

SUNRISE RESOURCES PLC

A DIVERSIFIED
MINERALS
EXPLORATION &
DEVELOPMENT
COMPANY

Annual Report and Accounts
FOR THE YEAR ENDED 30 SEPTEMBER 2015

SUNRISE RESOURCES PLC

Sunrise Resources plc is a **diversified mineral exploration and development Company**.

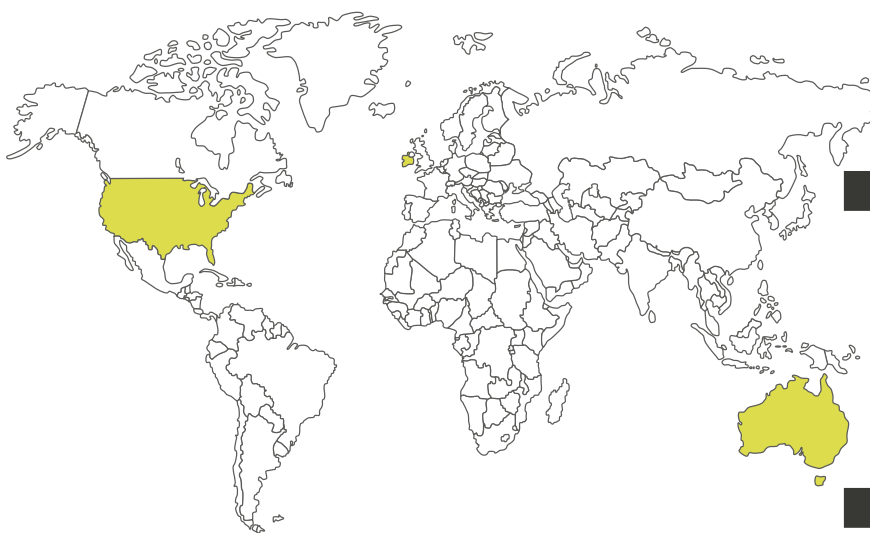
OUR AIM

is to develop profitable mining operations to sustain the Company's wider exploration efforts and create value for shareholders through the discovery of world-class mineral deposits.

OUR STRATEGY

includes the targeting of advanced projects which have the potential to generate a sustaining cash flow as well as near-drill stage projects where there is potential for significant mineral discovery.

We only operate in **stable, democratic and mining friendly jurisdictions** having low levels of corruption and political risk.



Visit our website for further information at
www.sunriseresourcesplc.com

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CHAIRMAN'S STATEMENT



“I am pleased to present the Company’s Annual Report and Financial Statements for the year ended 30 September 2015.”

Our Strategic Plan has two main objectives. To generate cash flow from more advanced projects, and to add value through mineral discovery by drill testing more speculative exploration targets. I am pleased to report that excellent progress has been made with both objectives in 2015.

We believe that industrial minerals projects have the greatest potential to achieve an early cash flow as these typically have fewer permitting issues, enabling them to be advanced to production more quickly than base or precious metal projects.

This was our objective when acquiring the County Line Diatomite Project and I am therefore delighted to have recently reported a lease agreement with North America’s largest diatomite producer, EP Minerals, LLC that could see development of the project at no further cost or risk to our Company. Under the terms of the Lease, EP Minerals will fund all future evaluation and development and pay a revenue based royalty to Sunrise Resources. Should EP Minerals, LLC maintain its interest in the project we can look forward to a schedule of minimum royalty payments, starting in less than 18 months’ time.

With a similar objective in mind, we have also recently reported the acquisition of a second industrial minerals project in Nevada, the Pozz Ash Project, where we have discovered a potential new source of natural pozzolan, a “green” alternative to cement in cement and concrete mixes. The deposit outcrops favourably over a wide area with minimal overburden, characteristics shared with the County Line Diatomite Project. Pozzolan samples are currently undergoing industrial testing.

We have renewed our licence over the Derryginagh Barite Project in Ireland for a further two years and additional industrial minerals projects are under consideration with a growing emphasis on Nevada, USA.

In 2015 our drilling activities focused on the Bay State Silver project after receiving exciting silver results from surface sampling and bonanza results from underground sampling along the Chihuahua vein system. Whilst only three drill holes were completed in the first phase of drilling, all three holes hit high-grade silver mineralisation and further drilling is now warranted. A further 14 drill holes have already been permitted which the Company believes should be sufficient for an initial Mineral Resource Estimate should the drilling continue to be successful.

Our Junction Gold Project and our Garfield Copper-Gold-Silver Project have also been readied for drill testing and trenching in 2015 but we have been cautious with all expenditures, with the result that some of the targets set out for drilling in our last Annual Report were not met, most notably in Australia where we have not yet drill tested our new kimberlite discoveries on the Cue Diamond Project or the interesting gold targets on our Baker’s and Corona Projects. These remain targets for 2016.

In the current depressed commodity and mining share markets it is our goal to achieve a balance between sufficient fundraising to advance our Strategic Plan and minimising shareholder dilution. Nevertheless I believe our achievements in 2015 are notable given that we have limited our fundraising during the year to just £420,000.

I would also like to highlight the contributions made by my fellow directors who, for another year, have taken their fees in shares in order to reduce cash outflows, a point not always recognised by shareholders.

Our Annual General Meeting will be held on 18th February 2016, as set out on page 37 and I encourage shareholders to attend.

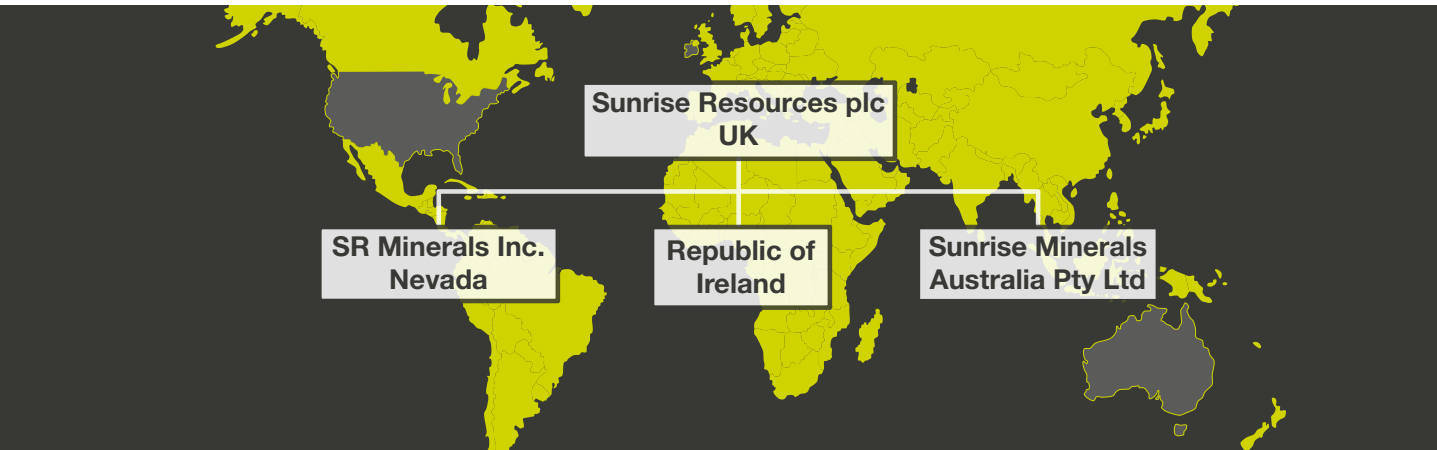
Patrick Cheetham
Executive Chairman
11 December 2015

STRATEGIC PLAN ON TRACK

KEY POINTS from our **STRATEGY & BUSINESS PLAN** are summarised here and reviewed against our progress in the calendar year 2015 and our targets for 2016:

KEY POINTS	PROGRESS IN 2015	TARGETS FOR 2016
<ul style="list-style-type: none"> ◆ To acquire, explore and develop mineral projects in stable, democratic and mining friendly jurisdictions. 	<ul style="list-style-type: none"> ◆ Project activities restricted to Nevada, USA and Australia. ◆ New projects in Nevada in 2015 – Junction Gold Project and Pozz Ash Project. 	<ul style="list-style-type: none"> ◆ Continue the focus on Australia and Nevada, USA. ◆ Additional industrial minerals projects under consideration.
<ul style="list-style-type: none"> ◆ Target advanced projects which have the potential to generate a sustaining cash flow as well. 	<ul style="list-style-type: none"> ◆ Lease agreement signed with leading diatomite producer EP Minerals – future cash flow potential at no future cost or risk to Sunrise. 	<ul style="list-style-type: none"> ◆ Evaluate Pozz Ash Project and seek industrial partner.
<ul style="list-style-type: none"> ◆ Target near-drill stage projects where there is potential for significant mineral discovery. 	<ul style="list-style-type: none"> ◆ Successful first drill test of the Bay State Silver Project. 	<ul style="list-style-type: none"> ◆ Follow up drilling of Bay State Silver Project towards Mineral Resource definition.
<ul style="list-style-type: none"> ◆ Acquire 100% of a project through research and by staking or licencing of “open ground” from the relevant authority. This allows the Company to acquire 100% ownership of valuable assets. 	<ul style="list-style-type: none"> ◆ New Projects acquired 100% by prospecting and staking open ground e.g. <ul style="list-style-type: none"> – Junction Gold Project – Pozz Ash Project 	<ul style="list-style-type: none"> ◆ Consider further strategic acquisitions in Australia and Nevada, USA.
<ul style="list-style-type: none"> ◆ To run the Company with low overheads and be a low cost explorer. 	<ul style="list-style-type: none"> ◆ Corporate overheads shared with Tertiary Minerals plc. ◆ Directors’ fees continue to be taken in shares. ◆ Tertiary Minerals plc has taken part payment of shares in lieu of cash for management charges. ◆ Project expenditure reduced following agreement with EP Minerals. 	<ul style="list-style-type: none"> ◆ Continue cost sharing and strive for exploration cost efficiencies. ◆ Seek partners for certain other projects to reduce exploration costs.

STRATEGIC REPORT



The Directors of the Company and its subsidiary undertakings (which together comprise “the Group”) present their Strategic Report for the year ended 30 September 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the identification, acquisition, exploration and development of mineral projects. The main areas of activity are Australia and the USA. The Group also has a project in Ireland.

