

17 June 2021

Proposed Demerger of Clean TeQ Water

A Sunrise Energy Metals Limited ('Sunrise Energy Metals' or 'Company') General Meeting is scheduled for 18 June 2021 at which the Company will seek approval for a capital reduction which is required to implement a demerger of Company's Water Business into a new stand-alone company – Clean TeQ Water.

As planned, the meeting will be proceeding simultaneously at a physical location and 'virtually' via an on-line webinar. Details relating to the meeting are available in the Notice of Meeting contained in the Demerger Booklet which is available for download via the following link:

www.sunriseem.com/wp-content/uploads/2021/05/210517_SRL_ASX_DemergerBooklet.pdf

Due to COVID-19 control measures currently in force in Melbourne, shareholders wishing to attend the meeting are encouraged to do so virtually via the webinar. Shareholders attending virtually will be deemed for all purposes to be in attendance as if they were physically there and the webinar platform allows shareholders to ask questions. COVID-19 rules are subject to constant change, and limitations will apply to the number of people who may attend physically.

Sunrise Energy Metals shareholders can attend and participate in the General Meeting virtually via the following link:

<https://web.lumiagm.com/337280528>

Clean TeQ Water Shareholder Presentation

Mr Willem Vriesendorp, CEO of Clean TeQ Water, will provide attendees of the General Meeting an update on Clean TeQ Water after the formal business of the meeting. Mr Vriesendorp's presentation is attached for reference.

US Over the Counter 'OTC' Market

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 dated 17 May 2021 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 continues to liaise with OTC and the US securities regulator FINRA 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.

CLEAN
TEQ
WATER

General Introduction

CLEAN TEQ WATER

18 June 2021

Disclaimer

Certain statements in this news release 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 that actual results may vary from those presented.

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.

Key Dates & Data

18 June

Shareholder meeting
for approval of demerger
Clean TeQ water (CNQ)
and Sunrise Energy
Metals (SNR)

