

17 October 2024

Quarterly Activities Report

MELBOURNE, Australia – Sunrise Energy Metals Limited (**Sunrise Energy Metals, Sunrise or Company**) (ASX:SRL and OTC:SREMF) is pleased to provide an update on its activities for the quarter ended 30 September 2024.

Key Developments:

- **The update of the 2016 Syerston Scandium Project Feasibility Study continues, with activities undertaken including:**
 - Preliminary updated capital and operating cost estimates were received for Sunrise's review, optimisation and input into an expanded project re-assessment.
 - A Trade-Off and Optimisation Study was commenced to identify alternative development pathways, including potential locations for a stand-alone scandium processing facility and the scope of refined products to be produced.
 - Continuation of discussions with several counterparties across the speciality alloy, semiconductor and aerospace markets.
- **Ongoing work streams to advance the fully integrated Sunrise Project continued with activities focussed on:**
 - Completion of power systems studies, with initial outcomes indicating that the existing electrical network can support the Sunrise forecast power load with minimal upstream network augmentation.
 - Review of feedback provided by Essential Energy and SA Department for Infrastructure and Transport on transport route modification designs to allow the transportation of oversized loads between Port Pirie and the Sunrise Project site.
- **Exploration activities continued across Sunrise's portfolio of assets in New South Wales (NSW) and Queensland (QLD):**
 - **NSW:** potential for nearby limestone resources at Hunters (EL9627) increased with field mapping and good quality rock samples collected at the Botfields Limestone Prospect.
 - **QLD:** extensive review and integration of historical geophysical datasets and access arrangements with landholders, targeting an early 2025 reverse circulation (RC) drilling program at the Maureen-Lola and Dianne prospects near Cloncurry.

OCCUPATIONAL HEALTH AND SAFETY & ENVIRONMENTAL PERFORMANCE

The Company had no lost time injuries (LTIs) or reportable environmental incidents recorded during the quarter.

SYERSTON SCANDIUM PROJECT

Positive developments in the scandium market have resulted in Sunrise undertaking a re-assessment of the previous Feasibility Study at the Syerston Scandium Project (*refer to the Company's ASX release of 9 July 2024*). The 2016 Study examined a stand-alone, fully integrated scandium mining, processing and refining facility in Australia. Recent market developments include the increasing adoption of scandium in specialty semiconductor applications, as well as an increased focus on scandium-containing alloys in the military and defence sectors.

Key activities undertaken during the quarter include:

- In September, preliminary updated capital and operating project cost estimates were received from GR Engineering Services, which are currently being reviewed and optimised by Sunrise for inclusion into an expanded project re-assessment as to the merits of a potential scandium processing facility, to produce both chemical grade scandium oxide (Sc₂O₃) and metal.
- Expanded activities include an internal Trade-Off and Optimisation Study assessing the relative merits of locating the potential scandium processing facility at the Parkes Special Activation Precinct (SAP) versus processing at the Sunrise Project site. The Study includes an assessment of the utility costs for both options (power and water), ore transport costs, waste and reagents, alternate waste disposal locations, dewatering waste and required statutory approvals.
- The Company continues to invest in scandium alloy development programs to service both the aerospace and automotive industries.

Significantly, the Company has received expressions of interest from a range of parties for scandium supply. With the expanded re-assessment of the stand-alone Syerston Scandium Project Feasibility Study continuing, discussions with these parties remain ongoing.

