

28 January 2022

## Quarterly Activities Report

MELBOURNE, Australia – Sunrise Energy Metals Limited (**Sunrise Energy Metals** or **Company**) (ASX:SRL and OTC:SREMF) is pleased to provide an update on its activities for the quarter ended 31 December 2021.

### Key Developments:

- **The Sunrise Battery Materials Complex ('Sunrise Project') was awarded Commonwealth Government Major Project Status, formally recognising the significance of the project to the Australian economy and regional communities in New South Wales.**
- **Post quarter end, the Company secured conditional finance support from Export Finance Australia ('EFA') for up to A\$400 million of debt funding.**
- **Drilling at Sunrise East intersected a cobalt-bearing laterite zone in ultramafic rocks and porphyry-style alteration associated with more evolved mafic to felsic intrusions including 5.8m @ 1120 ppm cobalt (SDD029) near surface with encouraging grades of nickel, scandium and platinum in the oxide zone<sup>1</sup>. A 53-hole reverse circulation ('RC') drill program is planned to test the extent of further cobalt and nickel mineralisation at Sunrise East.**
- **The Phase 2 diamond drill holes completed at Phoenix Platinum Prospect intersected multiple intervals of platinum mineralisation, though platinum grades are lower than previous bonanza grades intersected in the Phase 1 drill program.**
- **Work streams to advance the fully integrated Sunrise Project continued with activities focussed on:**
  - **Application for a modification to the Sunrise Development Consent, with NSW Government approval for the modification received in January 2022.**
  - **Progressing the long-lead electrical transmission line ('ETL') work scope.**
  - **Successful relocation of the Sunrise Project autoclaves, the major component of the Project's processing plant.**
- **The Company had A\$29.3m cash on hand as at 31 December 2021.**

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<sup>1</sup> For full details including JORC disclosures refer to the ASX announcement dated 20 January 2022

Managing Director and CEO, Sam Riggall said: *“We are grateful to the Australian Government and its agencies for the award of Major Project Status to the Sunrise Project. It confirms the government’s on-going commitment to Australia’s critical minerals sector, most recently recognised in the establishment of the A\$2 billion Critical Minerals Facility. As national and state policies evolve to support Australia’s critical minerals sector, large, long-life, low-cost and sustainability designed assets like Sunrise will be key to building reliable and sustainable regional supply chains.*

*“The non-binding letter of support from Export Finance Australia for up to A\$400 million of debt funding clearly demonstrates the Commonwealth Government’s commitment to providing material financial assistance to project developers like Sunrise Energy Metals to bring Australia’s critical minerals projects to fruition. The Company is targeting approximately 50% of the Project’s capital requirements from commercial bank lenders, and this additional financial support from EFA is most welcome. We look forward to working with EFA as we continue to work towards securing a comprehensive financing package for the Sunrise Project from a range of local and offshore participants who have expressed interest in the project. We are grateful for the ongoing support of the Australian Government through its various agencies and we look forward to updating the market on material developments as discussions progress.*

*“Finally, the Company’s growing exploration portfolio continues to offer exciting opportunities. Our exploration activities remain focussed on expanding our understanding of the geological potential of our broader tenement package, ensuring that we can maximise the potential from our core activity which remains progressing the Sunrise Battery Materials Project towards production.”*

## OCCUPATIONAL HEALTH AND SAFETY

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

## 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 a number of value-adding deliverables aimed at minimising Project start time once funding is secured. Key work programs include:

- Progressing the long-lead electrical transmission line work scope. The ETL application to connect to the NSW electrical grid is currently in progress and will continue through CY22.
- Test work and process development work assessing opportunities for potential recycling of spent battery materials and further downstream processing of sulphates into precursor cathode active material.
- Ongoing environmental work including monitoring and compliance reporting.

- A range of scandium alloy development programs continue to be progressed, consistent with Sunrise Energy Metals' long-term strategy to work with, and assist, industry players to investigate and develop new applications for scandium-aluminium alloys.

## **Conditional finance support from Export Finance Australia**

Post the end of the quarter (refer to the ASX release dated 17 January 2022) a letter of conditional finance support was received from Export Finance Australia (EFA) for up to A\$400 million of debt funding for the Sunrise Project.

EFA is Australia's export credit agency and provides financial solutions to support Australian exporters through loans, guarantees, bonds and insurance. EFA also manages the Australian Government's A\$2 billion Critical Minerals Facility which was established in 2021 to support projects that are aligned with the Australian Government's Critical Minerals Strategy and are otherwise in Australia's national interest.