1st July

Distribution of CNQ
shares

2nd July

Start trading CNQ



~7,500
shareholders



45 million
shares

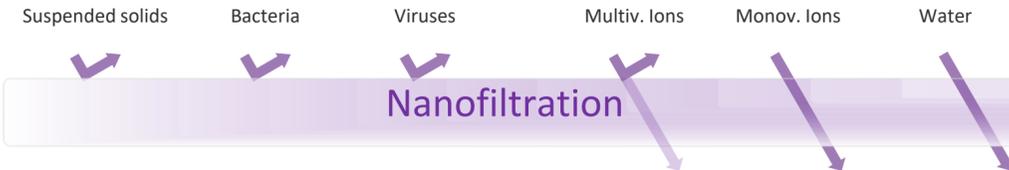
WATER TREATMENT



Metal recovery



Graphene oxide membranes



Encapsulated bacteria



Resin Technology Background

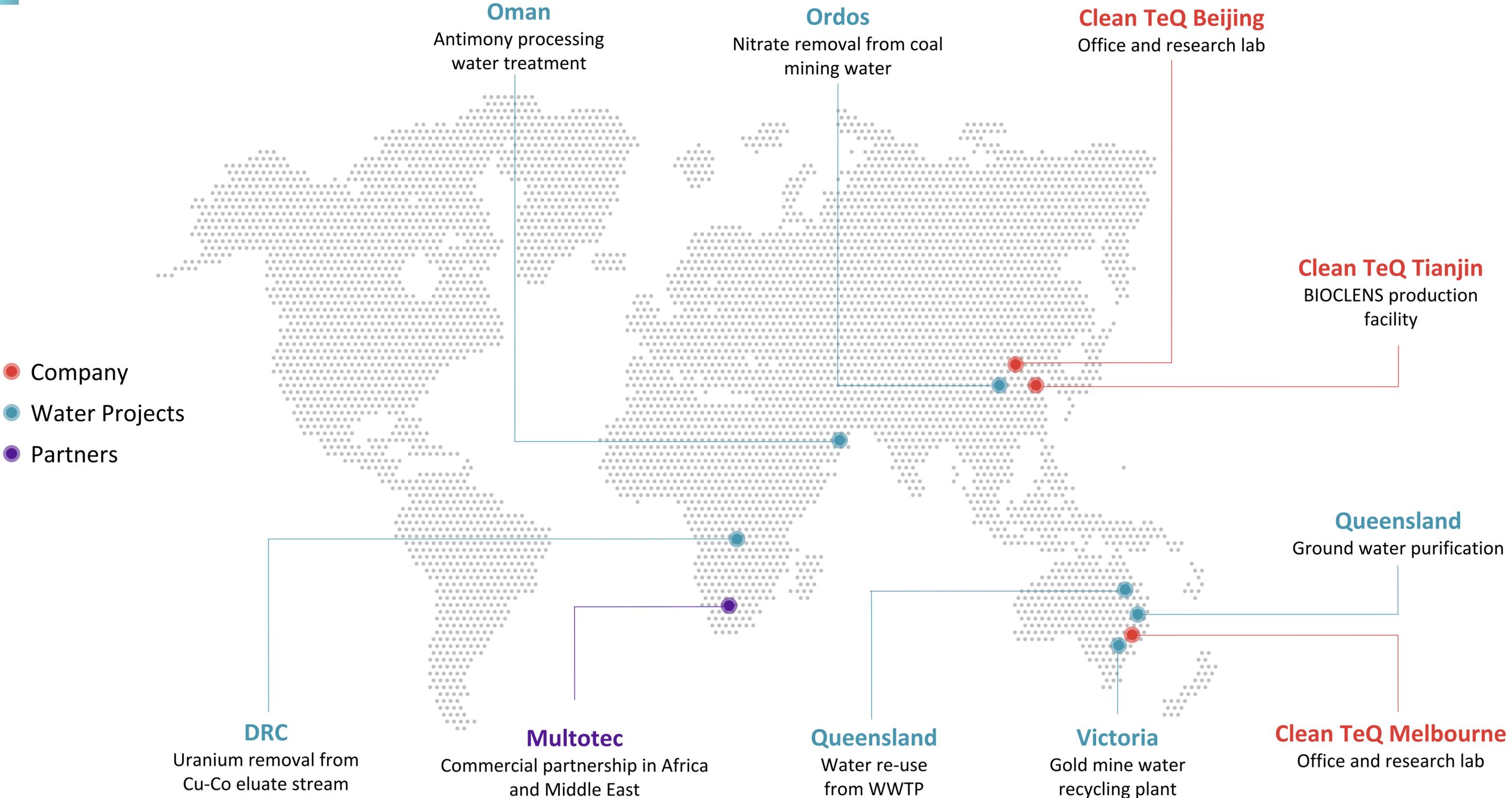
 Continuous ion exchange has been specifically adapted by Clean TeQ Water for water treatment applications

 Clean TeQ holds over 10 patents and extensive know-how



Continuous ion exchange originates from the former Soviet Union where around 40 plants are still in operation*

Our Reach



Current Target Markets

Industrial Brine Treatment

Municipal Effluent Re-Use

Mining Waste Water and Metal Recovery

Annual Market Size

> US\$ 20 BLN

> US\$ 20 BLN

US\$ 5 - 10 BLN

Challenges

- Nitrate, ammonia and organics
- Need for brine minimization
- Use of membranes

- Brine production and disposal
- Total Cost
- Nutrient removal

- Complex waste waters, brine / tailings management
- Recovery/removal of metals

Clean TeQ Water proprietary Solutions

- HIROX and EVAPX for brine and cost minimization
- BIOCLENS for nitrate/ammonia removal from brines

- BIONEX for nitrate removal
- HIROX for maximum recovery

- CIF for removal/recovery of target species
- DESALX for brine free desalination

Clean TeQ Water Benefits

- More robust/less complex flow sheets
- Less brine leading to much lower OPEX

- Maximum recovery, minimum brine
- Lowest TCO and footprint

- Targeted and thorough removal of target ions producing highly concentrated & pure eluate
- Simple low OPEX flowsheets