SUNRISE BATTERY MATERIALS COMPLEX

During the quarter, the Company continued to advance the development of the Sunrise Battery Materials Complex. A range of workstreams remain ongoing to progress several value-adding deliverables aimed at minimising the Project start time once a financing package is secured and a final investment decision (FID) is made. Key work programs included:

- Advancement of the long-lead electrical transmission line (ETL) work scope:
 - The Company continues to make good progress in securing easement agreements from rural landholders for land access over the planned route of the ETL.
 - Sunrise's technical consultant, GHD, completed the Power Systems Studies that are required as part of the ETL Connection Agreement. Initial outcomes from the studies indicate that the existing electrical network can support the Sunrise Project forecast load and, importantly, minimal upstream network augmentation will be required.
 - Feedback on GHD's Power Systems Studies was also received from Essential Energy. The next step in this process is for Essential Energy to develop a connection access standard and to issue Sunrise with confirmation that all work for the issuing of an Offer to Connect has been undertaken.
- Oversize Transport Route:
 - Feedback on transport route modification designs to allow the transportation of Oversize-Overmass (OSOM) loads between Port Pirie and the Sunrise Project site was received from Essential Energy and the SA Department for Infrastructure and Transport. This feedback is being reviewed with design submissions to be updated accordingly.
 - An approvals pathway for each modification was identified with approvals planned to take place once a timeline for project approval and construction is clearer. This work is expected to take 12 months to complete.

Project Financing

The Company continues to engage with a range of participants in the electric vehicle (EV) industry with a view to securing project-level equity funding, in conjunction with offtake, to underpin a complete financing package for Sunrise. The partnering process remains ongoing, however the targeted timing for completion of any transaction is not possible to forecast.

