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**28 January 2025**

# Quarterly Activities Report

MELBOURNE, Australia – Sunrise Energy Metals Limited (**Sunrise** or **Company**) (ASX:SRL and OTC:SREMF) is pleased to provide an update on its activities for the quarter ended 31 December 2024.

**Key Developments:**

- **The update of the 2016 Syerston Scandium Project Feasibility Study continues, with activities including:**
  - **Commencement of an expanded project re-assessment study, utilising both the updated capital and operating cost estimates received from GR Engineering Services (GR) in September and the results of the internal Trade-Off and Optimisation Study, with the aim of identifying a development pathway for the project**
  - **Commencement of workstreams focussed on updating the 2016 Scandium Mineral Resource Estimate (MRE)**
  - **Discussions continue with counterparties and end-users across the speciality alloy, semiconductor and aerospace markets**
- **Ongoing work streams to advance the fully integrated Sunrise Project continued with activities focussed on:**
  - **Completing studies for the long-lead electrical transmission line (ETL), allowing Essential Energy to develop a connection access standard and to issue an Offer to Connect**
  - **Updating design submissions following the review of feedback from Essential Energy and SA Department of Infrastructure on modifications to the oversize transport route between Port Pirie and the Sunrise Project site**
- **Exploration activities continued during the quarter across Sunrise's portfolio of assets in New South Wales (NSW) and Queensland (QLD):**
  - **NSW: field mapping and sampling of limestone at Hunters (EL9627) was undertaken to provide an initial analysis prior to future drilling of targets**
  - **QLD: integration of multiple geophysical datasets to gain a greater understanding of subsurface geology was conducted as part of preparatory work ahead of a planned drilling program in 2025, following the end of the wet season**

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## 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

In July 2024, Sunrise announced the commencement of a re-assessment of the 2016 Syerston Scandium Project Feasibility Study, to update and promote the Project in response to ongoing developments in the global scandium market (*refer to the Company's ASX announcement of 9 July 2024*). Key activities during the quarter include:

- In September, preliminary updated capital and operating project cost estimates were received from GR. The data from this Study, together with the results of an internal Trade-Off and Optimisation Study (which highlighted the current Sunrise Project site as the preferred processing facility location), are being used on an expanded project re-assessment study as to the merits of a potential stand-alone scandium processing facility to produce both chemical grade scandium oxide (Sc2O3) and metal.
- In December, as part of the expanded study work and for input into a revised mine plan, the Company engaged Mining One Pty Ltd to review and provide an update to the 2016 Scandium Mineral Resource Estimate (MRE) (*refer to the Company's ASX announcement of 17 March 2016 for details of the previously reported MRE, including JORC 2012 disclosures*).
- The Company continues to invest in scandium alloy development programs to service both the aerospace and automotive industries.

Recent engagement with end-users of scandium in the United States and Asia has confirmed that Chinese export restrictions on scandium products (including the export of processing-related equipment) is creating serious concerns across the supply chain. As a result, the Company has sought and has received formal expressions of interest from consumers seeking to secure alternative sources of scandium supply.

The Company will continue to progress discussions with these end-users, with the aim of converting these expressions of interest into offtake commitments for the Syerston Scandium Project.

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## SUNRISE BATTERY MATERIALS COMPLEX

During the quarter, the Company continued to advance the development of the Sunrise Battery Materials Complex (Ni/Co). A range of workstreams remain ongoing to progress several value-adding deliverables aimed at minimising 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 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.
    - Following the completion of the Power Systems Studies by Sunrise's technical consultant, GHD, that confirmed the existing electrical network can support the Sunrise Project's forecast power load with minimal upstream network augmentation, the next step in the ETL work scope is for power supplier, Essential Energy, to develop a connection access standard and to issue Sunrise with an Offer to Connect pursuant to a ETL Connection Agreement. These steps will be undertaken once a timeline for project development has been established.
- Oversize-Overmass (OSOM) transport route:
    - In July, feedback on the route modification designs completed in mid-2024 was received from Essential Energy and SA Department of Infrastructure and Transport. This feedback is being reviewed with design submissions to be updated accordingly.
    - In September, the NSW Department of Primary Industries and Regional Development signed off on Sunrise's Oversize Transportation Corridor Study, a requirement for receiving the final $75,000 instalment under the $500,000 grant successfully claimed under the NSW Critical Minerals Activation Fund. This funding has been allocated to activities associated with route modifications within NSW.
    - An approvals pathway for each modification has been 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.
    - SA Power Networks provided a proposal to complete the design activities along the South Australian section of the OSOM transport route. This work will be undertaken once a timeline for the FID is clearer with the work expected to take 6 months to complete.