As outlined in EFA's non-binding letter of support, a successful outcome from the EFA assessment and due diligence process is contingent on several conditions including:

- Satisfactory independent technical review of the Sunrise Project;
- An acceptable contracting strategy for the engineering, construction and commissioning of the Sunrise Project;
- Finalising a comprehensive funding plan for the Sunrise Project including equity investment and securing debt funding from other lenders;
- Meeting eligibility criteria, credit and risk requirements including but not limited to EFA's "know your customer" and anti-bribery requirements and checks; and
- The Sunrise Project complying with EFA's environmental and social risk policies, including receiving the required regulatory and environmental approvals.

EFA has advised that it will commence detailed due diligence on the Sunrise Project.

## **Major Project Status Award**

During the quarter the Australian Minister for Industry, Energy and Emissions Reduction, the Honourable Angus Taylor MP, awarded Commonwealth Government Major Project Status to the Sunrise Project. The award of Major Project Status formally recognises the significance of the Sunrise Project to the Australian economy and regional communities in New South Wales. Key Sunrise Project benefits and economics include:

- Fully integrated from mine to battery chemicals with an average annual metal-equivalent production of 21.3kt of nickel and 4.4kt of cobalt over the first decade of a 50-year resource life.
- Sustainably designed to operate on 100% renewable power with industry-leading carbon footprint, water re-use and responsible waste management.
- Exceptional project economics with Life of Mine (**LOM**) revenue of US\$16.3 billion, LOM EBITDA of US\$10.8 billion, average free cash flow (post-tax) of US\$308 million pa and NPV8 of US\$1.2 billion<sup>2</sup>.
- Construction ready with A\$250M invested in pre-development capex with all key permits and land secured.
- Creation of over 1,800 direct jobs during construction with an estimated 400 ongoing full-time jobs created.

## Permitting and approvals

The Company completed a Project Execution Plan (**PEP**) in late 2020. Undertaken by an integrated Sunrise Energy Metals and Fluor Australia Pty Ltd (**Fluor**) team, the PEP updated the 2018 Definitive Feasibility Study, incorporating revised cost estimates, updated design and engineering work as well as a revised master schedule for the engineering, procurement, construction, commissioning and ramp-up of the Project. The PEP resulted in several enhancements to the Project layout and design, requiring a handful of modifications to be made to the Sunrise Project Development Consent – the key NSW state government approval. During the quarter the Company progressed the process for approval of these modifications. Final approval of these (Mod 7) was received in January 2022.

Progress continues on the long-lead electrical transmission line work scope. The application to connect to the NSW electrical grid is currently in progress and will continue through CY22. Connection to the NSW electrical grid is a key enabler of the Company's commitment to procure renewable energy to supply 100% of the Project's external power requirements.

The Company has also continued to progress commercial discussions with landowners, local councils, the NSW State Government and other impacted parties required for land access agreements for key infrastructure including the water pipeline and the electrical transmission line

## Autoclaves

The Company owns two autoclaves – the major component of the hydrometallurgical leaching circuit for the Sunrise processing plant – which were being stored at Port Pirie. Due to significant port maintenance works to be undertaken at Port Pirie, the autoclaves were relocated in the quarter

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<sup>2</sup> For full details including JORC disclosures refer to the ASX announcement dated 28 September 2020

to an alternate storage location. A brief video of the autoclaves' relocation is available at the weblink below.

[https://www.youtube.com/watch?v=6\\_zUBgLI6g8](https://www.youtube.com/watch?v=6_zUBgLI6g8)

The autoclaves and their associated equipment are unused, in excellent condition and are ideally sized for the Sunrise Project. Manufactured with steel shells and an explosively bonded titanium lining, they are designed to withstand the operating conditions required for the effective leaching of nickel, cobalt and scandium from the Sunrise ore.

## EXPLORATION ACTIVITIES

The Company continues to advance activities across its range of exploration assets in New South Wales. Post quarter end (refer to the ASX release dated 20 January 2022) the Company provided an update on activity at the Sunrise East (EL4573) and Phoenix Platinum (ML1770) assets.

### **Sunrise East (EL4573)**

EL4573 is located to the east and west of the Sunrise project ML1770 (see Figure 1). During the quarter Sunrise Energy Metals reprocessed and modelled airborne magnetics associated with the eastern part of EL4573 which covers a strong discrete magnetic high of dimensions 2.0x1.5km. Preliminary interpretation suggested that the magnetic feature has a high potential to be an intrusive complex with numerous crosscutting zones of magnetic destruction associated with hydrothermal alteration.