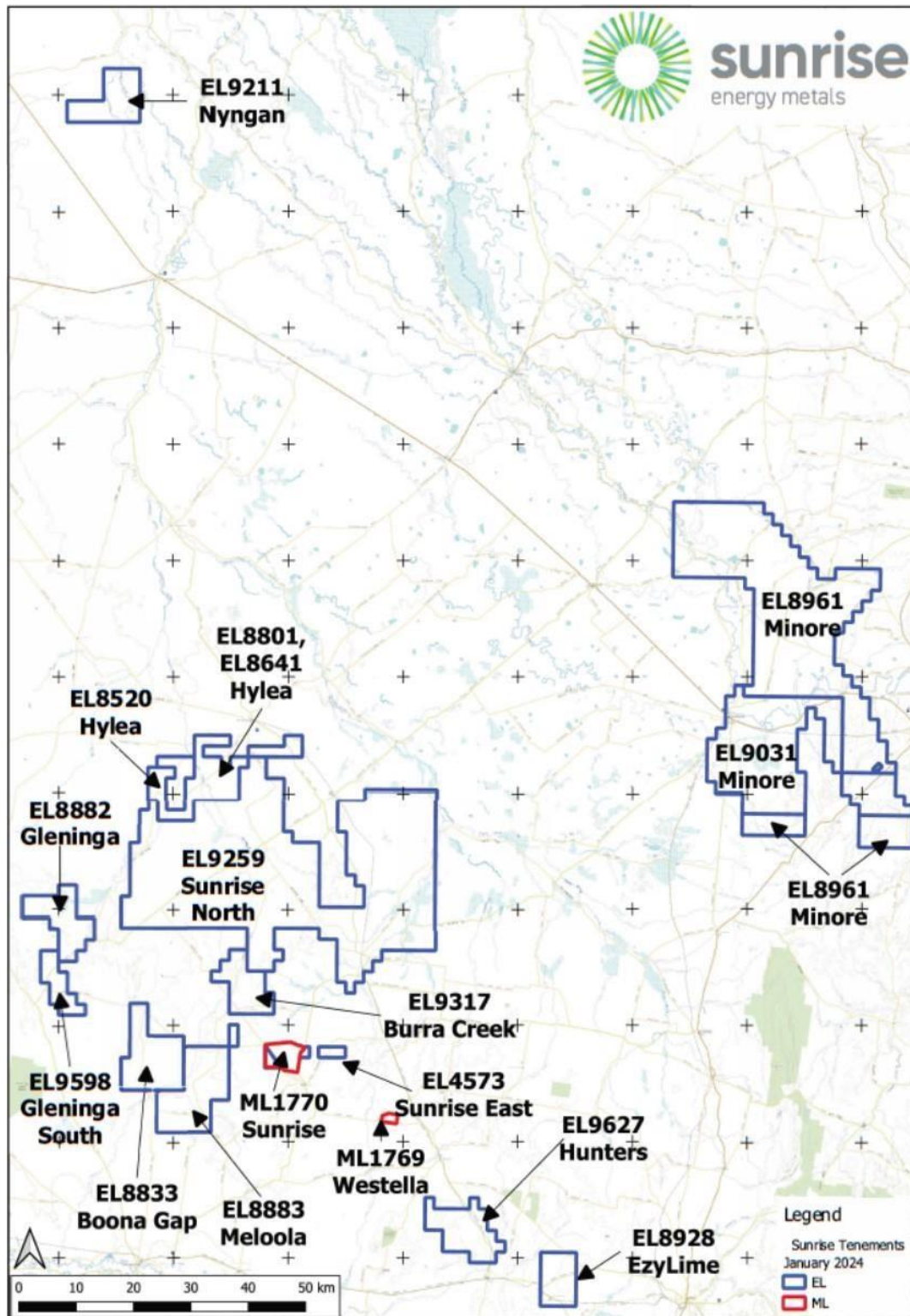


Figure 1: Sunrise Energy Metals' Tenement Holdings in New South Wales (NSW)

New South Wales (NSW)

The Company continues to advance activities across its range of NSW exploration assets, being situated in close proximity to the Sunrise Project (*refer to Figure 1*). The exploration activities and strategy in NSW are focussed on the:

- Delineation of limestone resources; and
- Exploration on regional tenements for rare earth elements, base metals and copper-gold potential to add material value with a view towards potential farm-outs to generate future funding.

The delineation of limestone resources, a key reagent required for the Sunrise processing flow sheets (nickel/cobalt and stand-alone scandium), would allow the Company to supplement existing commercial limestone supply arrangements.

Limestone Exploration

Hunters, NSW (EL9627)

- Field mapping and sampling of good quality limestone was undertaken at the Botfields Prospect in the eastern part of Hunters (EL 9627), with three areas outlined for further work.
- Rock samples show high calcium (Ca) content with the majority samples (30 out of 36) of >70% Ca with low impurities (Mg, Fe, Si). Selected samples will be sent to the ALS Laboratory to confirm high-grade limestone prior to drilling.
- Preparation work for a reverse circulation (RC) drilling program has commenced.

Queensland (QLD)

Clonagh Trend Farm-In and Joint Venture

In April 2024, Sunrise signed the Clonagh Trend Farm-In and Joint Venture Agreement to establish an unincorporated joint venture (Clonagh Trend JV) with Continental Copper Pty Ltd (Continental) to explore for base and precious metals on Continental's exploration tenements north of Cloncurry, in one of Australia's most productive mineral provinces (*refer to Figure 2*). Sunrise may earn an initial 51% interest in the JV by sole funding \$2.8 million of exploration activities within 24 months (*refer to the Company's March 2024 Quarterly Report for further details on the tenements and terms of the Clonagh Trend JV*). Activities on the tenements during the quarter include:

- Review and integration of all available geophysical data to gain a greater understanding of subsurface geology, alteration and structure. Datasets include magnetotelluric (MT) data, airborne magnetic surveys, ground gravity surveys, ground electromagnetic (EM) data and a reprocessed lithospheric seismic line.
- Negotiation of land access agreements with landholders prior to a planned RC drilling program at Dianne (EPM 27559 and 27829) and Maureen-Lola (EPM 28004 and 27760) in 2025, following the end of the wet season.

- Preparatory work for additional geophysics, which is planned to include data collection for seismic, magnetics, downhole EM and gravity.

