

# SUNRISE RESOURCES plc

(“the Company”)

AIM Announcement

29 May 2024

## Pioche Sepiolite Project, Nevada, USA

Sunrise Resources plc is pleased to provide the following update on Tolsa’s 2024 drilling plans for the Pioche Sepiolite Project in Nevada, USA:

### HIGHLIGHTS:

- Project under option to world’s largest sepiolite producer, Tolsa S.A., giving a right to purchase the Project for US\$1.4 million by 28 December 2024 with future payments to Sunrise of a 3% revenue-based royalty on production.
- Tolsa is working with the US Federal Bureau of Land Management (“BLM”) to obtain approvals for 13 sonic boreholes, each to maximum 130ft deep and 300m of trenching in three large trenches.
- Drilling and trenching planned to start in early July to collect additional samples for testing and to test for extensions to the sepiolite deposit defined in 2023.

### Commenting today, Executive Chairman Patrick Cheetham said:

*“We are pleased to see Tolsa continuing its exploration and evaluation work on our Pioche Sepiolite Project. A large deposit of sepiolite was demonstrated by Tolsa’s 2023 drill programme and, as the world’s largest producer of sepiolite, we feel Tolsa is best placed to evaluate and develop the commercial potential of the Pioche Project. There are very few commercial sepiolite deposits in the World and there is a large market that can be targeted in North America that is currently served by alternative clays or imported sepiolite. Sepiolite from the Pioche Project, being in Nevada and near to rail, is well situated to replace some of this supply. We continue to be optimistic that Tolsa will exercise its option, in which case we can expect to receive a 3% revenue-based royalty from future operations in addition to the cash payment of US\$1.4 million.”*

### Further information

<b>Sunrise Resources plc</b> Patrick Cheetham, Executive Chairman	<b>Tel: +44 (0)1625 838 884</b>
<b>Beaumont Cornish Limited</b> <i>Nominated Adviser</i> James Biddle/Roland Cornish	<b>Tel: +44 (0)20 7628 3396</b>
<b>Peterhouse Capital Limited</b> <i>Broker</i> Lucy Williams/Duncan Vasey	<b>Tel: +44 (0)207 469 0930</b>

## **Market Abuse Regulation (MAR) Disclosure**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

## **About Sepiolite**

Sepiolite is a very uncommon clay because of both its peculiar characteristics and scarce occurrence. It is non-swelling, lightweight and highly porous. There are very few commercial deposits in the world.

It is used extensively in pet litter, in agriculture as a slow-release absorbent and adsorbent, as a carrier for chemicals and pesticides and in animal feeds as a binder and carrier for nutrients and growth promoter. It is also a valuable gelling agent and viscosity modifier in several industrial products.

Sepiolite, unlike other clays, is not affected by salt water and so sepiolite drilling muds are used in oil field wells where brine formations are a problem. It is also the only clay that is stable at high temperatures and so is used in drilling muds for geothermal wells. Sepiolite is usually mined by open pit methods and is processed by drying, grinding and screening and may undergo further treatments and transformations depending on the market.

## **About the Pioche Sepiolite Project**

The Pioche Sepiolite Project (the "Project") is located close to the historic mining town of Pioche in Lincoln County, Nevada. It lies within 4km of US Highway 93, from which it can be accessed by a network of 4WD tracks, and 47km from rail at the town of Caliente, Nevada. The Project was acquired at low cost by claim staking.

The Pioche Sepiolite Project (the "Project") is currently under option for sale to Tolsa USA Inc, a subsidiary of Spanish company Tolsa S.A, the world's leading producer of the rare industrial mineral, sepiolite.

In the summer of 2023, Tolsa carried out a drill programme at the Project. Twenty drill holes were completed for a total of 929.5 linear ft. Holes were drilled to an average depth of 47ft reflecting the shallow occurrence of sepiolite amenable to open-pit mining. The drill holes were spaced relatively evenly over an area of 2km x 1.1km. A helical drill stem was used to extract the samples and good recovery was achieved.

The drilling confirmed two main levels of medium-high grade sepiolite clay over a wide area and 166 samples were collected and shipped to Tolsa's laboratories in Madrid for testing.

Tolsa may purchase the Project for US\$1.4 million at any time before 28 December 2024 and has paid US\$150,000 in option fees to date. Sunrise will retain a 3% net revenue royalty for a 25-year period from the commencement of commercial production should Tolsa exercise its option.

Further information on the Pioche Project and photographs from the drill programme can be found on the Company's website at:

<https://www.sunriseresourcesplc.com/pioche-sepiolite-project>.

Further information on the Company's agreements with Tolsa and information on Sepiolite and Tolsa can be found in the company's news releases of 28 June 2022 and 27 December 2023 at:

<https://www.sunriseresourcesplc.com/news/category/news>

### **CAUTIONARY NOTICE**

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 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.

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**Website:** [www.sunriseresourcesplc.com](http://www.sunriseresourcesplc.com)