The first hole at Sunrise East (SDD029) was targeting a magnetic anomaly and intersected laterite and saprolite from surface to a depth of 12.8m before intersecting ultramafic pyroxenite and dunite lithologies (Figure 2). Assay results have been received from the oxide zone of SDD029 and have returned cobalt grades comparable to the Sunrise Project resource. Cobalt intercepts included 11m @829ppm from 1.8 to 12.8m, including 5.8m @ 1120ppm from 7 to 12.8m. The drill hole also intersected a thick interval of strong silica-carbonate-fuchsite-pyrite alteration on the contact of the intrusive and sedimentary country rocks. Base metal sulphides and pyrite were observed throughout this interval and the zone has characteristics typically associated with a carbonate-base metal-gold system. Assays below the oxide zone are pending.



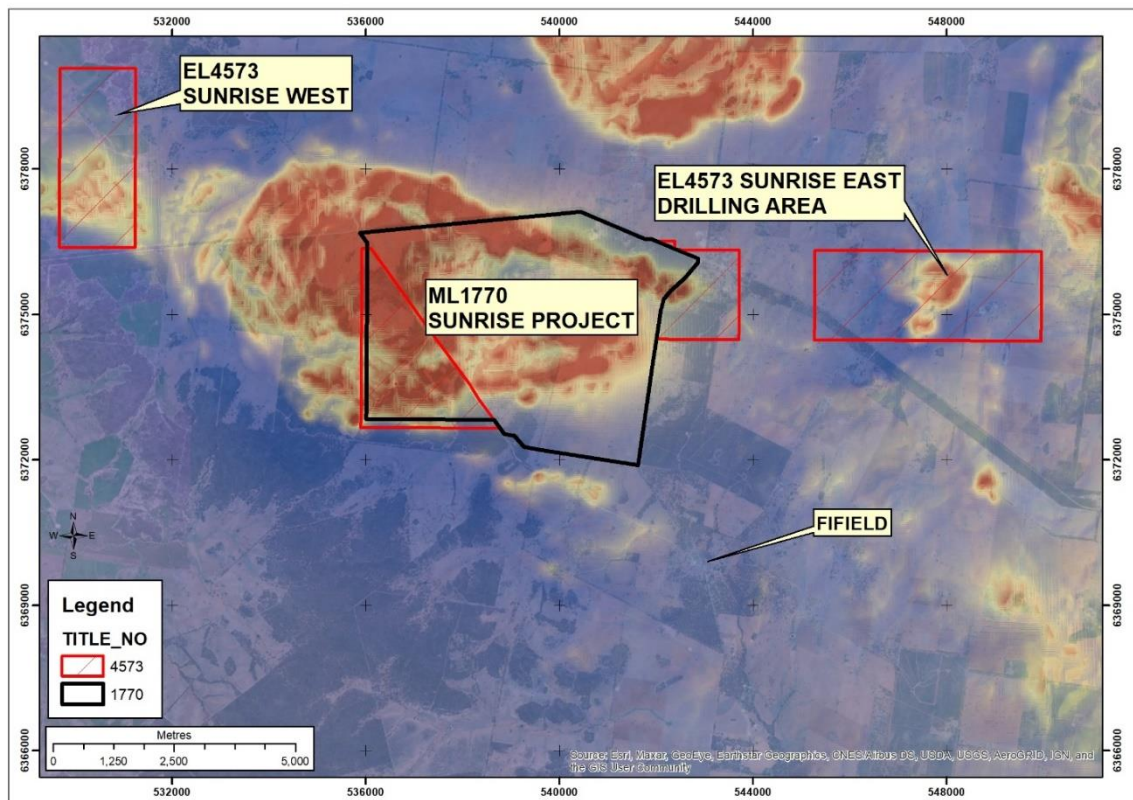


Figure 1. Location of EL4573 Sunrise East Drill area and ML1770 Sunrise Project with magnetics TMI-RTP (source Geological Survey New South Wales).