ORGANISATION OVERVIEW

The Group’s business is directed by the Board and is managed by the Executive Chairman. The Company has a Management Services Agreement with Tertiary Minerals plc (“Tertiary”) which is a significant shareholder in the Company (as defined under the AIM Rules). Under this cost sharing agreement Tertiary provides all of the Company’s administration and technical services, including the services of the Executive Chairman, at cost. Day-to-day activities are managed from Tertiary’s offices in Macclesfield in the United Kingdom, but the Group operates in three other countries. The corporate structure of the Group reflects the historical pattern of acquisition by the Group and the need, where appropriate, for fiscal and other reasons, to have incorporated entities in particular territories.

The Group’s exploration activity in Finland is undertaken through a registered branch in Finland. In Australia the Company operates through an Australian subsidiary, Sunrise Minerals Australia Pty Ltd. In Nevada, USA, the Company operates through a local subsidiary, SR Minerals Inc.

The Board of Directors comprises two non-executive directors and the Executive Chairman. Their profiles are provided on page 16. The Executive Chairman of the Company is also Chairman of Tertiary Minerals plc, but otherwise the Board is independent of Tertiary.

FINANCIAL & PERFORMANCE REVIEW

The Group is not yet producing minerals and so has no income other than a small amount of bank interest. Consequently the Group is not expected to report profits until it disposes of or is able to profitably develop or otherwise turn to account its exploration and development projects.

The results for the Group are set out in detail on pages 20 to 23. The Group reports a loss of £301,271 for the year (2014: £700,295) after administration costs of £256,957 (2014: £368,517) and after crediting interest of £1,348 (2014: £1,855). The loss includes expensed pre-licence and reconnaissance

exploration costs of £35,276 (2014: £52,351) and impairment of deferred costs of £10,386 (2014: £281,282). Administration costs include an amount of £10,829 (2014: £128,725) as non-cash costs for the value of certain options and warrants held by employees and others as required by IFRS 2.

The Financial Statements show that, at 30 September 2015, the Group had net current assets of £67,911 (2014: £260,019). This represents the cash position after allowing for receivables and trade and other payables. These amounts are shown in the Consolidated and Company Statement of Financial Position on page 21 and are also components of the Net Assets of the Group. Net assets also include various “intangible” assets of the Company. As the name suggests, these intangible assets are not cash assets but include some of this year’s and previous years’ expenditure on mineral projects where that expenditure meets the criteria in Note 1(d) of the accounting policies. The intangible assets total £753,738 (2014: £513,431) and a breakdown by project is shown in Note 2 to the financial statements on page 27.

Details of intangible assets, property, plant and equipment and investments are also set out in Notes 8, 9 and 10 of the financial statements.

STRATEGIC REPORT CONTINUED



“Our strategic plan has two main objectives. To generate cash flow from more advanced projects, and to add value through mineral discovery.”

Expenditures which do not meet the criteria in Note 1(d), such as pre-licence and reconnaissance costs, are expensed and add to the Company's loss. The loss reported in any year can also include expenditure for specific projects carried forward in previous reporting periods as an intangible asset but which the Board determines is “impaired” in the reporting period.

It is a consequence of the Company's business model that there will be regular impairments of unsuccessful exploration projects. The extent to which expenditure is carried forward as intangible assets is a measure of the extent to which the value of the Company's expenditure is preserved.

In the current reporting period, an additional amount of £279 was impaired in respect of costs incurred in the year for the Derryginagh Project in Ireland, £9,589 in respect of the Kuusamo Project in Finland and £518 in respect of other diamond projects in Finland.

The intangible asset value of a project should not be confused with the realisable or market value of a particular project which will, in the Directors' opinion, be at least equal in value and often considerably higher. Hence the Company's market capitalisation on the AIM Market is usually in excess of the net asset value of the Group.

The Company finances its activities through periodic capital raisings, as share placings and through other innovative equity based financial instruments. As the Company's projects become more advanced there may be strategic opportunities to obtain funding for some projects from future customers via production sharing, royalty and other marketing arrangements. The recently announced agreement with EP Minerals, LLC, which was announced in December 2015, is such an example.

KEY PERFORMANCE INDICATORS

The financial statements of a mineral exploration company can provide a moment in time snapshot of the financial health of the Company but do not provide a reliable guide to the performance of the Company or its Board.

The usual financial key performance indicators (“KPIs”) cannot be applied to a company with no turnover and so the Directors consider that the detailed information in the Operating Review is the best guide to the Group’s progress and performance during the year.

In addition the Directors highlight the following KPIs and expect that further KPIs will be reported as the Company progresses through development:

Health & Safety	The Group has not lost any man-days through injury and there have been no Health and Safety incidents or reportable accidents during the year.
Environment	No Group company has had or been notified of any instance of non-compliance with environmental legislation in any of the countries in which they work.
Fundraising	The Company raised £420,000 before expenses through the placing of shares in the reporting period and issued equity to the value of £19,215 in consideration of fees payable to Directors and to the value of £21,298 to Tertiary Minerals plc in consideration of at-cost management fees.

In exploring for world-class mineral deposits, we accept that not all our exploration will be successful but also that the rewards for success can be high. We therefore expect that our shareholders will be invested for the potential for capital growth taking a long-term view of management’s good track record in mineral discovery and development.

OPERATING REVIEW

During 2015 operations have been focused on the Company’s projects in Nevada, USA and consequently only limited exploration work was carried out elsewhere. The Company’s Derryginagh project licence in Ireland has been renewed for a further two year period and the Company’s residual interests in two diamond exploration licences in Finland were surrendered following the end of the financial year.

SR MINERALS INC., NEVADA, USA

The State of Nevada is considered to be one of the most attractive mining jurisdictions in the world. It is the fourth largest gold producing area in the world, a large silver producer, a re-emerging copper producer and a significant producer of industrial minerals.

The Company controls several mineral projects all of which have been acquired in the past two years. The County Line Diatomite and Bay State Silver Projects are currently the highest priority.

COUNTY LINE DIATOMITE PROJECT

Diatomite is an industrial raw material comprised of the hollow and lattice-like silica skeletons of aquatic algae (diatoms). It is mainly used, after heat treatment (calcination) with or without flux addition, in the filtration of beer, wine, fats, biofuels and fruit juices, etc. It is also used as an industrial filler and in various agricultural and horticultural applications. For use in high value filtration applications the physical and chemical properties of the calcined and flux calcined diatomite are critical.

The Company holds 109 claims on the border of Mineral and Nye counties in Nevada, 200km south-east of the city of Reno. The claims cover an occurrence of diatomite which underlies most of the 8 sq. km. area of the claims.

Whilst there is currently no code-compliant Mineral Resource defined for the project, the extensive exposures of diatomite suggest that a large resource could be defined by shallow drilling.

In 2015, two programmes of surface sampling and sample testing have been carried out by an independent company. Testing has included calcination and flux calcination processing of raw diatomite and evaluation of the calcined and flux calcined products.

This testwork builds on the Company’s preliminary testwork which was considered promising but was not optimised. The latest testwork was successful in producing calcined and flux calcined diatomite with key physical and chemical properties that meet the commercial requirements for use in filtration.

In early December 2015 a lease agreement was signed with EP Minerals, LLC. The Agreement allows EP Minerals to continue its evaluation of the Company’s 109 claims for an 18 month period. Before the expiry of this period, should EP Minerals wish to continue the Lease, it must nominate no more than 60 contiguous claims to which the Lease will then apply and make an initial payment to the Company of US\$450,000. The remaining 49 claims will not then be subject to the Lease Agreement.

STRATEGIC REPORT CONTINUED



Should EP Minerals proceed to develop the leased claims, Sunrise will be entitled to receive a revenue based royalty. In order to ensure that any production is advanced in a timely manner EP Minerals must, three years after the initial payment, make further minimum royalty payments to Sunrise in the amount of US\$75,000 at the start of Year 4 and US\$150,000 at the start of Year 5 and each subsequent year for the duration of the Lease. EP Minerals has the right to withdraw from the Lease at any time.

The initial and the minimum annual royalty payments to Sunrise will be offset against actual royalty entitlements but any excess Sunrise royalty entitlement will be paid to Sunrise on a six monthly basis from the start of production.

The term of the Lease is 25 years and it is renewable for two further 25 year periods.

Sunrise will be free to continue its own exploration on those 49 or more claims that do not form part of any ongoing lease agreement with EP Minerals. This will allow the Company to consider future diatomite developments outside the leased area, whether or not competitive with EP Minerals.

EP Minerals, LLC is a worldwide leader in diatomaceous earth (DE), clay and perlite.

This agreement validates the Company's strategy in the industrial minerals business and could lead to development of the project at no further costs or risk to the Company.

BAY STATE SILVER PROJECT

In late 2014, the Company secured a lease agreement and option to acquire a group of patented mining claims covering the historic Bay State Silver Mine in the Newark Mining District of White Pine County, Nevada. The Company has also located 24 unpatented mining claims surrounding the patents and in 2015 acquired rights to two further mining patents that cover additional veins previously excised from the Company's claim area.

The mine was worked for silver in the 1870s and again in the 1900s when mining focused on two main NW-SE striking vein zones hosted within limestone. The largest workings are on the Chihuahua vein system over a strike length of some 900m and occur on both sides of a steep-walled canyon.

The Company has moved quickly to make an initial evaluation of the project and in 2015 continued its sampling programmes both at the surface and underground in the Chihuahua adit. Bonanza silver values up to 4kg/tonne silver (4,020g/t or 0.4% or 117oz/t) were returned within replacement style mineralisation at end of adit over 61cm

where the average grade of 18 samples along 230m strike length to end of adit was over 1kg/tonne silver (1,123g/t or 33oz/ton).

These results were followed up with a three-hole diamond drill programme. The programme was completed successfully in September 2015, despite the challenges of the steep topography. High grade silver mineralisation was intersected in all three drill holes i.e.:

- ◆ 1,460g/t silver (42.6oz/ton) over 0.2m from 164.13m in Hole 15SRDD002
- ◆ 566g/t silver (16.5oz/ton) over 0.5m from 70.71m in Hole 15SRDD001, and
- ◆ 503g/t silver (14.7 oz/ton) over 1.4m from 185.32m in Hole 15SRDD003

Follow up drilling is now warranted and drill permits are already in place to allow for drilling of at least a further 14 holes. The Company believes this should be sufficient to allow for definition of a JORC compliant Mineral Resource Estimate should drilling continue to be successful.



