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Sunrise Accelerates Expansion Study for 180tpa Scandium Production at Syerston

Fast-track 60tpa development remains targeted to 2028 initial production

Highlights:

- Sunrise is advancing its assessment of an additional 120tpa scandium oxide production train at Syerston, which would lift total potential production capacity to 180tpa.
- The expanded study program will assess alternative development pathways, including opportunities to optimise capital efficiency, process design and unit operating costs.
- The advancement of expansion study work is in direct response to substantial forecast growth in global scandium oxide demand and to customer requirements for a secure, scalable source of supply outside China.
- FEED for the initial 60tpa development continues to advance well, with commercial production targeted in 2028.

MELBOURNE, Australia – Sunrise Energy Metals Limited (**Sunrise** or **Company**) (ASX:SRL and OTC:SREMF) Chairman Robert Friedland, and Chief Executive Officer Sam Riggall, are pleased to provide an update on development activities at the Company's 100%-owned Syerston Scandium Project in New South Wales, including the acceleration of studies to assess an expansion of production capacity to 180 tonnes per annum (tpa) of scandium oxide.

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Sunrise's Chairman, Mr Friedland, commented:

> "Our Syerston scandium deposit is large, high-grade and exceptionally well located. The expansion study will define the most capital-efficient pathway to lift production capacity to 180 tonnes per annum. These expansion plans are an insurance policy for western industry – one that delivers a new, reliable and scalable source of supply in a geopolitical landscape that is becoming increasingly contested."

180tpa Expansion Case

The Company is accelerating its work on studies to assess an additional 120tpa scandium oxide (Sc_2O_3) production train, increasing Syerston's total production capacity to 180tpa. The expansion study (Study) leverages the engineering, process design and cost information generated through the ongoing Front-End Engineering and Design (FEED) Study for the initial 60tpa development.

The expansion study is assessing the optimal pathway to higher production, including the relative capital efficiency, plant configuration, operating cost profile and execution requirements of a staged expansion. Key deliverables include a mine plan supporting production of up to 180tpa, a Class 5 capital cost estimate, an assessment of operating costs, site layouts, and a high-level execution schedule.

No capital cost, operating cost, production target or economic outcome has yet been determined for the 180tpa case. These matters will be disclosed when sufficiently advanced and supported by an appropriate level of study. The Company is preserving flexibility in the initial Project design so that additional processing, utility and tailings capacity can be incorporated efficiently should a decision be made to expand.

The ultimate timing and scale of any expansion have not been determined and will be led by customer commitments, together with demonstrated demand growth, engineering outcomes, financing arrangements and approval by the Sunrise Board.

Delivering Scalable Western Scandium Supply

A defining feature of the Syerston Scandium Project is that it will be the world's first source of primary mine supply for scandium end-users.

Global supply today is concentrated almost exclusively in China, where scandium is recovered from the processing of titanium dioxide pigment waste and nickel-cobalt waste residues. These waste sources typically contain very low grades of scandium and, in some cases, radioactive elements that require careful management.

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Projected scandium demand growth over the remainder of this decade, driven principally by solid oxide fuel cell deployments for AI data centres, cannot be supported by secondary and by-product sources. At this scale of production – particularly if Chinese supply is withdrawn or withheld – primary mine supply is the only viable option.

As Sunrise's CEO, Sam Riggall, commented:

> "To put the expansion in context, at 180tpa of capacity, Syerston would have approximately the same production capacity that China claims to have today. From a single mine, in Australia. The enormous resource base and high scandium grades allow us to do this while processing relatively modest volumes of ore.
>
> Of course, as we expand the mine, the opportunity to lower costs by capturing economies of scale will allow us to drive scandium adoption in a range of new and higher volume applications, particularly in alloy markets."

FEED Study Progressing on the Initial 60tpa Development

FEED Study activities for the initial 60tpa development continue to advance across the processing plant, refinery and supporting infrastructure. Process Design Criteria and Process Flow Diagrams for the high-pressure acid leach circuit are nearing completion, with an order for the autoclave now placed, and other long-lead equipment packages – including the boiler, flash vessels, heater vessels, positive displacement pumps and water pipeline – issued for tender.

This work is increasing the level of engineering definition for the initial development and provides the technical basis for the expansion study.

The Company's development plan for the initial 60tpa operation remains targeted toward commercial production in 2028, subject to completion of engineering, financing, a final investment decision (FID) and other customary development requirements.

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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 (ASX:SRL: OTCQX:SREMF) – Sunrise Energy Metals Limited (SEM) is developing the Syerston Scandium Project, near Fifield in central-west New South Wales (NSW), with the aim of delivering the world's first source of mineable, high-grade scandium. Sunrise also owns the Sunrise Nickel-Cobalt Project, one of the largest and most cobalt-rich nickel laterite deposits in the world.

About the Syerston Scandium Project – The Syerston Scandium Project hosts one of the world's largest and highest-grade scandium deposits. The Project is supported by extensive piloting, metallurgical test work and engineering. Scandium oxide produced by the Project will service key technology markets, including fuel cells, advanced aluminium alloys and semiconductors.

Previously Reported Information

*The information in this announcement that references previously reported results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (**www.asx.com.au**). The Company confirms that is not aware of any new information or data that materially affects the information included in the original announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.*

Forward Looking Statements Disclaimer

Certain statements in this announcement 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 report. Readers are cautioned not to place undue reliance on forward-looking information or statements.

Although the forward-looking statements contained in this announcement 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 report 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 announcement. For more information about Sunrise Energy Metals, please visit the Company's website www.sunriseem.com.