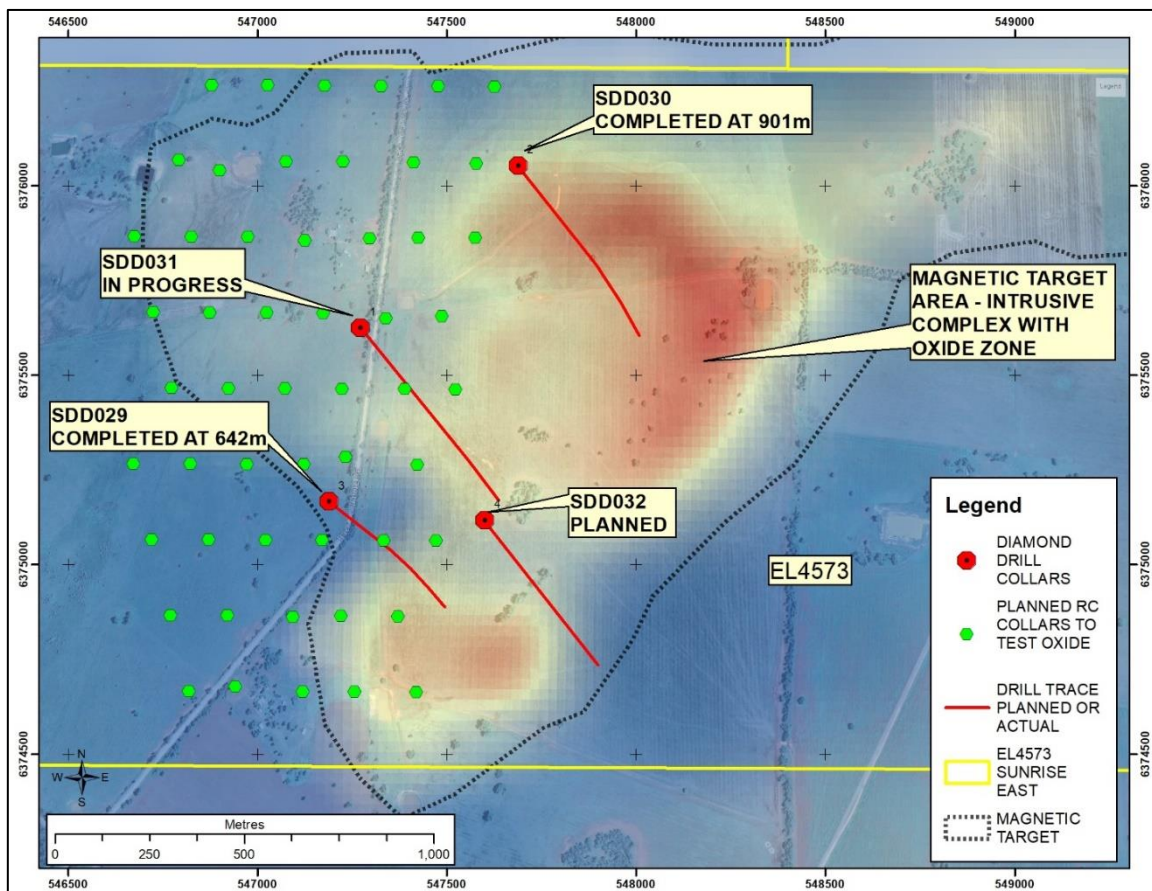


Figure 2. Location of completed and planned collars Sunrise East EL4573.

On the strength of the cobalt assay results from SDD029, and the extent of the intrusive complex from magnetic imagery, Sunrise Energy Metals has designed a 53-hole RC drilling program. This drilling program will test the extent and tenor of cobalt-bearing oxide mineralisation over the western half of the Sunrise East intrusive complex. The drill holes will also be extended into fresh ultramafic rock and will be assayed for platinum group elements.



*Cobalt-rich laterite core from Sunrise East SDD029.*

The second diamond drill hole (SDD030) targeted a deeper magnetic anomaly and intersected a multi-phase mafic to felsic intrusive complex with numerous wide intervals of red rock alteration and narrow reddened monzonite and tonalite dykes with minor disseminated and blebby chalcopryite (see images below). The more evolved characteristics of the rocks intersected in SDD030 indicate that the Sunrise East magnetic feature reflects a zoned Alaskan-style intrusion with the age of rocks likely to be Ordovician and similar to that of the nearby Tout Intrusive Complex which hosts the Sunrise Project. It is interpreted that the numerous reddened dykes, associated with copper mineralisation, are associated with a proximal porphyry phase located at depth or proximal to the drill hole. A strong silica-pyrite alteration zone was intersected at depth within SDD030 and is interpreted to be a deeper intersection of the same alteration zone intersected in SDD029. Initial surface mapping and surface sampling suggests that this alteration zone has a strike extent of over 1000m.



*Sunrise East drill core from SDD030 – highlighting pyrite and minor disseminated chalcopryite associated with monzonite dyke.*





*Drilling at Sunrise East.*

## **Phoenix Platinum (ML1770)**

All multi element and fire assay results from Phase 2 of the Phoenix diamond drilling program were received during the quarter. Phase 2 of the planned diamond drilling program at Phoenix comprised four diamond holes (totalling 1605 metres) targeting platinum mineralisation intersected in Phase 1 drilling. The four holes targeted potential down dip, up dip and along strike platinum mineralisation intersected in hole SDD022 drilled in late 2020. SDD022 returned a bonanza grade intersection of 0.6m @ 129g/t platinum at 255.9m downhole as well as a 0.3m interval of 9g/t platinum from 124.3-124.6m. The intersection also includes significant grades of palladium, rhodium, iridium, osmium and ruthenium (for further details see ASX announcement dated 3 May 2021).