ABOUT POZZOLAN

THE POZZ ASH PROJECT

In December 2015 the Company staked claims over an extensive deposit of volcanic ash in Nevada having potential as a source of pozzolan (see inset box) for use in cement and concrete mixes.

The production of cement is responsible for 5% of the global anthropogenic carbon dioxide emissions with nearly one tonne of CO₂ generated for each tonne of cement produced. Cement manufacturers are therefore under strong pressure to minimise their carbon footprint and the use of pozzolan as a partial replacement for Portland cement in cement mixes is one way in which this is being achieved.

Samples taken from as far apart as 2km have a uniform chemical composition which meets the ASTM Standard requirements for Class N natural pozzolans and the mineralogy and particle morphology of the ash suggest the ash will have a high pozzolanic activity.

The Company is now testing the ash for industrial use as a Supplementary Cementitious Material.

JUNCTION GOLD PROJECT

The Junction Gold Project is a new project in 2015 and is located far from any modern-era gold mine or deposit. It has, however, previously been prospected for copper with old bulldozer trenches and shallow excavations scattered over the 1.2 sq. km. area targeting copper mineralisation in quartz veins in granite in a north-east trending zone. The copper mineralisation is spotty in nature and contains only low gold values (generally less than 0.5 grams/tonne (g/t) gold).

However, parallel to, and to the north-west of the main copper zone, the Company has discovered a north-east

striking gold zone where grab samples taken from exposures of the quartz vein over a strike length of 240m all contain gold with assays ranging from 1.3 to 12.9 g/t gold, averaging 5.6 g/t gold. Two samples of altered granite wall rock from near the reef assayed 1.6 and 3.8 g/t gold suggesting potential for more significant widths of gold mineralisation.

The significance of this new gold find remains to be determined but initial sampling results are very favourable. An orientation soil sampling line completed over the gold line suggests that soil sampling will be a useful means to delineate targets for drilling.

Pozzolan is defined (ASTM C125) as a siliceous or siliceous and aluminous material, which in itself possesses little or no cementitious value but will, in finely divided form and in the presence of moisture, chemically react with calcium hydroxide at ordinary temperatures to form compounds possessing cementitious properties.

Natural pozzolans include some volcanic ashes such as those found around Pozzuoli near to Mount Vesuvius (hence the name). The Romans perfected the use in natural pozzolan/lime mixtures over 2,000 years ago and “Roman” cement was the main cement used until the early 1900s when Portland cement became popular and is now the main hydraulic cement used today.

A number of artificial materials also have pozzolanic properties including the ash produced by coal-burning power stations (so called fly-ash), some iron furnace slags, pumice, silica fume and some organic materials such as rice husks. The use of fly-ash in cement mixtures (as an alternative to disposal in landfill) grew from the 1960s in response to landfill issues but the availability of fly-ash is now declining in areas where coal-fired stations are being phased out, and the quality is becoming more variable as emission controls are imposed by new environmental legislation.

Natural pozzolans are therefore seeing a resurgence based on their strong “green” credentials and, today, pozzolans are used as a direct additive to concrete mixes and as a partial replacement for cement in amounts replacing up to 35% of the cementing material.

STRATEGIC REPORT CONTINUED



OTHER NEVADA PROJECTS

The Company holds two projects in the prolific Walker Lane Mineral Belt known for its economic porphyry, skarn and IOCG type copper-gold deposits.

The **Garfield Gold, Silver & Copper Project** comprises twenty-four lode claims covering an area of 2 sq. km. some 10km west of the town of Hawthorne in southern Nevada. The claims centre on a small outcrop of gossan found by the Company during a reconnaissance sampling programme, a sample of which assayed 6% copper, 3.5 grams/tonne gold and 4 ounces/ton silver.

During 2015, the Company carried out a limited soil sampling programme which resulted in the definition of a discrete copper-gold soil anomaly associated with the mineralised outcrop. A permit has been received for a trenching programme to better expose the mineralisation for sampling purposes prior to drill testing. This work is planned for 2016.

No work was carried out on the **Strike Copper Project** which lies approximately 225km south-east of Reno, Nevada and comprises six claims covering an area of outcropping oxide-copper mineralisation.

SUNRISE MINERALS AUSTRALIA PTY LTD

CUE DIAMOND PROJECT

The 100% owned Cue Diamond Project is located in the Murchison Mining District 80km north-west of the town of Cue in Western Australia. The project area hosts a number of diamondiferous kimberlite dykes and areas of diamondiferous kimberlite float.

In 2015 the Company commissioned a re-interpretation of regional airborne magnetic data from Southern Geoscience Consultants. The objective was to gain a better understanding of the regional structural controls on kimberlite emplacement. Numerous additional targets were identified for field follow up in 2016.

Drill testing of kimberlites discovered last year at Area 6 and Soapy Bore Northwest, and work to discover the source of a large area of diamondiferous kimberlite float at Target 5, was postponed in 2015 due to budget constraints but remains an objective to 2016.

CORONA & BAKER'S GOLD PROJECTS

The Company's Corona & Baker's Gold Projects are located 150km east of the Cue Diamond Project within the Meekatharra Greenstone Belt. This belt has yielded over 5.5 million ounces of gold and hosts a number of currently producing gold mines including the Andy Well high grade gold deposit which provides an exploration model for the Company.

Drill testing of gold-in-soil anomalies defined by the Company is budgeted for 2016, once Aboriginal heritage clearance has been obtained.

OTHER PROJECTS

DERRYGINAGH BARITE PROJECT

No work was carried out on the **Derryginagh Barite Project** in Ireland during 2015, however the Company was recently offered and accepted a renewal of the Derryginagh Prospecting Licence for a further two year period.

FINLAND DIAMOND PROJECTS

Following the end of the accounting period the Company applied to surrender its two remaining exploration licences in Finland (Kattaisenvaara and Kaletto Projects, Kuusamo Region) due to their low priority and as a cost saving measure.

RISKS & UNCERTAINTIES

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible.

The principal risks and uncertainties facing the Group at this stage in its development and in the foreseeable future are detailed below together with risk mitigation strategies employed by the Board.

RISK	MITIGATION STRATEGIES
<p>EXPLORATION RISK</p> <p>The Group's business is mineral exploration and evaluation which are speculative activities. There is no certainty that the Group will be successful in the definition of economic mineral deposits, or that it will proceed to the development of any of its projects or otherwise realise their value.</p>	<p>The directors bring over 80 years of combined mining and exploration experience and an established track record in mineral discovery.</p> <p>The Company targets advanced and drill ready exploration projects in order to avoid higher risk grass roots exploration.</p>
<p>RESOURCE RISK</p> <p>All mineral projects have risk associated with defined grade and continuity. Mineral Reserves are always subject to uncertainties in the underlying assumptions which include geological projection and metal price assumptions.</p>	<p>Resources and reserves are estimated by independent specialists on behalf of the Group in accordance with accepted industry standards and codes. The directors are realistic in the use of metal and mineral price forecasts and impose rigorous practices in the QA/QC programmes that support its independent estimates.</p>
<p>DEVELOPMENT RISK</p> <p>Delays in permitting, financing and commissioning a project may result in delays to the Group meeting production targets. Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.</p>	<p>The Company's permitting requirements are limited at this stage to its exploration activities but to reduce development risk in future the directors will ensure that its permit and financing applications are robust and thorough and will seek to position the Company as a low quartile cost producer.</p>
<p>MINING AND PROCESSING TECHNICAL RISK</p> <p>Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, groundwater conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable.</p>	<p>From the earliest stages of exploration the directors look to use consultants and contractors who are leaders in their field and in future will seek to strengthen the executive and the Board with additional technical and financial skills as the Company transitions from exploration to production.</p>
<p>ENVIRONMENTAL RISK</p> <p>Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.</p>	<p>Mineral exploration carries a lower level of environmental liability than mining. The Company has adopted an Environmental Policy and the directors avoid the acquisition of projects where liability for legacy environmental issues might fall upon the Company.</p>

STRATEGIC REPORT CONTINUED

RISK	MITIGATION STRATEGIES
<p>POLITICAL RISK</p> <p>All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.</p>	<p>The Company's strategy restricts its activities to stable, democratic and mining friendly jurisdictions.</p> <p>The Company has adopted a strong Anti-corruption Policy and Code of Conduct and this is strictly enforced.</p>
<p>PARTNER RISK</p> <p>Whilst there has been no past evidence of this, the Group can be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments.</p>	<p>The Board's policy is to maintain control of certain key projects so that it can control the pace of exploration and reduce partner risk.</p> <p>For projects where other parties are responsible for critical payments and expenditures the Company's agreements legislate that such payments and expenditures are met.</p>
<p>FINANCING & LIQUIDITY RISK</p> <p>The Company has an ongoing requirement to fund its activities through the equity markets and in future to obtain finance for project development. There is no certainty such funds will be available when needed.</p>	<p>The Company maintains a good network of stockbroking contacts that has historically met its financing requirements. The Company's low overheads and cost effective exploration strategies help reduce its funding requirements and currently the directors take their fees in shares. Nevertheless further equity issues will be required from time to time.</p>
<p>FINANCIAL INSTRUMENTS</p> <p>Details of risks associated with the Group's Financial Instruments are given in Note 18 to the financial statements on page 34.</p>	<p>The directors are responsible for the Group's systems of internal financial control. Although no systems of internal financial control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.</p> <p>In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.</p> <p>The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.</p>

FORWARD LOOKING STATEMENTS

This Annual Report contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of the approval of the Annual Report. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements.

CORPORATE RESPONSIBILITY

The Board takes regular account of the significance of social, environmental and ethical matters affecting the business of the Group. At this stage in the Group's development the Board has not adopted a specific policy on Corporate Social Responsibility as it has a limited pool of stakeholders other than its shareholders. Rather, the Board seeks to protect the interests of the Group's stakeholders through individual policies and through ethical and transparent actions.

SHAREHOLDERS

The Board seeks to protect shareholders' interests by following, where appropriate, the guidelines in the UK Corporate Governance Code and the directors are always prepared, where practicable, to enter into a dialogue with shareholders to promote a mutual understanding of objectives. The Annual General Meeting provides the Board with an opportunity to informally meet and communicate directly with investors.

ENVIRONMENT

The Board recognises that its principal activity, mineral exploration, has potential to impact on the local environment and consequently has adopted an Environmental Policy to ensure that the Group's activities have minimal environmental impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same.

