

AIM Announcement

27 December 2024

PIOCHE SEPIOLITE PROJECT - TOLSA OPTION

Sunrise Resources plc advises that Tolsa USA Inc. ("Tolsa") has, at the last minute, notified the Company that it will not proceed to exercise its option to purchase the Company's Pioche Sepiolite Project in Nevada USA. Tolsa has, however, suggested it is open to discuss alternative arrangements for the project.

The option was originally granted on 28 June 2022 and was extended for an additional 12 months as announced on 27 December 2023. Until very recently, the parties had been negotiating more detailed agreements to govern the terms of calculation and payment of the agreed 3% royalty that would have been payable to Sunrise and the conveyance of the project claims. However, these negotiations were not concluded and there was no agreement on the terms for calculation and verification of the production royalty.

During contract negotiations Tolsa indicated that, whilst large deposits of sepiolite clay have been defined by the wide spaced drilling carried out to-date at Pioche, it has been difficult to correlate specific sepiolite grades (and so values) between drill holes. The Company has not been able to verify this as, despite requesting Tolsa to provide the project data, Tolsa has, so far, provided only basic data from its earlier programmes and no data from its 2025 exploration and testing programme.

The Company has been advised that sepiolite deposits in Nevada differ significantly in origin and character from those exploited in Tolsa's existing operations in Spain and that we should not expect to see correlation of specific sepiolite grades between the widely spaced holes drilled to date.

The Company has been advised throughout, and continues to be advised, by Mr Tom Powell who was formerly General Manager of the IMV Nevada sepiolite clay mining operations in Nevada and has over 30 years' experience in industrial minerals, focusing on specialty clays.

The Company will ensure that Tolsa meets its contractual obligations to supply the detailed project data and remaining exploration samples.

The Company is now free to market the project to other parties some of whom have already expressed interest in the project.

Commenting today, Executive Chairman Patrick Cheetham said:

"Given these circumstances, we do not see Tolsa's decision as a reflection on the value of the project. Tolsa has expressed interest in alternative arrangements for the project and has already stated that large deposits of sepiolite clay have been identified at Pioche. We expect to be in a position to verify this soon and take possession of all remaining samples from the project.

"We look forward to providing further information to shareholders and other interested parties once this becomes available. Tolsa has paid us US\$150,000 in option fees to date, whilst our expenditure on the Pioche Project, at around £50,000, is just a small fraction of the money we believe has been spent by Tolsa to date in evaluating the project and from which we stand to benefit."

Further information

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

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