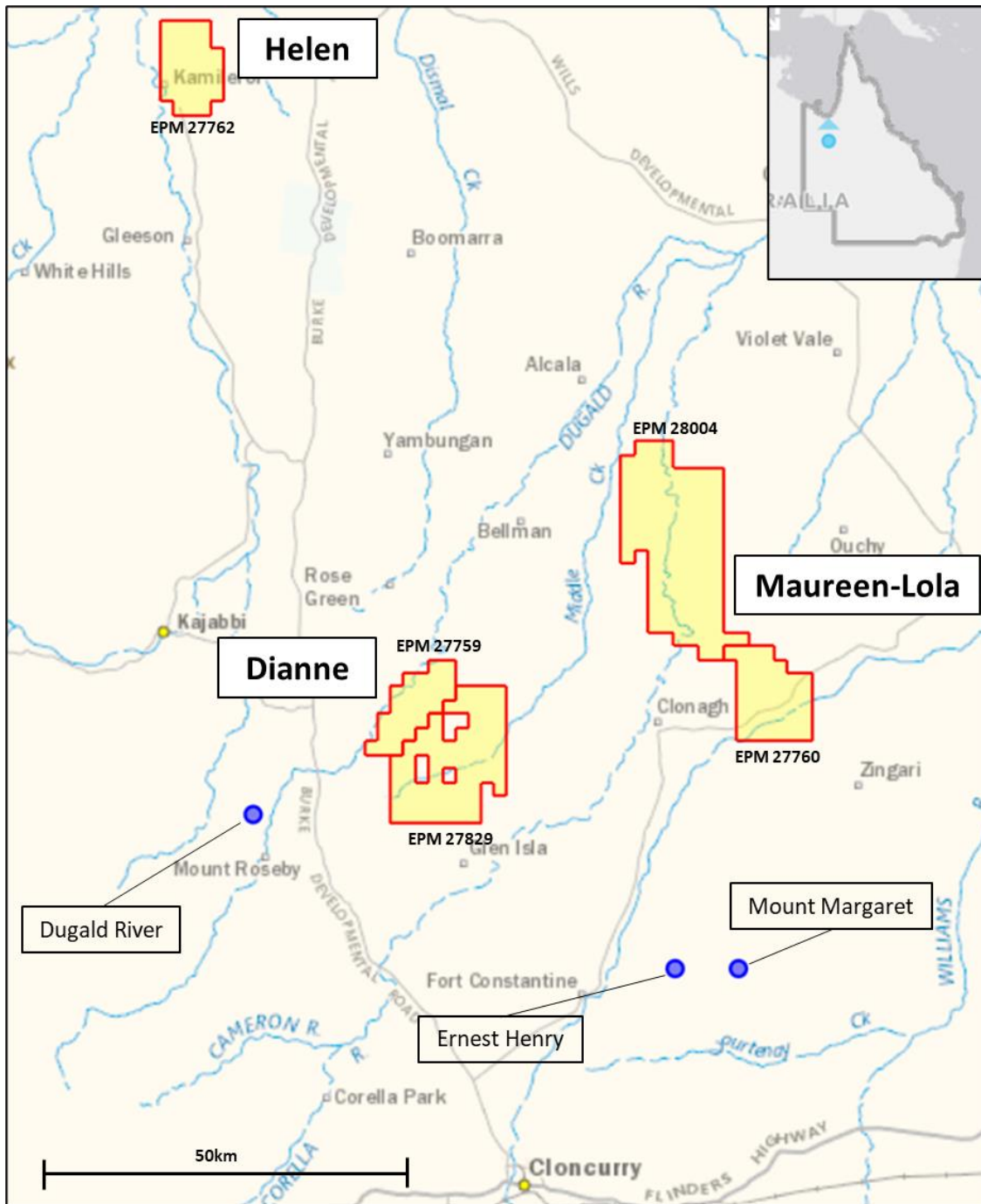


Figure 2: Clonagh Trend tenements (yellow highlight)

Cash on hand was \$7.24 million as at 30 September 2024.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 5B to this quarter's activities report were \$219,000. These payments are for salaries, superannuation, advisory and consultancy fees paid to directors and/or director related entities during the quarter.