SDD025 tested the up dip extension of platinum mineralisation intersected in SDD022, however platinum grades were lower compared to SDD022, with several other shallower and deeper narrow intervals. SDD026 tested the down dip extension of platinum mineralisation in SDD022 and intersected multiple intervals of platinum mineralisation including 109.07-109.5m @ 2.19g/t platinum and 392.7-393.45m @ 3.29g/t platinum. Several intervals of +1 g/t platinum were also intersected. SDD027 and SDD028 intersected multiple intervals with platinum grades of 0.2-0.7g/t. Several wide intervals of low-grade platinum mineralisation associated with +1g/t intervals were intersected in SDD026, which suggests mineralisation may broaden to the south and at depth (see Figure 3).



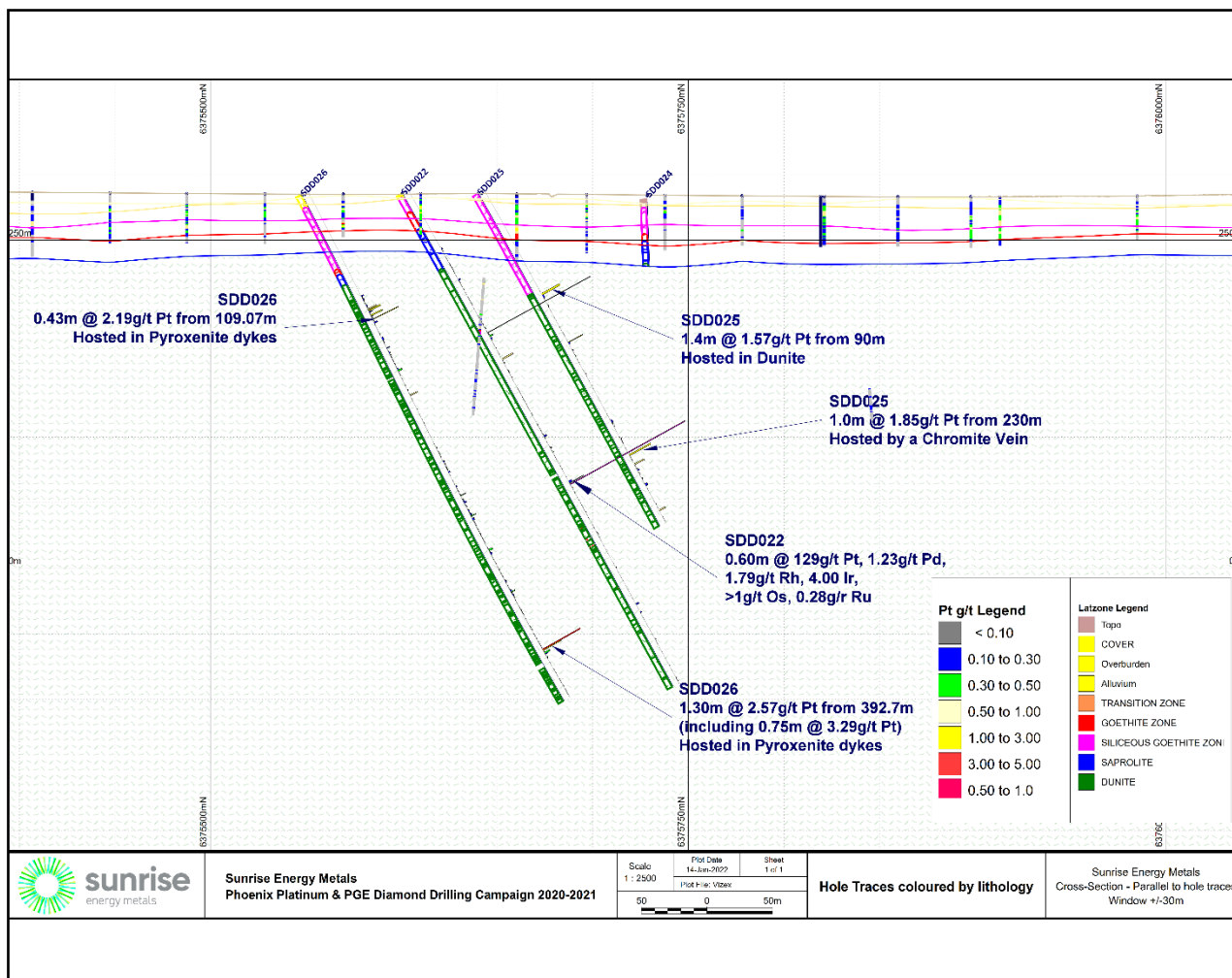


Figure 3. Cross section showing SDD022 and Phase 2 diamond drill holes SDD026 and SDD025. Platinum results appear as a bar down the right side of the drill trace. Lithologies are dominated by dunite (green).