The Group's activities carried out in accordance with the Environmental Policy have had only minimal environmental impact and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with affected parties.

EMPLOYEES

The Group engages its employees to understand all aspects of the Group's business and seeks to remunerate its employees fairly, being flexible where practicable. The Group gives full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. The Board takes account of employees' interests when making decisions and suggestions from employees aimed at improving the Group's performance are welcomed.

The Company has adopted an Anti-corruption Policy and Code of Conduct.

SUPPLIERS AND CONTRACTORS

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the terms agreed with suppliers.

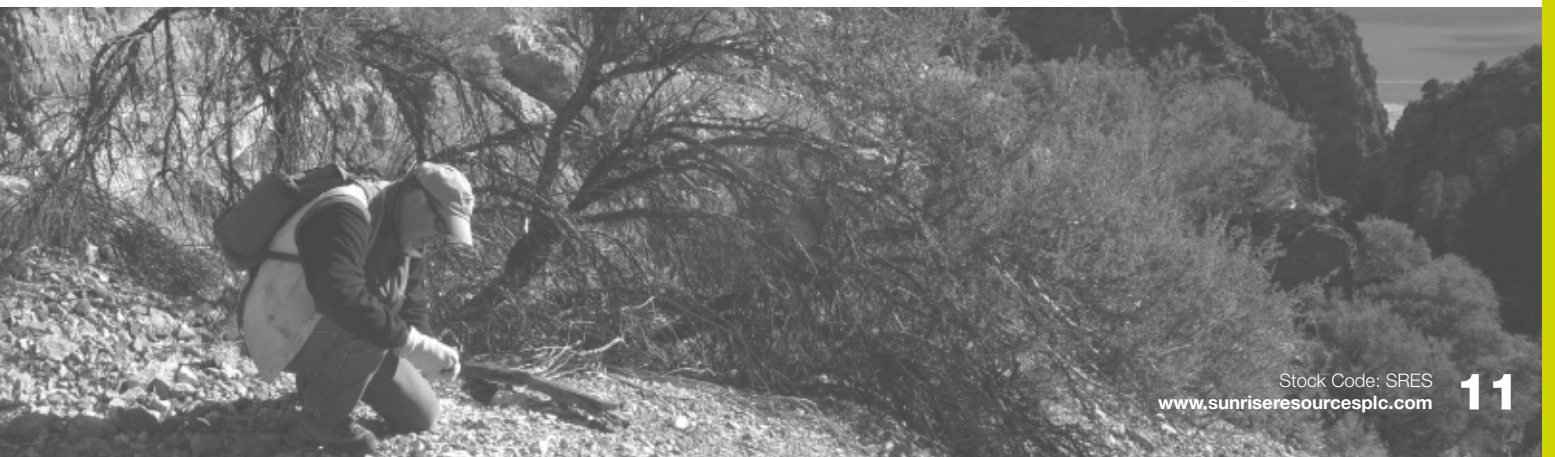
The amount shown in the Consolidated and Company Statement of Financial Position in respect of trade payables at the end of the financial year represents 8 days of average daily purchases (2014: 8 days).

HEALTH AND SAFETY

The Board recognises it has a responsibility to provide strategic leadership and direction in the development of the Group's health and safety strategy in order to protect all of its stakeholders. The Company has developed a Health and Safety Policy to clearly define roles and responsibilities and in order to identify and manage risk.

This Strategic Report was approved by the Board of Directors on 11 December 2015 and signed on its behalf.

Patrick Cheetham
Executive Chairman





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Our

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the AIM Rules of the London Stock Exchange for companies trading securities on the AIM Market.

In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;

- ◆ make judgements and accounting estimates that are reasonable and prudent;
- ◆ state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

WEBSITE PUBLICATION

The maintenance and integrity of the Sunrise Resources plc website is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

DIRECTORS' REPORT



The directors are pleased to submit their Annual Report and audited accounts for the year ended 30 September 2015.

The Strategic Report starting on page 3 contains details of the principal activities of the Company and includes the Operating Review which provides detailed information on the development of the Group's business during the year and indications of likely future developments and events that have occurred after the Balance Sheet date.

GOING CONCERN

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, specific project financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report.

These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's and Group's overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Group and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

DIVIDEND

The directors are currently unable to recommend the payment of any ordinary dividend.

FINANCIAL INSTRUMENTS AND OTHER RISKS

The business of mineral exploration and evaluation has inherent risks. Details of the Group's financial instruments and risk management objectives and of the Group's exposure to risk associated with its financial instruments are given in Note 18 to the financial statements.

Details of risks and uncertainties that affect the Group's business are given in the Strategic Report on page 9.

DIRECTORS

The directors holding office in the period were:

Mr P L Cheetham
Mr F P H Johnstone
Mr D J Swan

The directors' shareholdings are shown in Note 16 to the financial statements.

SHAREHOLDERS

As at the date of this report the following interests of 3% or more in the issued share capital of the Company appeared in the share register.

As at 11 December 2015	Number of shares	% of share capital
SVS (Nominees) Limited POOL	93,715,146	13.56
Barclayshare Nominees Limited	70,893,499	10.26
Pershing Nominees Limited MDCLT	58,127,500	8.41
Tertiary Minerals plc	52,936,593	7.66
TD Direct Investing Nominees (Europe) Limited SMKTNOMS	35,996,451	5.21
HSBC Client Holdings Nominees (UK) Limited 731504	30,615,453	4.43
HSDL Nominees Limited	30,349,440	4.39
Mr Ronald Bruce Rowan	25,000,000	3.62
SVS Securities (Nominees) ISA Ltd ISA	23,170,910	3.35
Share Nominees Ltd	21,436,708	3.10

DISCLOSURE OF AUDIT INFORMATION

Each of the directors has confirmed that so far as he is aware, there is no relevant audit information of which the Company's Auditor is unaware, and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

A resolution to reappoint Crowe Clark Whitehill LLP as Auditor of the Company will be proposed at the forthcoming Annual General Meeting.

CHARITABLE AND POLITICAL DONATIONS

During the year, the Group made no charitable or political donations.

ANNUAL GENERAL MEETING

Notice of the Company's Annual General Meeting convened for Thursday 18 February 2016 at 10.30 a.m. is set out on page 37 of this report. Explanatory Notes giving further information about the proposed resolutions are set out on page 38.

Approved by the Board of Directors on 11 December 2015 and signed on its behalf.

Patrick Cheetham
Executive Chairman

BOARD OF DIRECTORS

The Directors and Officers of the Company are:

“The Board’s role is to agree the Group’s long-term direction and strategy and to monitor the achievement of its business objectives.”

Visit our website for further information at www.sunriseresourcesplc.com



Patrick Cheetham
Executive Chairman

KEY STRENGTHS:

- ◆ Founding director
- ◆ Mining geologist with 34 years’ experience in mineral exploration
- ◆ 29 years in public company management

Appointed: March 2005

Committee Memberships: Chairman of Nomination Committee

External Commitments: Executive Chairman of Tertiary Minerals plc



Francis Johnstone
Senior Non-Executive Director

KEY STRENGTHS:

- ◆ Founding director
- ◆ 21 years commercial experience in mining
- ◆ Past director of several public listed mining companies including Commercial Director of Ridge Mining plc

Appointed: March 2005

Committee Memberships: Chairman of the Remuneration Committee, Member of the Audit and Nomination Committees

External Commitments: Adviser to Baker Steel Resources Trust Limited and Director of Mysterybelle Ltd



David Swan
Non-Executive Director

KEY STRENGTHS:

- ◆ Chartered Accountant with career focus in natural resources industry
- ◆ Past executive director of several public listed mining companies including Oriel Resources plc

Appointed: May 2012

Committee Memberships: Chairman of the Audit Committee, Member of the Remuneration and Nomination Committees

External Commitments: Non-executive director of Central Asia Metals plc



Colin Fitch LLM, FCIS
Company Secretary

KEY STRENGTHS:

- ◆ Barrister-at-Law
- ◆ Previously Corporate Finance Director of Kleinwort Benson
- ◆ Previously held a number of non-executive directorships of public and private companies, including Merrydown Plc, African Lakes plc and Manders plc

Appointed: October 2006

External Commitments: Company Secretary for Tertiary Minerals plc

CORPORATE GOVERNANCE

Although the rules of AIM do not require the Company to comply with the UK Corporate Governance Code (“the Code”), the Company fully supports the principles set out in the Code and will attempt to comply wherever possible, given both the size and resources available to the Company.

The Board of Directors currently comprises the combined role of chairman and chief executive and two non-executive directors. The Board considers that this structure is suitable for the Company having regard to the fact that it is not yet revenue-earning. However, it is the intention of the Board to separate these roles in future and to strengthen the executive Board as projects are developed and financial resources permit.

Mr F P H Johnstone has served the Company for more than nine years and under the terms of the Code would not now be regarded as independent. However, it is proposed that he now seeks annual re-election rather than re-election every third year, as stated in the Articles of Association. The Company has been fortunate enough to secure the services of Mr Johnstone during that time and he continues to provide valuable advice based on his long experience of the mining industry.

The Board is aware of the need to refresh its membership from time to time and will consider appointing additional independent non-executive directors in the future.

ROLE OF THE BOARD

The Board’s role is to agree the Group’s long-term direction and strategy and to monitor the achievement of its business objectives. The Board meets four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic and operational matters.

The non-executive directors are not considered under the terms of the Code to be independent directors by virtue of their long service or their holding of warrants to subscribe for shares in the Company. However, they are considered by the Board to be free from any other business or relationship which could materially interfere with the exercise of their independent judgement. Directors have the facility to take external independent advice in furtherance of their duties at the Group’s expense and have access to the services of the Company Secretary.

The Board delegates certain of its responsibilities to the Audit, Remuneration and Nomination Committees of the Board. These Committees operate within clearly defined terms of reference.

AUDIT COMMITTEE

The Audit Committee, composed entirely of non-executive directors, assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the auditor taking account of any non-audit services provided by them. Mr Swan is Chairman of the Audit Committee.

REMUNERATION COMMITTEE

The Remuneration Committee also comprises the non-executive directors. Mr Johnstone is Chairman of the Remuneration Committee. The Company does not currently remunerate any of the directors other than in a non-executive capacity. Whilst the Chairman of the Board, Patrick Cheetham, does have an executive role, his services are provided under a general service agreement with Tertiary Minerals plc.