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.

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## EXPLORATION ACTIVITIES

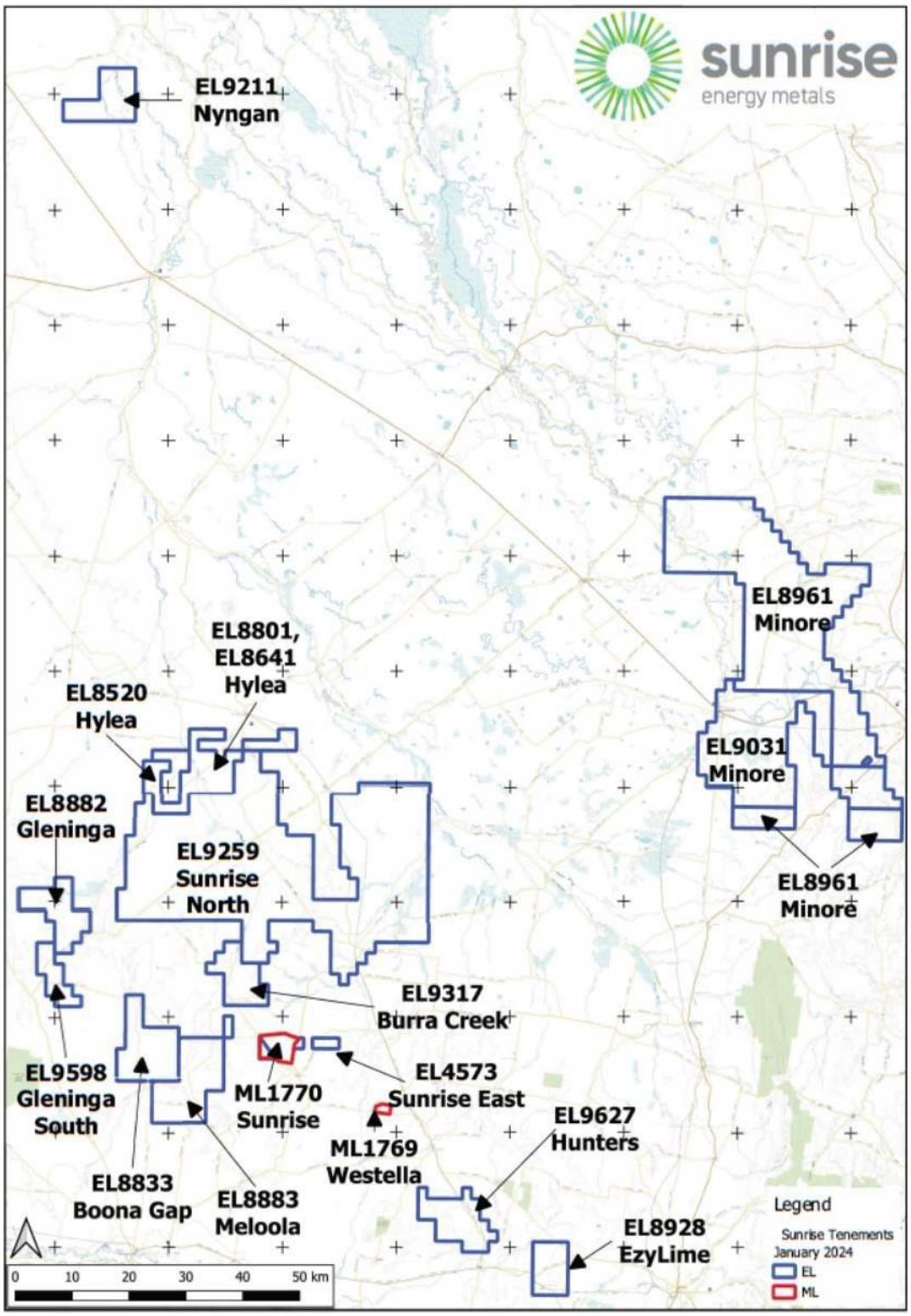



*Figure 1: Sunrise Energy Metals' Tenement Holdings in New South Wales*

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## New South Wales (NSW)

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

- Definition of limestone resources in close proximity to the Sunrise Project; 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.

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

### Limestone Exploration

#### Hunters, NSW (EL9627)

- Field mapping and sampling of quality limestone in the western part of the tenement was undertaken during the quarter. The mapping and sampling will provide an initial analysis prior to future drilling of the likely targets as shown in Figure 2.
- Preparation work for a reverse circulation (RC) drilling campaign continues.

