

20 December 2022

Sunrise Project receives conditional offer for \$10 million grant from NSW Critical Minerals and High-Tech Metals Activation Fund

MELBOURNE, Australia – Sunrise Energy Metals Limited (‘Sunrise Energy Metals’ or ‘Company’) (ASX:SRL) CEO and Managing Director Sam Riggall is pleased to announce that the Company has been advised by the Department of Regional NSW that its application for a \$10 million grant in support of the ongoing development of the Sunrise Battery Materials Project has been conditionally approved.

CEO and Managing Director, Sam Riggall, said: *“The offer of a \$10 million grant towards the development of the Sunrise Project clearly demonstrates the NSW Government’s commitment to providing material financial assistance to project developers like Sunrise Energy Metals to bring Australia’s critical minerals and high-tech metals projects to fruition.*

“We remain focused on securing a comprehensive funding package, including commercial bank debt, government financing support and a project-level equity contribution from a strategic offtake partner, to enable the Company to proceed to a final investment decision for the Sunrise Project. The funding from the NSW Government, along with the conditional support received earlier in the year for up to \$400 million of debt funding from Export Finance Australia, are meaningful contributions towards this Project financing package and we are grateful for the ongoing support of the NSW Government through its various agencies.

“We look forward to updating the market on material developments as Project activities and broader project funding discussions are progressed.”

The \$10 million grant is being made pursuant to Stream 2 (Enabling Project Infrastructure) of the NSW Government’s Critical Minerals and High-Tech Metals Activation Fund, which aims to activate the critical minerals and high-tech metals sector by supporting key infrastructure projects needed to accelerate the critical minerals and high-tech metals sector in NSW. Stream 2 grants of between \$2 million and \$10 million (ex GST) have been awarded for eligible activities via a competitive application process.

Subject to satisfying the conditions of the offer, the Company will apply the grant proceeds towards the engineering, procurement, construction and connection to the NSW electricity grid at Parkes of a 77km 132kV electrical transmission line ('ETL') from the Sunrise Project site at Fifield. The ETL is required to connect the Project to the NSW electrical grid and Central West Orana Renewable Energy Zone, which is a critical enabler of the Company's pledge to procure 100% renewable electricity for the Project. The total construction cost of the ETL, which is included in the full capital development cost estimate for the Project¹, is approximately \$34 million.

Receipt of the grant proceeds is subject to satisfaction within agreed timeframes of a number of conditions including demonstrating funding is available for the Company's share of the ETL construction cost (ie upon the Company securing a comprehensive funding package and making a final investment decision for the Project) and entering into a funding deed with the Department of Regional NSW. The funding deed will outline progress payments to be made against mutually agreed performance milestones.



AGL's Nyngan Solar Farm, Central New South Wales

The \$10 million grant is offered in addition to the \$500,000 grant which the Company was awarded in November pursuant to Stream 1 (Project Activation Studies) of the Critical Minerals and High-Tech Metals Activation Fund.

¹ For details see the 'Sunrise Project Execution Plan' ASX Announcement dated 28 September 2020

Objectives of the Critical Minerals and High-Tech Metals Activation Fund

The NSW Critical Minerals and High-Tech Metals Strategy ('Strategy') outlines the NSW Government's commitment to drive investment into the critical minerals and high-tech metals sector across the entire supply chain in NSW. The Strategy outlines the market opportunities for critical minerals and high-tech metals in NSW, including the specific investment and job-creating opportunities and competitive advantages for NSW to establish a viable, valuable and sustainable sector.

To realise the Strategy, the NSW Government has established the \$130 million Critical Minerals and High-Tech Metals Activation Fund ('Fund') to drive investment and support the development of the sector in NSW. The Fund aims to position regional NSW as a major global supplier and processor of critical minerals and high-tech metals.

The Fund aligns to the NSW Government's 20-Year Economic Vision for Regional NSW, and the 2021 NSW Trade Statement.

The Fund is being delivered by the Department of Regional NSW.

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

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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.