The Phase 2 diamond drilling program intersected many wide zones of coarse-grained pyroxenite dykes associated with strong serpentinization and platinum intercepts. Platinum was also found to be associated with chromite veins and shear zones. It is interpreted that platinum is remobilised into permeable zones within the dunite core and potentially along its contacts with surrounding pyroxenite. Research is continuing on the timing and controls to platinum mineralisation. Results so far strongly suggest that the platinum is magmatic in origin.

## Boona Gap (EL8833)

During the quarter a total of 40 RC holes were drilled at the Meloolo limestone prospect within the Boona Gap exploration licence. Limestone is an important reagent that will be used for nickel and cobalt extraction at the Sunrise Project. Sunrise Energy Metals has a long-term contractual arrangement in place with a local quarry for the supply of limestone for the project, however, the Company seeks to define alternative limestone resources which may in future augment those existing supply arrangements.

A total of 2212m were drilled with samples submitted for analysis. All assay results were received during the quarter with the majority of drill holes returning moderate to long intervals of limestone of good to variable quality. Geotechnical data including bulk densities were recorded during the drilling campaign and along with assays will be reviewed to determine the potential of completing a resource estimate.

## Hylea Project (EL8641, EL8520 and EL8801)

Land access agreements were negotiated during the quarter and a drilling activity approval application has been made is in preparation for an RC drilling program to commence March-April 2022. The drilling program will test the magnetic footprint of the Hylea Intrusive Complex for battery metals including nickel and cobalt as well as platinum group elements that are hosted in laterite and hard rock. The Hylea Project contains significant potential for high grade cobalt mineralisation from historic intercepts at the Tigers Creek Prospect contained wholly within the Hylea licences (See Figure 4).