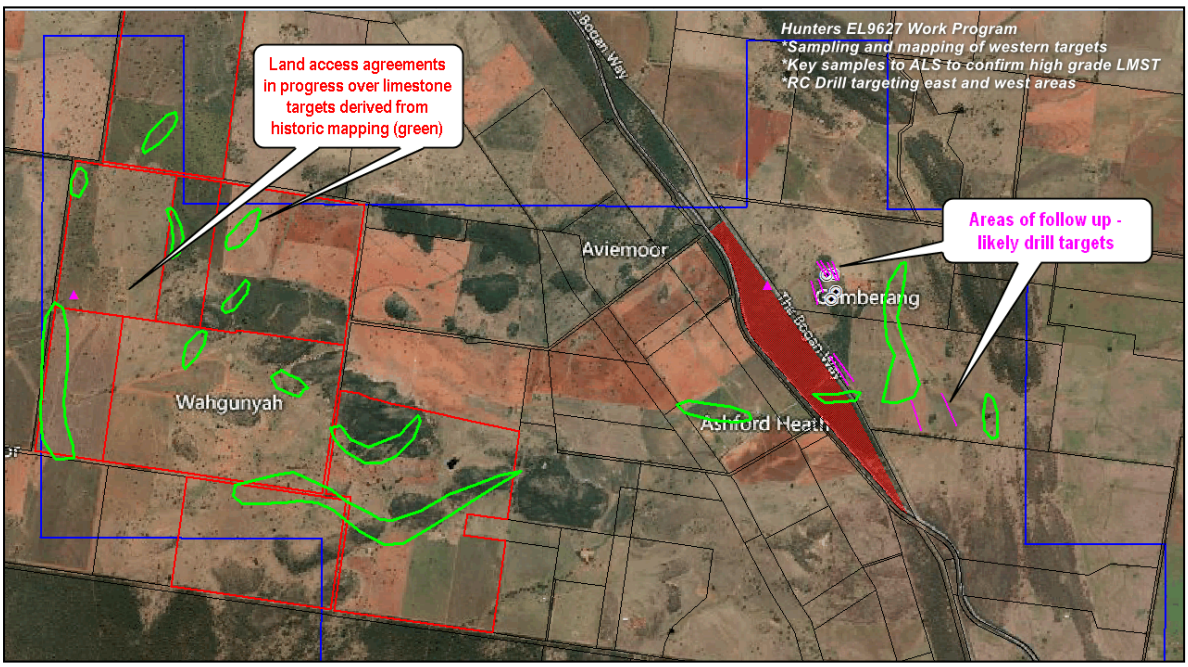



*Figure 2: Map of Hunters EL9627 showing eastern and western limestone targets. Mapping and sampling of western targets are subject to pending Land Access Agreements*

## 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 3*). 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:

- Integration of multiple geophysical datasets 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 re-processed lithospheric seismic line.
- Preparatory work commenced on two gravity surveys to evaluate the magnetic-conductive targets within the exploration area.
- Negotiations continued to secure land access agreements with landholders, required prior to a planned RC program at Dianne (EPM 27559 and 27829) and Maureen-Lola (EPM 28004 and 27760) in 2025, following the end of the wet season.
- Collection of data for additional geophysics, which is planned to include seismic, magnetics and gravity exploration activities.