The Company issues share warrants to directors and to the staff of Tertiary Minerals plc who are engaged in the management of the activities of the Company. The Company’s policy on the issue of such warrants is that outstanding warrants should not in aggregate exceed 10% of the issued capital of the Company from time to time. Details of directors’ warrants are disclosed in Note 16.

NOMINATION COMMITTEE


The Nomination Committee comprises the Chairman and the non-executive directors. Mr Cheetham is Chairman of the Nomination Committee. The Nomination Committee meets at least once per year to lead the formal process of rigorous and transparent procedures for Board appointments and to make recommendations to the Board in accordance with best practice and other applicable rules and regulations, insofar as they are appropriate to the Group at this stage in its development.

CONFLICTS OF INTEREST


The Companies Act 2006 permits directors of public companies to authorise directors’ conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The Company’s Articles contain such a provision.

Procedures are in place in order to avoid any conflict of interest between the Company and Tertiary Minerals plc, which held 7.66% of the Company’s issued share capital at 30 September 2015. Tertiary Minerals provides management services to Sunrise Resources in the search, evaluation and acquisition of new projects.

Our Financials



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INDEPENDENT AUDITOR'S REPORT

to the Members of Sunrise Resources plc for the year ended 30 September 2015

We have audited the financial statements of Sunrise Resources plc for the year ended 30 September 2015 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2015 and of the group's loss for the year then ended;
- ◆ the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- ◆ the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1(b) to the financial statements concerning the group's and the company's ability to continue as going concerns. As explained in Note 1(b) to the financial statements, the group's projections include the proceeds of future fundraising necessary within the next 12 months in order to cover the company's and group's overheads and carry out the company's and group's planned discretionary project expenditure. As there is no assurance that adequate funds will be obtained, these conditions, along with the other matters explained in Note 1(b) to the financial statements, indicates the existence of a material uncertainty

which may cast significant doubt about the group's and the company's ability to continue as going concerns. The financial statements do not include the adjustments that would result if the group and company were unable to continue as going concerns.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Michael Jayson (Senior Statutory Auditor)

For and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor
Manchester, United Kingdom
11 December 2015

Crowe Clark Whitehill LLP is a limited liability partnership registered in England and Wales (with registered number OC307043).

CONSOLIDATED INCOME STATEMENT

for the year ended 30 September 2015

	Notes	2015 £	2014 £
Pre-licence exploration costs		35,276	52,351
Impairment of deferred exploration cost	9	10,386	281,282
Administrative expenses		256,957	368,517
Operating loss		(302,619)	(702,150)
Interest receivable		1,348	1,855
Loss before income tax	3	(301,271)	(700,295)
Income tax	7	-	-
Loss on ordinary activities after tax		(301,271)	(700,295)
Loss for the year attributable to equity holders of the parent		(301,271)	(700,295)
Loss per share – basic and diluted (pence)	6	(0.05)	(0.17)

All amounts relate to continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September 2015

	2015 £	2014 £
Loss for the year	(301,271)	(700,295)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	(65,272)	(28,949)
Total comprehensive loss for the year attributable to equity holders of the parent	(366,543)	(729,244)

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

at 30 September 2015

Company Registration Number: 05363956

	Notes	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Non-current assets					
Intangible assets	9	753,738	–	513,431	–
Investment in subsidiaries	8	–	1,055,406	–	705,047
Available for sale investment	8	25,000	25,000	–	–
		778,738	1,080,406	513,431	705,047
Current assets					
Receivables	11	34,483	21,379	23,683	21,482
Cash and cash equivalents	12	142,079	105,349	354,350	291,923
		176,562	126,728	378,033	313,405
Current liabilities					
Trade and other payables	13	(108,651)	(84,122)	(118,014)	(84,562)
Net current assets		67,911	42,606	260,019	228,843
Net assets					
		846,649	1,123,012	773,450	933,890
Equity					
Called up share capital	14	691,149	691,149	503,326	503,326
Share premium account		4,761,776	4,761,776	4,520,686	4,520,686
Share option reserve	14	322,820	322,820	404,979	404,979
Foreign currency reserve	14	(139,024)	–	(73,752)	–
Accumulated losses		(4,790,072)	(4,652,733)	(4,581,789)	(4,495,101)
Equity attributable to owners of the parent					
		846,649	1,123,012	773,450	933,890

These financial statements were approved and authorised for issue by the Board of Directors on 11 December 2015 and were signed on its behalf.

P L Cheetham
Executive Chairman

D J Swan
Director

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

Group	Share capital £	Share premium account £	Share option reserve £	Foreign currency reserve £	Accumulated losses £	Total £
At 30 September 2013	375,996	4,107,417	378,106	(44,803)	(3,983,346)	833,370
Loss for the year	-	-	-	-	(700,295)	(700,295)
Exchange differences	-	-	-	(28,949)	-	(28,949)
Total comprehensive loss for the year	-	-	-	(28,949)	(700,295)	(729,244)
Share issue	127,330	413,269	-	-	-	540,599
Share based payments expense	-	-	128,725	-	-	128,725
Transfer of expired options	-	-	(101,852)	-	101,852	-
At 30 September 2014	503,326	4,520,686	404,979	(73,752)	(4,581,789)	773,450
Loss for the year	-	-	-	-	(301,271)	(301,271)
Exchange differences	-	-	-	(65,272)	-	(65,272)
Total comprehensive loss for the year	-	-	-	(65,272)	(301,271)	(366,543)
Share issue	187,823	241,090	-	-	-	428,913
Share based payments expense	-	-	10,829	-	-	10,829
Transfer of expired options	-	-	(92,988)	-	92,988	-
At 30 September 2015	691,149	4,761,776	322,820	(139,024)	(4,790,072)	846,649

Company	Share capital £	Share premium account £	Share option reserve £	Accumulated losses £	Total £
At 30 September 2013	375,996	4,107,417	378,106	(3,941,421)	920,098
Loss for the year/Total comprehensive loss for the year	-	-	-	(655,532)	(655,532)
Share issue	127,330	413,269	-	-	540,599
Share based payments expense	-	-	128,725	-	128,725
Transfer of expired options	-	-	(101,852)	101,852	-
At 30 September 2014	503,326	4,520,686	404,979	(4,495,101)	933,890
Loss for the year/Total comprehensive loss for the year	-	-	-	(250,620)	(250,620)
Share issue	187,823	241,090	-	-	428,913
Share based payments expense	-	-	10,829	-	10,829
Transfer of expired options	-	-	(92,988)	92,988	-
At 30 September 2015	691,149	4,761,776	322,820	(4,652,733)	1,123,012

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 30 September 2015

	Notes	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Operating activity					
Total loss after tax		(302,619)	(252,326)	(702,150)	(657,316)
Share based payment charge		10,829	10,829	128,725	128,725
Shares issued in lieu of net wages		19,215	19,215	16,612	16,612
Impairment charge		10,386	10,386	281,282	281,282
(Increase)/decrease in receivables	11	(10,800)	103	2,046	2,660
Increase/(decrease) in trade and other payables	13	(9,363)	(440)	39,338	7,286
Net cash outflow from operating activity		(282,352)	(212,233)	(234,147)	(220,751)
Investing activity					
Interest received		1,348	1,706	1,855	1,784
Purchase of available for sale investment		(25,000)	(25,000)	–	–
Purchase of intangible assets	9	(308,933)	(10,386)	(248,943)	(4,945)
Loans to subsidiaries		–	(350,359)	–	(308,132)
Net cash outflow from investing activity		(332,585)	(384,039)	(247,088)	(311,293)
Financing activity					
Issue of share capital (net of expenses)		409,698	409,698	523,987	523,987
Net cash inflow from financing activity		409,698	409,698	523,987	523,987
Net increase/(decrease) in cash and cash equivalents		(205,239)	(186,574)	42,752	(8,057)
Cash and cash equivalents at start of year	12	354,350	291,923	320,353	299,980
Exchange differences		(7,032)	–	(8,755)	–
Cash and cash equivalents at 30 September		142,079	105,349	354,350	291,923

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2015

BACKGROUND

Sunrise Resources plc is a public company incorporated and domiciled in England. It is traded on the AIM Market of the London Stock Exchange – EPIC: SRES.

The Company is a holding company (together, “the Group”) for one company incorporated in Australia, and one company incorporated in Nevada, in the United States of America. The Group’s financial statements are presented in Pounds Sterling (£) which is also the functional currency of the Company.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group’s financial statements.

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union. They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

(b) Going concern

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group’s projects move to the development stage, specific project financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company’s and Group’s overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Group’s and Company’s ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

(c) Basis of consolidation

Investments, including long-term loans, in the subsidiaries are valued at the lower of cost or recoverable amount, with an ongoing review for impairment.

The Group’s financial statements consolidate the financial statements of Sunrise Resources plc and its subsidiary undertakings using the acquisition method and eliminate intercompany balances and transactions.

In accordance with section 408 of the Companies Act 2006, Sunrise Resources plc is exempt from the requirement to present its own statement of comprehensive income. The amount of the loss for the financial year recorded within the financial statements of Sunrise Resources plc is £250,620 (2014: £655,532).

(d) Intangible assets

Exploration and Evaluation

Accumulated exploration and evaluation costs incurred in relation to separate areas of interest (which may comprise more than one exploration licence or exploration licence applications) are capitalised and carried forward where:

- (1) such costs are expected to be recouped through successful exploration and development of the area, or alternatively by its sale; or
- (2) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

1. Accounting policies continued

A bi-annual review is carried out by the directors to consider whether any exploration and development costs have suffered impairment in value and, if necessary, provisions are made according to this criteria. The bi-annual impairment review was conducted in March 2015 and September 2015.

Accumulated costs where the Group does not yet have an exclusive exploration licence and in respect of areas of interest which have been abandoned, are written off to the income statement in the year in which the pre-licence expense was incurred or in which the area was abandoned.

Development

Exploration, evaluation and development costs are carried at the lower of cost and expected net recoverable amount. On reaching a mining development decision, exploration and evaluation costs are reclassified as development costs and all development costs on a specific area of interest will be amortised over the useful economic life of the projects, once they become income generating, and the costs can be recouped.

(e) Trade and other receivables and payables

Trade and other receivables and payables are measured at initial recognition at fair value and subsequently measured at amortised cost.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term bank deposits with a maturity of three months or less.

(g) Deferred taxation

Deferred taxation, if applicable, is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable.

