

17 May 2021

Proposed Demerger of Clean TeQ Water and Offshore Derivative Share Markets

Sunrise Energy Metals Limited ('Sunrise Energy Metals' or 'Company') has today announced on ASX a Demerger Booklet which contains important information relating to the proposed demerger of the Company's Water Business into a new stand-alone company – Clean TeQ Water.

A shareholder meeting is scheduled for 18 June 2021 at which the Company will seek approval from Sunrise Energy Metals shareholders for a Capital Reduction which is required to implement the Demerger. If shareholders approve the Capital Reduction resolution, and the conditions to the Demerger are satisfied, Sunrise Energy Metals Shareholders will retain their Sunrise Energy Metals Shares and Eligible Shareholders will be entitled to receive one Clean TeQ Water Share for every two Sunrise Energy Metals Shares held at the Record Date. Eligible Shareholders will not need to take any action or pay any cash to receive Clean TeQ Water Shares.

Clean TeQ Water is applying for admission of its ordinary shares to the ASX Official List. If the Demerger is approved and implemented as described in the Demerger Booklet it is expected that Clean TeQ Water Shares will commence trading on the ASX on or about 2 July 2021.

Derivative contracts of Sunrise Energy Metals shares are traded on non-Australian 'over the counter' markets including the OTCQX market in the USA. On the OTC market the Company's derivative contracts trade under the code 'SREMF'. In most instances, those derivative contracts are 'backed' by ASX listed Sunrise Energy Metals shares which are held by a custodian/nominee share broker who is the registered holder of record. The Company has no visibility over who the beneficial holders (the SREMF contract holders) are. If the Demerger proceeds, those custodian/nominee share brokers who are registered Eligible Shareholders at the Record Date will be issued new Shares in Clean TeQ Water.

The Company is liaising with OTC to determine if a new derivative contract is able to be established for Clean TeQ Water to trade on OTC upon the Demerger. The Company will update the market with further information regarding this in due course. **In the meantime, SREMF contract holders should contact their custodian/nominee share broker to ensure the share broker has a mechanism in place to register the interest each SREMF contract holder may have in the new shares of Clean TeQ Water if the Demerger proceeds.**

For more information about Sunrise Energy Metals contact:

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This announcement is authorised for release to the market by the Board of Directors of Sunrise Energy Metals Limited.

About Sunrise Energy Metals Limited (ASX:SRL) – Based in Melbourne, Australia, Sunrise Energy Metals is a global leader in metals recovery and industrial water treatment through the application of its proprietary Clean-iX® continuous ion exchange technology. For more information about Sunrise Energy Metals please visit the Company's website **www.sunriseem.com**

About the Sunrise Project – Sunrise Energy Metals is the 100% owner of the Sunrise Project, located in New South Wales. The Sunrise Project is one of the largest cobalt deposits outside of Africa, and one of the largest and highest-grade accumulations of scandium ever discovered.

About Clean TeQ Water – Through its wholly owned subsidiary, Clean TeQ Water, Sunrise Energy Metals provides innovative water treatment solutions for removing hardness, desalination, nutrient removal and zero liquid discharge. The sectors of focus include municipal wastewater, surface water, industrial waste water and mining waste water. For more information about Clean TeQ Water please visit **www.cleanteqwater.com**.