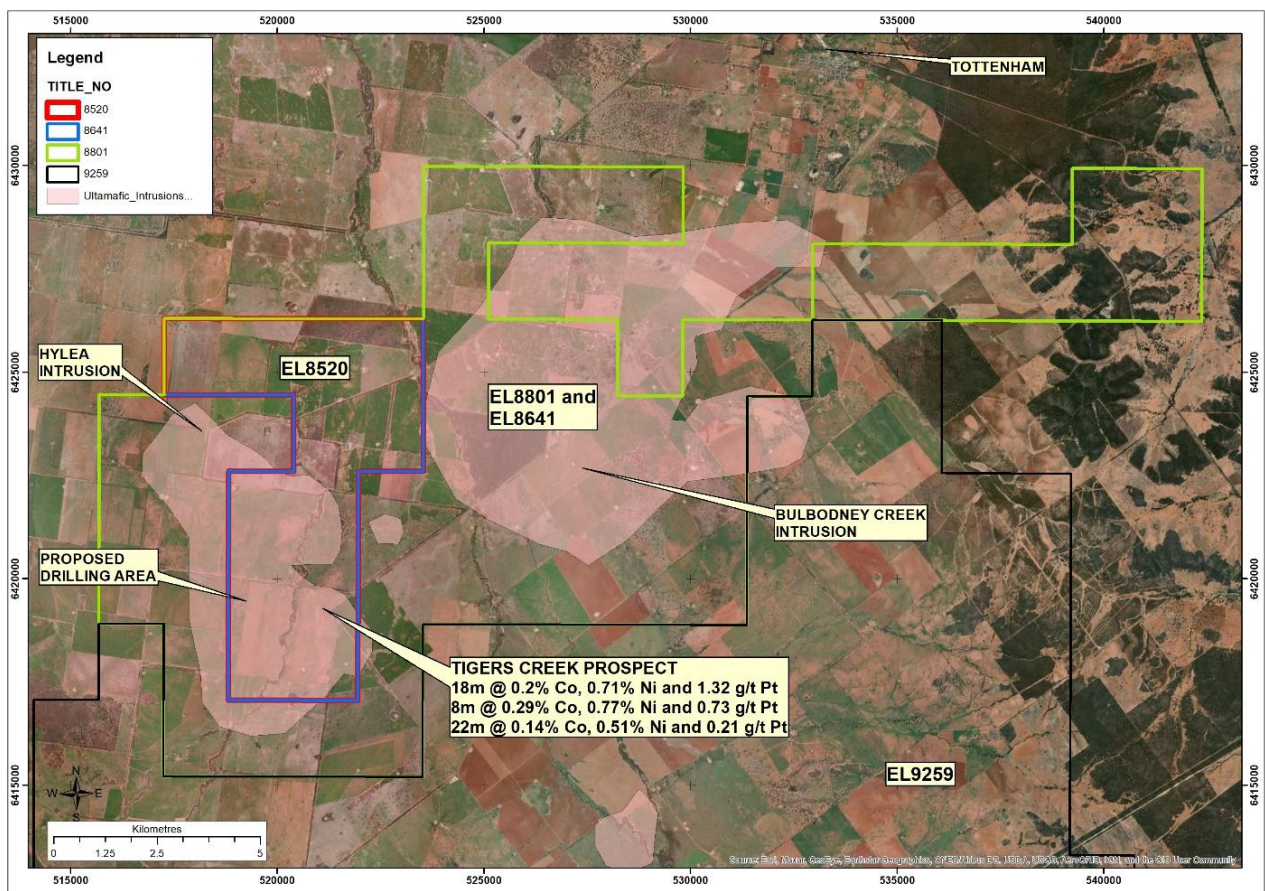


Figure 4. Location of Hylea Project Exploration Licences

### **Burra Creek (EL9317)**

A new exploration licence at Burra Creek, EL9317, was granted to the Company in October 2021. The EL is located to the north of the Sunrise Project is prospective for tin, precious and battery metals. The licence contains the Burra Creek tin alluvial workings, Tresylva ultramafic intrusive complex and some of the largest historic hard rock gold workings in the area. Sunrise Energy Metals will commence a data review and target generation and land holder negotiations during the coming quarter.

### **Sunrise North (EL9259)**

A data review and target generation work were commenced during the quarter. Reprocessing of geophysical imagery and landholder negotiations were also commenced during the quarter. Sunrise North (EL9259) is prospective for a number of mineral systems including battery metals.