(h) Foreign currencies

The Group's consolidated financial statements are presented in Pounds Sterling (£), being the functional currency of the Company, and the currency of the primary economic environment in which the Company operates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

For consolidation purposes, the net investment in foreign operations and the assets and liabilities of overseas subsidiaries, associated undertakings and joint arrangements, that have a functional currency different from the Group's presentation currency, are translated at the closing exchange rates. Income statements of overseas subsidiaries, that have a functional currency different from the Group's presentation currency, are translated at exchange rates at the date of transaction. Exchange differences arising on opening reserves are taken to the foreign currency reserve.

(i) Share based payments

The Company issues warrants and options to employees (including directors) and suppliers. For all options and warrants issued after 7 November 2002 the fair value of the services received is recognised as a charge measured at fair value on the date of grant and determined in accordance with IFRS 2, adopting the Black-Scholes-Merton model. The fair value is charged to administrative expenses on a straight-line basis over the vesting period, together with a corresponding increase in equity, based on the management's estimate of shares that will eventually vest. The expected life of the options and warrants is adjusted based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The details of the calculation are shown in Note 15.

The Company also issues shares in order to settle certain liabilities, including payment of fees to directors. The fair value of shares issued is based on the closing mid-market price of the shares on the AIM Market on the day prior to the date of settlement and it is expensed on the date of settlement with a corresponding increase in equity.

(j) Judgements and estimations in applying accounting policies

In the process of applying the Group's accounting policies above, management has identified the judgemental areas that have the most significant effect on the amounts recognised in the financial statements:

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

1. Accounting policies continued

Intangible Fixed Assets – Exploration and Evaluation

Capitalisation of exploration and evaluation costs requires that costs be assessed against the likelihood that such costs will be recoverable against future exploitation or sale or alternatively, where activities have not reached a stage which permits a reasonable estimate of the existence of mineral reserves, a judgement that future exploration or evaluation should continue. This requires management to make estimates and judgements and to make certain assumptions, often of a geological nature, and most particularly in relation to whether or not an economically viable mining operation can be established in future. Such estimates, judgements and assumptions are likely to change as new information becomes available. When it becomes apparent that recovery of expenditure is unlikely the relevant capitalised amount is written off to the income statement.

Impairment

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. The Group will look to evidence produced by its exploration activities to indicate whether the carrying value is impaired. Assessment of the impairment of assets is a judgement based on analysis of the future likely cash flows from the relevant project, including consideration of:

- (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Impairment reviews for investments are carried out on an individual basis. The Group will look to performance indicators of the investment, such as market share price, to indicate whether the carrying value is impaired.

Going Concern

The preparation of financial statements requires an assessment of the validity of the going concern assumption. The validity of the going concern assumption is dependent on finance being available for the continuing working capital requirements of the Group. Based on the assumption that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts.

Share Based Payments

The estimates of share based payments costs requires that management selects an appropriate valuation model and make decisions on various inputs into the model including the volatility of its own share price, the probable life of the options before exercise, and behavioural consideration of employees.

(k) Available for sale investments

Available for sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Available for sale investments are initially measured at cost and subsequently at fair value, being the equivalent of market value, with changes in value recognised in equity. Gains and losses arising from available for sale investments are recognised in the income statement when they are sold or impaired.

(l) Standards, amendments and interpretations not yet effective

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. At this point it is not practicable for the directors to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 as their detailed review of these standards is still ongoing.

2. Segmental analysis

The Chief Operating Decision Maker is the Board of Directors. The Board considers the business has one reportable segment, the management of exploration projects, which is supported by a Head Office function. For the purpose of measuring segmental profits and losses the exploration segment bears only those direct costs incurred by or on behalf of those projects, no Head Office cost allocations are made to this segment. The Head Office function recognises all other costs.

2015	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs:			
Derryginagh Barite Project, Ireland	(279)	-	(279)
Kuusamo Diamond Project, Finland	(9,589)	-	(9,589)
Other Diamond Projects, Finland	(518)	-	(518)
	(10,386)	-	(10,386)
Pre-licence exploration costs	(35,276)	-	(35,276)
Share based payments	-	(10,829)	(10,829)
Other expenses	-	(246,128)	(246,128)
Operating loss	(45,662)	(256,957)	(302,619)
Bank interest received	-	1,348	1,348
Loss before income tax	(45,662)	(255,609)	(301,271)
Income tax	-	-	-
Loss for the year attributable to equity holders	(45,662)	(255,609)	(301,271)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Cue Diamond Project, Australia	367,330	-	367,330
Corona Gold Project, Australia	25,085	-	25,085
Baker's Gold Project, Australia	35,791	-	35,791
County Line Diatomite Project, USA	78,741	-	78,741
Strike Copper-Gold Project, USA	5,606	-	5,606
Garfield Silver-Gold-Copper Project, USA	17,053	-	17,053
Bay State Silver Project, USA	213,943	-	213,943
Junction Gold Project, USA	10,189	-	10,189
	753,738	-	753,738
Available for sale investment	-	25,000	25,000
	753,738	25,000	778,738
Current assets			
Receivables	12,893	21,590	34,483
Cash and cash equivalents	-	142,079	142,079
	12,893	163,669	176,562
Current liabilities			
Trade and other payables	(37,619)	(71,032)	(108,651)
Net current assets/(liabilities)	(24,726)	92,637	67,911
Net assets	729,012	117,637	846,649
Other data			
Deferred exploration additions	308,933	-	(248,943)
Exchange rate adjustments to deferred exploration costs	-	(58,240)	(20,194)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

2. Segmental analysis continued

2014	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs:			
Derryginagh Barite Project, Ireland	(278,112)	–	(278,112)
Kuusamo Diamond Project, Finland	(1,256)	–	(1,256)
Other Diamond Projects, Finland	(1,914)	–	(1,914)
	(281,282)	–	(281,282)
Pre-licence exploration costs	(52,351)	–	(52,351)
Share based payments	–	(128,725)	(128,725)
Other expenses	–	(239,792)	(239,792)
Operating loss	(333,633)	(368,517)	(702,150)
Bank interest received	–	1,855	1,855
Loss before income tax	(333,633)	(366,662)	(700,295)
Income tax	–	–	–
Loss for the year attributable to equity holders	(333,633)	(366,662)	(700,295)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Cue Diamond Project, Australia	415,360	–	415,360
Corona Gold Project, Australia	13,945	–	13,945
Baker's Gold Project, Australia	11,574	–	11,574
County Line Diatomite Project, USA	46,170	–	46,170
Strike Copper-Gold Project, USA	4,405	–	4,405
Garfield Silver-Gold-Copper Project, USA	7,064	–	7,064
Bay State Silver Project, USA	14,913	–	14,913
	513,431	–	513,431
Current assets			
Receivables	–	23,683	23,683
Cash and cash equivalents	–	354,350	354,350
	–	378,033	378,033
Current liabilities			
Trade and other payables	(41,651)	(76,363)	(118,014)
Net current assets/(liabilities)	(41,651)	301,670	260,019
Net assets	471,780	301,670	773,450
Other data			
Deferred exploration additions	248,943	–	(248,943)
Exchange rate adjustments to deferred exploration costs	–	(20,194)	(20,194)

3. Loss before income tax

The operating loss is stated after charging:	2015 £	2014 £
Fees payable to the Company's auditor for:		
The audit of the Company's annual accounts	6,000	6,750
Other services	1,000	1,250

4. Directors' emoluments

Remuneration in respect of directors was as follows:	2015	2014
	£	£
P L Cheetham (salary)	12,000	12,000
F P H Johnstone (salary)	12,000	12,000
D J Swan (salary)	12,000	12,000
	36,000	36,000

The above remuneration amounts do not include non-cash share based payments charged in these financial statements in respect of warrants issued to the directors amounting to £7,213 (2014: £15,419) or Employer's National Insurance Contributions of £Nil (2014: £3,671).

Patrick Cheetham is also a director of Tertiary Minerals plc and under the terms of the Management Services Agreement (see Note 5) a total of £96,971 was charged to the Company for his services during the year (2014: £82,918). These services are provided at cost.

The directors are also the key management personnel. If all benefits are taken into account, the total key management personnel compensation would be £43,213 (2014: £51,419).

5. Staff costs

The Company does not employ any staff directly apart from the directors, as shown in Note 4. The services of technical and administrative staff are provided by Tertiary Minerals plc as part of the Management Services Agreement between the two companies (see Note 16). The Company issues warrants to Tertiary Minerals plc staff from time to time and these non-cash share based payments resulted in a charge within the financial statements of £2,714 (2014: £4,196).

6. Loss per share

Loss per share has been calculated using the loss for the year attributable to equity holders of the parent and the weighted average number of shares in issue during the year.

	2015	2014
Loss (£)	(301,271)	(700,295)
Weighted average shares in issue (No.)	606,342,995	405,273,899
Basic and diluted loss per share (pence)	(0.05)	(0.17)

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for the basic earnings per ordinary share. This is because the exercise of share warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

7. Income tax

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2014: £Nil).

The tax credit for the period is lower than the credit resulting from the loss before tax at the standard rate of corporation tax in the UK – 20% (2014: 21%). The differences are explained below.

	2015	2014
	£	£
Tax reconciliation		
Loss before income tax	(301,271)	(700,295)
Tax at hybrid rate 20.5% (2014: 22%)	(61,761)	(154,065)
Pre-trading expenditure no longer deductible for tax purposes	227,564	634,880
Tax effect at 20.5% (2014: 22%)	46,651	139,674
Unrelieved tax losses carried forward	15,110	14,391
Tax recognised on loss	-	-
Tax losses carried forward	-	-
Total losses carried forward for tax purposes	(3,567,848)	(3,494,141)

Factors that may affect future tax charges

The Group has total losses carried forward of £3,567,848 (2014: £3,494,141). This amount would be charged to tax, thereby reducing tax liability, if sufficient profits were made in the future. The deferred tax asset has not been recognised as the future recovery is uncertain given the exploration status of the Group. The carried tax loss is adjusted each year for amounts that can no longer be carried forward.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

8. Investments

Subsidiary undertakings

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2015	Principal activity
Sunrise Minerals Australia Pty. Ltd.	Australia	100% of ordinary shares	Mineral exploration
SR Minerals Inc.	USA	100% of ordinary shares	Mineral exploration

	Company 2015 £	Company 2014 £
Investment in subsidiary undertakings		
Ordinary Shares – Sunrise Minerals Australia Pty. Ltd.	61	61
Loan – Sunrise Minerals Australia Pty. Ltd	698,380	607,531
Ordinary Shares – SR Minerals Inc.	1	1
Loan – SR Minerals Inc.	356,964	97,454
At 30 September	1,055,406	705,047

Sunrise Minerals Australia Pty. Ltd. was incorporated in Australia on 7 October 2009 to facilitate the application for exploration licences in Western Australia.