SERIOUS GLOBAL NITRATE PROBLEM



Nitrate in drinking water linked to thousands of cancer cases and birth defects



Nutrients causing algal blooms resulting in lower oxygen and ecosystem destruction

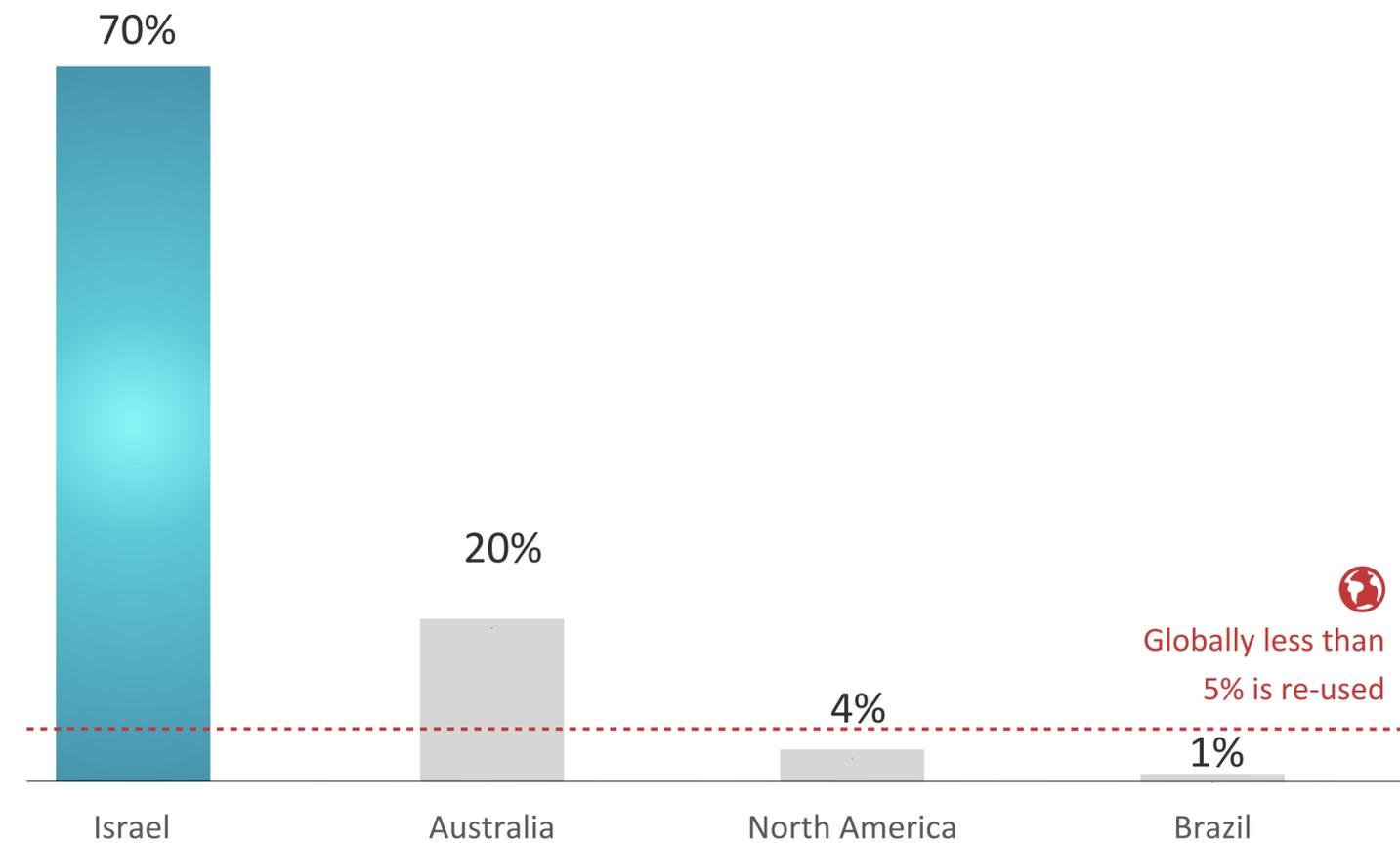
Target Market 2: Municipal Re-use

Waste water plant effluent is already relatively clean and can be a reliable low cost source of additional water supply