Following the departure of the CFO, Mr Ben Stockdale, on 31 August 2024, the Company undertook a reorganisation of management and the Sunrise Board. Experienced finance executive and Sunrise Non-Executive Director, Mr Trevor Eton, has agreed to provide a limited scope of financial advisory services to the Company via a consultancy services contract commencing 1 September 2024. Due to this management change, Mr Eric Finlayson has been appointed Chair of the Company's Audit, Finance & Risk Committee (*refer to the Company's ASX release of 2 September 2024*).

The Company's 2024 Annual General Meeting (AGM) is being held on Tuesday, 22 October 2024 at 12.30pm (Melbourne time). Shareholder Voting Proxy Forms are required to be lodged with the Company's share registry administrator, Computershare, no later than 12.30pm on 20 October 2024.

Sunrise Energy Metals – Interests in Mineral Tenements

Licence Number	Project Name	Location	Equity Interest Current Quarter	Equity Interest Prior Quarter
EL8961	Minore	NSW	100%	100%
EL9031	Minore	NSW	100%	100%
EL8520	Hylea	NSW	100%	100%
EL8641	Hylea	NSW	100%	100%
EL8801	Hylea	NSW	100%	100%
EL9211	Nyngan	NSW	100%	100%
EL4573	Sunrise	NSW	100%	100%
EL8928	Sunrise	NSW	100%	100%
EL8833	Sunrise	NSW	100%	100%
EL8882	Sunrise	NSW	100%	100%
EL8883	Sunrise	NSW	100%	100%
EL9259	Sunrise	NSW	100%	100%
EL9317	Sunrise	NSW	100%	100%
EL9598	Sunrise	NSW	100%	100%
EL9627	Sunrise	NSW	100%	-
ML1770	Sunrise	NSW	100%	100%
ML1769	Sunrise	NSW	100%	100%

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

For more information, please contact:

Corporate

Trevor Eton (CFO)
+61 3 9797 6777

Investors

Craig Sainsbury (Automic Group)
craig.sainsbury@automicgroup.com.au

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. The Sunrise Project also hosts one of the largest and highest-grade scandium deposits globally.

Forward Looking Statements

Certain statements in this news release may constitute “forward-looking statements or “forward- looking information” within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict” and other similar terminology, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements reflect the Company’s current expectations regarding future events, performance and results, and speak only as of the date of this new release. Readers are cautioned not to place undue reliance on forward-looking information or statements.

Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release. For more information about Sunrise Energy Metals please visit the Company’s website www.sunriseem.com.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SUNRISE ENERGY METALS LIMITED

ABN

34 127 457 916

Quarter ended ("current quarter")

30 SEPTEMBER 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(133)	(133)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(598)	(598)
	(e) administration and corporate costs	(703)	(703)
	(f) research and development	(8)	(8)
	(g) Sunrise Project expenditure	(246)	(246)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	111	111
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	83	83
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,497)	(1,497)
2.	Cash flows from investing activities		
2.1	Rental Income	42	42
2.2	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(5)
	(d) exploration & evaluation	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.3	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.4	Cash flows from loans to other entities	-	-
2.5	Dividends received (see note 3)	-	-
2.6	Other (provide details if material)	-	-
2.7	Net cash from / (used in) investing activities	37	37

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings/payment of principal for rental leases	(27)	(27)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material):		
	(a) Cash backing of security bonds	(30)	(30)
3.10	Net cash from / (used in) financing activities	(57)	(57)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,756	8,756
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,497)	(1,497)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.7 above)	37	37
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(57)	(57)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,239	7,239

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,239	8,756
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,239	8,756

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	219
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,497)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,497)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,239
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,239
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 17 October 2024

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.