sierra Nevada Concrete Association and the Natural Pozzolan Association.

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.

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.*

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