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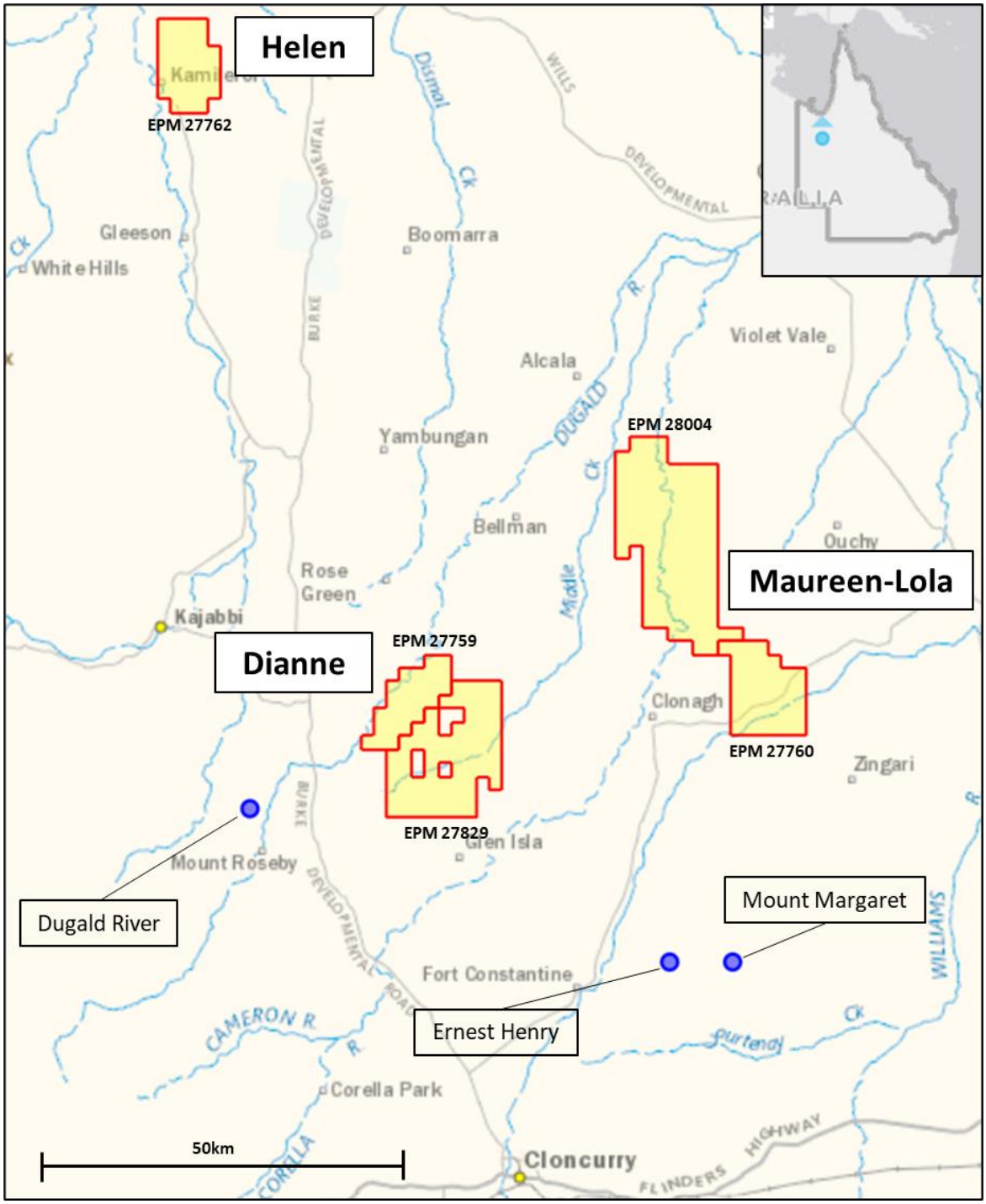



*Figure 3: Clonagh Trend JV tenements (yellow highlight) in Queensland*

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## CORPORATE

Cash on hand was $6.0 million as at 31 December 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.

**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% | 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.

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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.

**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

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Name of entity

SUNRISE ENERGY METALS LIMITED

| ABN | Quarter ended ("current quarter") |
|---|---|
| 34 127 457 916 | 31 DECEMBER 2024 |

| | Consolidated statement of cash flows | Current quarter $A'000 | Year to date (6 months) $A'000 |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (56) | (189) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (480) | (1,078) |
| | (e) administration and corporate costs | (575) | (1,277) |
| | (f) research and development | - | (8) |
| | (g) Sunrise Project expenditure | (218) | (466) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 73 | 185 |
| 1.5 | Interest and other costs of finance paid | (3) | (6) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | 83 |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(1,259)** | **(2,756)** |
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Rental Income | 81 | 123 |
| 2.2 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | (5) |
| | (d) exploration & evaluation | - | - |

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| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (6 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** | **81** | **118** |

| **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 | (28) | (55) |
| 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) |
| **3.10** | **Net cash from / (used in) financing activities** | **(28)** | **(85)** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 7,239 | 8,756 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,259) | (2,756) |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (6 months) $A'000** |
|---|---|---|---|
| 4.3 | Net cash from / (used in) investing activities (item 2.7 above) | 81 | 118 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (28) | (85) |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **6,033** | **6,033** |

| **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 | 6,033 | 7,239 |
| 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)** | **6,033** | **7,239** |

| **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 | - |

*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.*

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| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **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) | (1,259) |
| 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) | (1,259) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 6,033 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 6,033 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 4.8 |

*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.*

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

*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.*

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## 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: 28 January 2025

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.

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