

28 September 2023

Sunrise to evaluate US location for nickel-cobalt refinery

MELBOURNE, Australia – Sunrise Energy Metals Limited (**Sunrise Energy Metals or Company**) (ASX:SRL and OTC:SREMF) is pleased to provide an update on activities focussed on the development and financing of its Sunrise Nickel-Cobalt-Scandium Project in New South Wales.

Highlights:

- **As part of recent and ongoing engagement with US auto manufacturers and various US government agencies, the Company is evaluating the option of locating the Sunrise Project's nickel and cobalt refinery in the United States**
- **A US-based refinery will potentially open opportunities for grant funding pursuant to a number of US Government programs, as well as possible involvement by US-based strategic investors**
- **The Company plans to undertake the evaluation in concert with US counterparties, and to that end has engaged a US-based advisor to assist with financing options**

The Company continues to engage with a range of participants in the electric vehicle industry to underpin a complete financing package for the Sunrise Project. As part of this engagement, recent feedback from both the auto sector and US Government agencies has focussed on the potential of locating Sunrise's nickel and cobalt refinery in the United States.

The relocation of the refinery to the United States would be undertaken to satisfy eligibility criteria under several US Government funding initiatives focused on critical mineral supply. These include US Department of Energy (**DoE**) funds under the Bipartisan Infrastructure Law; Title III eligibility under the Defense Production Act; and the DoE's US\$20 billion Advanced Technology Vehicles Manufacturing loan program.

The estimated cost of the refinery, including contingency allowance, is more than US\$200m¹. With a design capacity of up to 25ktpa of nickel (contained in high-grade nickel sulphate) and 7ktpa of

¹ See Sunrise Project Execution Plan (PEP) (ref ASX release 28 September 2020).

cobalt (contained in cobalt sulphate), refined production could support up to approximately 1 million electric vehicles per annum. The refinery has been designed with flexibility to use primary, intermediate and secondary (black mass) material as feedstock.

Sunrise CEO, Sam Riggall, said: *“We have no doubt about the strategic significance of Sunrise as the United States, and other western economies, seek to diversify and strengthen their supply chains. Our meetings in the US have been very constructive and the feedback we’ve received has set the foundation for a strategic rethink of the project scope. As regional funding options emerge, we will continue to assess the best way to deliver the Project, while working closely with supply chain partners to deliver a comprehensive financing package.”*

In addition to nickel and cobalt, discussions to consider construction of a stand-alone scandium refinery on the US mainland have also been encouraging. The US is the world’s largest consumer of scandium, in technologies as diverse as aluminium-alloys, fuel cells, hydrogen electrolyzers, power electronic components and 5G/6G telecommunications components.

The capital cost associated with a US-based scandium extraction and refinery circuit is approximately US\$24 million. Discussions are ongoing with US-based parties in relation to scandium supply from the Sunrise Project.

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

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About Sunrise Energy Metals Limited

Sunrise Energy Metals Limited (ASX:SRL) is progressing its world-class Sunrise Battery Materials Complex in New South Wales. The Sunrise Project is one of the largest and most cobalt-rich nickel laterite deposits in the world and is development-ready, with all key permits and approvals in place. Sunrise is also one of the largest and highest-grade scandium deposits globally.