Only Israel and Singapore have substantial water re-use, with other areas like California and Australia moving in this direction

**LESS THAN 5%
OF TREATED WATER IS RE-USED**



Source: https://www2.deloitte.com/content/dam/Deloitte/pl/Documents/Reports/pl_Water-Tight-2-0-The-top-trends-in-the-global-water-sector.pdf



50 BILLION OF ANNUAL
MINING REVENUE AT
RISK



27% of production is estimated to be at risk from water stress by 2030E



The global mining equipment water treatment market estimated to reach **US\$8 billion** by 2030

Clean TeQ also targets the recovery of valuable metals from mining waste streams

Encapsulated Bacteria Lenses



Intensification of nitrification and denitrification to achieve lower footprint and operate under harsh conditions of high salinity and toxicity

Continuous Ionic Filtration



Moving resin beds in counterflow to water to improve treatment efficiency, reduce chemical use, produce smaller volume brines and filter solids

Complete Nutrient Removal



Resins to remove TN from main effluent irrespective of temperature and composition with BIOCLENS used to remove TN from concentrated brine

Chemical Free Ultra high Recovery RO



CIF removes hardness to maximize recovery and membrane life, while produced brine is used to regenerate the resins without need for additional chemicals

Membrane Free Desalination



Chemical removal of divalent ions resulting in ultra-high recovery of complex waste water at low cost without producing saline brines

Low Energy Evaporation/ Crystallization



Low temperature normal pressure evaporation to minimize energy use, reduce scaling and fouling risks and enable the re-use of waste heat

Recent Case Examples



Antimony Processing Plant

- Oman
- 500 tons/day
- DESALX + Reverse Osmosis for re-use
- Commissioning Complete



Gold Mine Wastewater

- Victoria, Australia
- 2000 tons/day
- Removal of Sulphate, Calcium, Magnesium, Arsenic, and Antimony



Cobalt Nickel Raffinate

- Democratic Republic of Congo
- 20,000 tons/day
- Removal & recovery of Uranium through CIX



(Won tender: ~ A\$ 16m)

Sewage recycling

- Townsville, Queensland
- 10,000 tons/day for agriculture, 5,000 m³/day for industry
- 98% recovery through HIROX



Bore water to drinking water

- Koumala, Queensland
- 100 tons/day
- Removal of hardness, salinity and disinfection



Coal mine water nitrate removal

- Ordos, China
- 12,000 tons/day
- BIONEX, effluent nitrate <1 throughout the year

#1

Build on our unique portfolio of innovative technologies and solutions

#2

Focus on selected large and high growth sectors and regions that fit our solutions

#3

Provide integrated technology solutions, BOOT* and consumables

*Build, Own, Operate and Transfer. I.e. invest in an asset and provide water treatment as a service under long term supply contract

Pre 2017

Sunrise Ni, Co, Sc mine project launched

2017

2018

Reorient portfolio on water sector growth

- Signed new commercial scale contracts in priority markets
- Bought encapsulation technology for nitrate removal
- Started GO membrane development

2019

2020

Commercial and Technical proof

- First three commercial scale water treatment plants installed
- Start of BIOCLENS production in factory in China
- Pilots across priority geographies and markets

Demerger to create standalone water technology company

2021

2022

Growth Phase

- Three new contracts since January 2021
- Build-up of dedicated commercial teams in Australia & China
- Planned commercial introduction of GO membranes

Industrial Brine Treatment



- Cooperation with NESR to treat brine in oil and gas sector
- Pilots across China in large chemical plants and aquaculture

Municipal Effluent Re-Use



- Progress of municipal re-use projects in Australia
- In discussions with potential partners for entry into the US

Mining Waste Water and Metal Recovery



- Pilots ongoing for removal of pollutants and metal recovery in China, Africa and Australia
- Increased global focus on Acid Mine Drainage and tailings



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