SR Minerals Inc. was incorporated in Nevada, USA on 12 January 2014 to facilitate the application for mining claims in the USA.

Available for sale investment

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2015	Principal activity
Taoudeni Resources Limited	England & Wales	10.0% of ordinary shares	Mineral exploration

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Available for sale investment				
Value at start of year	–	–	–	–
Additions to available for sale investment	25,000	25,000	–	–
Movement in valuation of available for sale investment	–	–	–	–
At 30 September	25,000	25,000	–	–

The available for sale investment consists of ordinary shares held in a private limited company. As the company is still at a formational stage, the fair value is considered to be the cost of acquisition during the year. This represents a level three input for the purpose of the IFRS 13 fair value hierarchy.

9. Intangible assets

Deferred exploration expenditure

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Cost				
At start of year	2,747,182	2,193,208	2,498,239	2,188,263
Additions	308,933	10,386	248,943	4,945
At 30 September	3,056,115	2,203,594	2,747,182	2,193,208
Impairment losses				
At start of year	(2,233,751)	(2,193,208)	(1,932,275)	(1,911,926)
Change during year	(10,386)	(10,386)	(281,282)	(281,282)
Foreign exchange difference	(58,240)	–	(20,194)	–
At 30 September	(2,302,377)	2,203,594	(2,233,751)	2,193,208
Carrying amounts				
At 30 September	753,738	–	513,431	–
At start of year	513,431	–	565,964	276,337

During the year the Group carried out an impairment review which resulted in an impairment charge being recognised in the Consolidated Income Statement as part of other operating expenses. Refer to accounting policy 1(j) for a description of the assumptions used in the impairment review.

10. Property, plant and equipment

The Group has the use of tangible assets held by Tertiary Minerals plc as part of the Management Services Agreement between the two companies.

11. Receivables

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Other receivables	23,129	10,937	11,436	10,456
Prepayments	11,354	10,442	12,247	11,026
	34,483	21,379	23,683	21,482

12. Cash and cash equivalents

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Cash at bank and in hand	142,079	105,349	354,350	291,923
	142,079	105,349	354,350	291,923

13. Trade and other payables

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Amounts owed to Tertiary Minerals plc	53,888	53,888	50,050	50,050
Trade creditors	10,816	7,349	8,311	7,214
Accruals	43,947	22,885	59,653	27,298
	108,651	84,122	118,014	84,562

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

14. Issued capital and reserves

	2015 Number	2015 £	2014 Number	2014 £
Allotted, called up and fully paid				
Ordinary shares of 0.1p each				
Balance at start of year	503,325,932	503,326	375,996,307	375,996
Shares issued in the year	187,822,750	187,823	127,329,625	127,330
Balance at 30 September	691,148,682	691,149	503,325,932	503,326

During the year to 30 September 2015 the following share issues took place:

An issue of 5,011,388 0.1p ordinary shares at 0.425p per share to Tertiary Minerals plc, for a total consideration of £21,298 (6 November 2014), by way of settlement of an invoice issued to Sunrise Resources plc for management fees.

An issue of 70,000,000 0.1p ordinary shares at 0.3p per share, by way of placing, for a total consideration of £188,900 net of expenses (19 January 2015).

An issue of 3,278,029 0.1p ordinary shares at 0.275p per share to the three directors, for a total consideration of £9,015 (5 February 2015), in satisfaction of directors' fees.

An issue of 105,000,000 0.1p ordinary shares at 0.2p per share, by way of placing, for a total consideration of £199,500 net of expenses (20 April 2015).

An issue of 4,533,333 0.1p ordinary shares at 0.225p per share to the three directors, for a total consideration of £10,200 (29 July 2015), in satisfaction of directors' fees.

During the year to 30 September 2014 a total of 127,329,625 0.1p ordinary shares were issued, at an average price of 0.45p per share, for a total consideration of £540,599.

Nature and purpose of reserves

Foreign currency reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the parent's functional currency, being Sterling, are recognised directly in the foreign currency reserve.

Share option reserve

The share option reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 15 for further details of these plans.

15. Warrants and options granted

Warrants not exercised at 30 September 2015

Issue date	Exercise price	Number	Exercisable	Expiry dates
07/12/10	2.50p	5,500,000	Any time before expiry	07/03/16
07/12/10	2.50p	500,000	Any time before expiry	31/12/15
25/10/12	1.46p	6,500,000	Any time before expiry	23/10/15
24/02/12	1.25p	5,500,000	Any time before expiry	24/02/17
24/02/12	1.25p	500,000	Any time before expiry	31/12/15
19/12/12	0.85p	5,750,000	Any time before expiry	19/03/18
19/12/12	0.85p	500,000	Any time before expiry	31/12/15
14/01/14	0.55p	5,750,000	Any time before expiry	14/01/19
14/01/14	0.55p	500,000	Any time before expiry	31/12/15
31/03/14	0.60p	58,333,332	Any time before expiry	31/03/16
05/02/15	0.275p	6,750,000	Any time from 05/02/16	05/02/20
05/02/15	0.275p	2,625,000	Any time from 05/02/16	05/02/20

Warrants and Options are issued for nil consideration and are exercisable as disclosed above. They are exchangeable on a one for one basis for each ordinary share of 0.1p at the exercise price on the date of conversion.

15. Warrants and options granted continued

Share based payments

The Company issues warrants and options on varying terms and conditions.

Details of the share warrants and options outstanding during the year are as follows:

	2015		2014	
	Number of warrants and share options	Weighted average exercise price (Pence)	Number of warrants and share options	Weighted average exercise price (Pence)
Outstanding at start of year	103,833,332	0.83	80,388,889	1.11
Granted during the year	9,375,000	0.275	64,583,332	0.60
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(14,500,000)	0.71	(41,138,889)	0.64
Outstanding at end of year	98,708,332	0.79	103,833,332	0.83
Exercisable at end of year	89,333,332	0.85	97,583,332	0.85

The warrants and options outstanding at 30 September 2015 had a weighted average exercise price of 0.79p (2014: 0.83p), a weighted average fair value of 0.36p (2014: 0.41p) and a weighted average remaining contractual life of 1.16 years.

In the year ended 30 September 2015 warrants were granted on 5 February 2015 to directors of the Company and employees of Tertiary Minerals plc with an aggregate estimated fair value of £9,515.

In the year ended 30 September 2014 warrants were granted on 14 January 2014 to directors of the Company and employees of Tertiary Minerals plc with an estimated fair value of £16,014, and on 31 March 2014 in connection with a placing of shares with an estimated fair value of £111,981. The aggregate of the estimated values of the warrants granted on these dates is £127,995.

In the year to 30 September 2015 the Company recognised total expenses of £10,829 (2014: £128,725) related to equity-settled share based payment transactions, being the aggregate of the estimated fair values of warrants granted.

No options were granted in the year ended 30 September 2015 or the year ended 30 September 2014.

In the year ended 30 September 2015 no warrants were exercised.

The inputs into the Black-Scholes-Merton Option Pricing Model were as follows:

	2015	2014
Weighted average share price	0.275p	0.57p
Weighted average exercise price	0.275p	0.60p
Expected volatility	77.5%	100%
Expected life	4 years	2 years
Risk-free rate	1.09%	0.80%
Expected dividend yield	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 4 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

16. Related party transactions

Key management personnel

The directors holding office at the year end and their warrants held in the share capital of the Company are:

	At 30 September 2015				At 30 September 2014	
	Shares number	Number	Exercise price	Expiry date	Shares number	Warrants number
P L Cheetham*	22,725,951	2,000,000	2.500p	07/03/16	19,355,675	14,222,222
		2,000,000	1.250p	24/02/17		
		2,000,000	0.85p	19/03/18		
		2,000,000	0.55p	14/01/19		
		2,222,222	0.60p	31/03/16		
		3,000,000	0.275p	05/02/20		
F P H Johnstone	8,226,412	1,000,000	2.500p	07/03/16	5,943,748	6,000,000
		1,000,000	1.250p	24/02/17		
		1,000,000	0.85p	19/03/18		
		1,000,000	0.55p	14/01/19		
		1,500,000	0.275p	05/02/20		
D J Swan	5,081,944	1,000,000	0.85p	19/03/18	2,423,522	2,000,000
		1,000,000	0.55p	14/01/19		
		1,500,000	0.275p	05/02/20		

* Includes 5,500,000 shares held by K E Cheetham, wife of P L Cheetham.

Tertiary Minerals plc

Sunrise Resources plc is treated as an investment in the consolidated accounts of Tertiary Minerals plc, which held 7.66% of the issued share capital on 30 September 2015 (2014: 9.52%).

Tertiary Minerals plc provides management services to Sunrise Resources plc and consequently during the year the Group incurred costs of £181,598 (2014: £163,136) recharged at cost from Tertiary Minerals being overheads of £22,809 (2014: £23,671), costs paid on behalf of the Group of £6,312 (2014: £11,816), Tertiary staff salary costs of £55,454 (2014: £44,207) and Tertiary directors' salary costs of £97,023 (2014: £83,442).

At the balance sheet date an amount of £53,888 (2014: £50,050) was due to Tertiary Minerals plc.

Patrick Cheetham, the Chairman of the Company, is also a director of Tertiary Minerals plc. At 30 September 2015 and at the date of this report, Donald McAlister, a director of Tertiary Minerals plc, holds 550,000 shares in the Company, and David Whitehead, a director of Tertiary Minerals plc, holds 250,000 shares in the Company.

17. Capital management

The Group's capital requirements are dictated by its project and overhead funding requirements from time to time. Capital requirements are reviewed by the Board on a regular basis.

The Group manages its capital to ensure that entities within the Group will be able to continue as going concerns, to increase the value of the assets of the business and to provide an adequate return to shareholders in the future when exploration assets are taken into production.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure the possibilities open to the Group in future include issuing new shares, consolidating shares, returning capital to shareholders, taking on debt, selling assets and adjusting the amount of dividends paid to the shareholders.