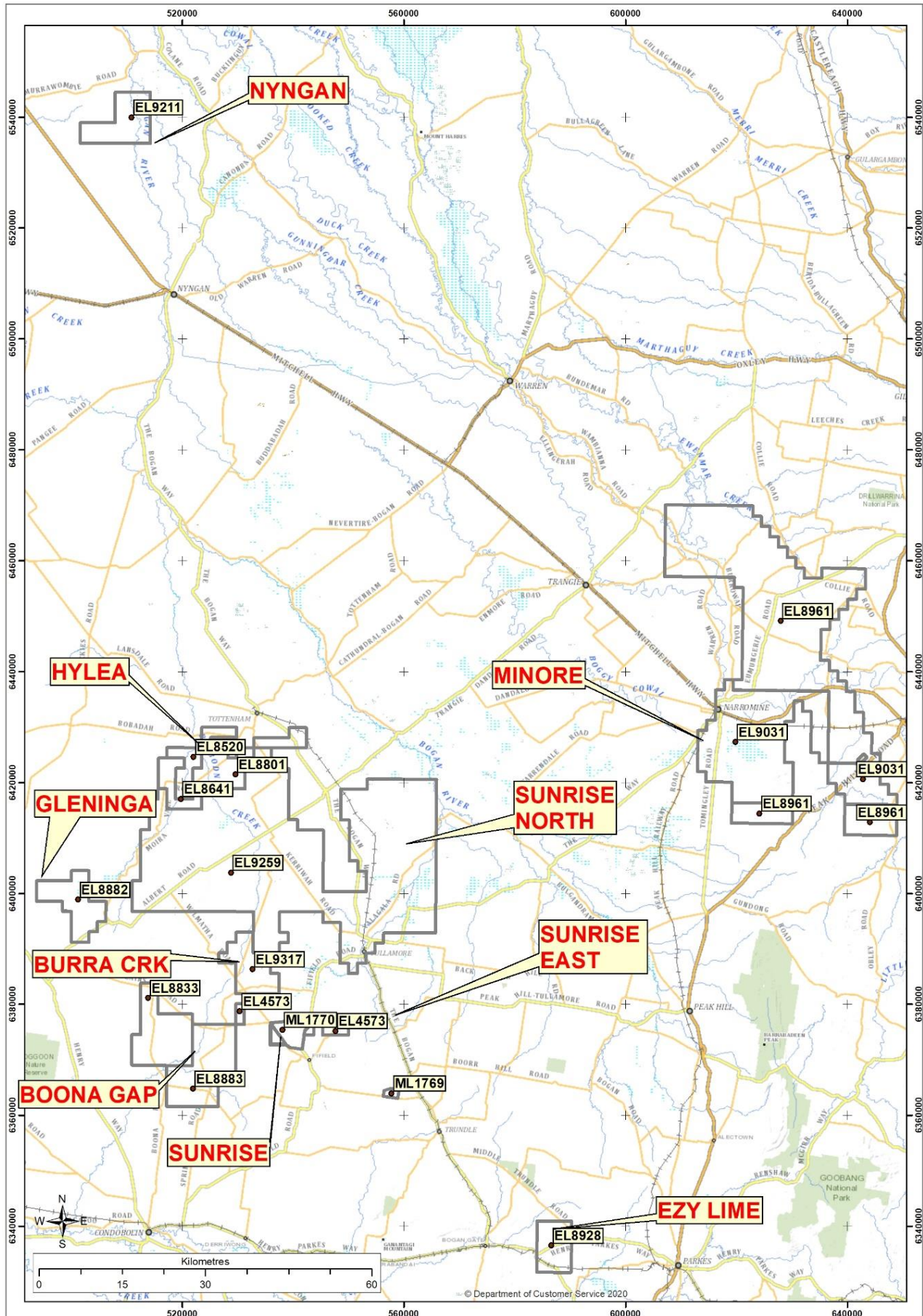


Figure 5. Sunrise Energy Metals' tenement holdings New South Wales.



## **Minore Project (EL8961 and EL9031)**

Historic data compilation and a review of prior target generation was completed during the quarter for the Minore Project. Work will ramp up next quarter with land access negotiations and reconnaissance investigations and surface sampling at high priority target areas. Targets include rare earth and copper gold systems.

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

### **For more information, please contact:**

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#### **Investors**

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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](http://www.sunriseem.com)

**Sunrise Energy Metals Limited Group Mineral tenement summary**

<b>Licence</b>	<b>Project Name</b>	<b>Location</b>	<b>Equity Interest</b>
EL8961	Minore	NSW	100%
EL9031	Minore	NSW	100%
EL8520	Hylea	NSW	100%
EL8641	Hylea	NSW	100%
EL8801	Hylea	NSW	100%
EL4573	Sunrise	NSW	100%
EL8928	Sunrise	NSW	100%
EL8833	Sunrise	NSW	100%
EL8882	Sunrise	NSW	100%
EL8883	Sunrise	NSW	100%
EL9317	Sunrise	NSW	100%
ML1770	Sunrise	NSW	100%
ML1769	Sunrise	NSW	100%

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

SUNRISE ENERGY METALS LIMITED

**ABN**

34 127 457 916

**Quarter ended ("current quarter")**

31 December 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter A\$'000</b>	<b>Year to date (12 months) A\$'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	50	72
1.2 Payments for		
(a) research and development	(128)	(153)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(7)	(23)
(d) leased assets	(53)	(139)
(e) staff costs	(761)	(1,546)
(f) administration and corporate costs	(376)	(2,372)
(g) Sunrise Project expenditure	(1,469)	(2,595)
(h) mineral exploration	(957)	(1,753)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,680)</b>	<b>(8,466)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(142)	(142)
(d) investments		(1,000)

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (12 months) A\$'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	5	5
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(137)</b>	<b>(1,137)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Cash backing of security bonds	62	256
3.10	Demerger of Clean TeQ Water <sup>#</sup>	-	(16,005)
3.11	Other (provide details if material)	-	-
3.12	<b>Net cash from / (used in) financing activities</b>	<b>62</b>	<b>(15,749)</b>

# On 1 July 2021 Clean TeQ Water Limited was demerged from the Sunrise Energy Metals Limited group of companies. The amount presented at item 3.10 is the cash on hand attributable to Clean TeQ Water upon the demerger occurring.



Consolidated statement of cash flows		Current quarter A\$'000	Year to date (12 months) A\$'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>(3,756)</b>	<b>(25,352)</b>
4.1	Cash and cash equivalents at beginning of period	33,060	54,657
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,680)	(8,466)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(137)	(1,137)
4.4	Net cash from / (used in) financing activities (item 3.12 above)	62	(15,749)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>29,305</b>	<b>29,305</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter A\$'000</b>	<b>Previous quarter A\$'000</b>
5.1	Bank balances	29,305	29,305
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>29,305</b>	<b>29,305</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
A\$'000**

-

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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

**7. Financing facilities**

*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.*

	<b>Total facility amount at quarter end A\$'000</b>	<b>Amount drawn at quarter end A\$'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-

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.

<b>8. Estimated cash available for future operating activities</b>	<b>A\$'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(3,680)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	29,305
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	29,305
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	8.0

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 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:

8.6.2 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:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## 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 2022

Authorised 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 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 standard applies 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.