18. Financial instruments

At 30 September 2015, the Group's and Company's financial assets consisted of receivables due within one year, available for sale investments and cash and cash equivalents. At the same date, the Group and Company had no financial liabilities

18. Financial instruments continued

other than trade and other payables due within one year and had no agreed borrowing facilities as at this date. There is no material difference between the carrying and fair values of the Group's and Company's financial assets and liabilities.

The carrying amounts for each category of financial instrument held at 30 September 2015, as defined in IAS 39, are as follows:

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Loans & receivables	165,208	116,286	365,786	295,693
Available for sale investments	25,000	25,000	–	–
Financial Liabilities at amortised cost	98,681	74,151	118,014	82,798

Risk management

The principal risks faced by the Group and Company resulting from financial instruments are liquidity risk, foreign currency risk and, to a lesser extent, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks as summarised below. The policies have remained unchanged from previous periods as the risks are assessed not to have changed.

Liquidity risk

The Group currently holds cash balances in Sterling, US Dollars, Australian Dollars, Canadian Dollars and the Euro to provide funding for exploration and evaluation activity, whilst the Company holds cash balances in Sterling, US Dollars, Canadian Dollars and Euros.

The Company is dependent on equity fundraising through private placings which the directors regard as the most cost-effective method of fundraising. The directors monitor cash flow in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

Currency risk

The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise as, in the opinion of the directors, the cost of hedging against fluctuations would be greater than the related benefit from doing so. Fluctuations in the exchange rate are not expected to have a material effect on reported loss or equity.

	Group 2015 £	Company 2015 £	Group and Company 2014 £
Bank balances were held in the following denominations:			
United Kingdom Sterling	78,747	78,747	277,208
Australian Dollar	33,646	–	31,581
Canadian Dollar	4,928	4,928	5,991
United States Dollar	23,083	19,999	39,061
Euro	1,675	1,675	509

Interest rate risk

The Company finances operations through equity fundraising and therefore does not carry borrowings.

Fluctuating interest rates have the potential to affect the loss and equity of the Group and the Company insofar as they affect the interest paid on financial instruments held for the benefit of the Group. The directors do not consider the effects to be material to the reported loss or equity of the Group or the Company presented in the financial statements.

Credit risk

The Company has exposure to credit risk through receivables such as VAT refunds, invoices issued to related parties and its joint arrangements for management charges. The amounts outstanding from time to time are not material other than for VAT refunds which are considered by the directors to be low risk.

The Company has exposure to credit risk in respect of its cash deposits with NatWest bank and this exposure is considered by the directors to be low risk.

19. Events after the Balance Sheet date

SR Minerals Inc., a wholly owned subsidiary of Sunrise Resources plc, incorporated in Nevada, USA, has reached an agreement to lease its County Line mining claims in Nevada to EP Minerals, LLC for 25 years (renewable for a further two 25 year periods, subject to EP Minerals' right to withdraw at any time). The Company will retain a revenue based royalty payable six monthly from the start of production.

The Company applied to surrender its two remaining exploration licences in Finland (Kattaisenvaara and Kalettomanpuro Projects, Kuusamo Region) due to their low priority and as a cost saving measure.



Annual General Meeting

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NOTICE OF ANNUAL GENERAL MEETING

Sunrise Resources plc Company No. 05363956

Notice is hereby given that the Annual General Meeting of Sunrise Resources plc will be held in the Fourth Floor Council Room at Arundel House, 13–15 Arundel Street, Temple Place, London WC2R 3DX on Thursday 18th February 2016 at 10.30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Accounts and Reports of the Directors and of the Auditor for the year ended 30 September 2015.
2. To re-elect Mr P L Cheetham who is retiring under the Articles of Association as a director of the Company.
3. To re-elect Mr D J Swan who is retiring under the Articles of Association as a director of the Company.
4. To re-elect Mr F P H Johnstone who is retiring as a director of the Company.
5. To reappoint Crowe Clark Whitehill LLP as Auditor of the Company and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

Ordinary Resolution

6. That, in accordance with section 551 of the Companies Act 2006, the directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £750,000 (consisting of 750,000,000 ordinary shares of 0.1p each) provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the 2006 Act.

Special Resolution

7. That subject to the passing of resolution 6, the directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 6 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
 - a) the allotment of equity securities in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £750,000 (consisting of 750,000,000 ordinary shares of 0.1 pence each).

The power granted by this resolution will expire on the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. Please refer to Notes on page 40.

By order of the Board

Registered Office:
Sunrise House, Hulley Road
Macclesfield, Cheshire
SK10 2LP
United Kingdom

CDT Fitch
Company Secretary
11 December 2015

ANNUAL GENERAL MEETING – EXPLANATORY NOTES

The Annual General Meeting of Sunrise Resources plc will be held on Thursday 18th February 2016 in the Fourth Floor Council Room at Arundel House, 13–15 Arundel Street, Temple Place, London, WC2R 3DX at 10.30 a.m. The business of the meeting is as follows:

ORDINARY BUSINESS

Resolution 1

The Board is required to present to the meeting for approval the Accounts and the Reports of Directors and the Auditor for the year ended 30 September 2015 which can be found on pages 3 to 23.

Resolutions 2 and 3

The Company's Articles of Association require that directors retire at least once every three years and offer themselves for re-election if they and the Board so wish.

This year, both Mr P L Cheetham and Mr D J Swan are retiring under the Articles of Association and the Board proposes that they be re-elected.

Biographical details of the directors can be found on page 16.

Resolution 4

Mr F P H Johnstone has served the Company for more than nine years and under the terms of the UK Corporate Governance Code ("the Code") would not now be regarded as independent. However, it is proposed that he seeks annual re-election rather than re-election every third year, as stated in the Articles of Association. The Company has been fortunate enough to secure Mr Johnstone's services as a non-executive director during his period of office and he continues to provide valuable advice based on his long experience of the mining industry.

Biographical details of the directors can be found on page 16.

Resolution 5

The Company's Auditor Crowe Clark Whitehill LLP, is offering itself for reappointment and if elected will hold office until the conclusion of the next Annual General Meeting at which accounts are laid before shareholders. This resolution will also allow the directors to fix the remuneration of the Auditor.

SPECIAL BUSINESS

Resolution 6

This resolution is to give the directors authority to issue shares. The last such authority was put in place by a meeting of shareholders held on 5th February 2015 but it will expire at the coming Annual General Meeting.

Section 551 of the Companies Act 2006 requires that directors be authorised by shareholders before any share capital can be issued.

At this stage in its development the Company relies on raising funds through the issue of shares from the equity markets from time to time and unless this resolution is put in place the Company will not be in a position to continue to raise funds to continue its activities.

If given, this authority will expire at the conclusion of the Annual General Meeting in 2017.

Resolution 7

This resolution will be proposed as a Special Resolution in the event that Resolution 6 is passed by shareholders. Resolution 7 is proposed to give the directors authority to exclude certain categories of shareholders in a rights issue where their inclusion would be impractical or illegal and also to issue shares other than by way of rights issues which are, for regulatory reasons, complex, expensive, time consuming and impractical for a company the size of Sunrise Resources plc.

A similar authority granted at last year's Annual General Meeting is due to expire at the coming Annual General Meeting.

The resolution will, if passed, authorise directors to allot shares or grant rights over shares of the Company where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings – for example through a placement of shares.

If given, this authority will expire at the conclusion of the Annual General Meeting in 2017.

FORM OF PROXY

SUNRISE RESOURCES PLC

Company No. 05363956

I/We (Block capitals please).....

being a member/members of **Sunrise Resources plc** hereby appoint the Chairman of the Meeting (see Note 3 on page 40) or the proxy named below as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 18th February 2016 in the Fourth Floor Council Room at Arundel House, 13–15 Arundel Street, Temple Place, London, WC2R 3DX at 10.30 a.m. and at any adjournment thereof.

I/We wish this proxy to be used in connection with those of the Resolutions to be proposed at the Annual General Meeting which are listed below, in the manner set out below, and in connection with any other ordinary business transacted at the meeting.

Name of proxy	Number of shares appointed over	I wish to appoint multiple proxies (see Note 4 overleaf) Please tick
<input type="text"/>	<input type="text"/>	<input type="text"/>

Signed or sealed (see Notes).....Dated.....

Please indicate with an "X" in the spaces below how you wish the proxy to vote. Unless otherwise instructed the proxy will at his discretion vote as he thinks fit or abstain from voting in relation to all business of the meeting.

Ordinary Business	For	Against	Vote Withheld
1. Ordinary Resolution to receive the Accounts and Reports of the directors and of the Auditor for the year ended 30 September 2015.			
2. Ordinary Resolution to re-elect Mr P L Cheetham who is retiring under the Articles of Association.			
3. Ordinary Resolution to re-elect Mr D J Swan who is retiring under the Articles of Association.			
4. Ordinary Resolution to re-elect Mr F P H Johnstone who is retiring as a director of the Company.			
5. Ordinary Resolution to reappoint Crowe Clark Whitehill LLP as Auditor of the Company and authorise the directors to fix their remuneration.			
Special Business			
6. Ordinary Resolution to authorise the directors to allot shares.			
7. Special Resolution to empower the directors to disapply the pre-emption rights for certain allotments of shares.			

Please see Notes on page 40.

Please return this Proxy Form in the envelope provided, or in accordance with Note 6 overleaf.



PROXY FORM NOTES AND INSTRUCTIONS

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the relevant box on the Proxy Form. If you sign and return the Proxy Form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as the proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the Proxy Form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy, which in aggregate should not exceed the number of shares held by you. Please also tick the box to indicate that there are multiple proxies. All forms must be signed and should be returned as set out in Note 6.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote Withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy, the Proxy Form must be:
 - ◆ completed and signed;
 - ◆ sent or delivered to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and received by Capita Registrars no later than 10.30 a.m. on Tuesday 16th February 2016.
7. In the case of a member which is a company, the Proxy Form or any notice of revocation of a proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint or revoke a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. If you wish to change your proxy instructions simply submit a new proxy appointment according to these instructions. If you need another hard-copy Proxy Form please contact the Company. The last date for receipt of a new proxy instruction is set out in Note 6 above.
12. To revoke a proxy instruction you will need to send notice clearly stating your intention to revoke your proxy appointment to: Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
13. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6.00 p.m. on Tuesday 16th February 2016. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

COMPANY INFORMATION

SUNRISE RESOURCES PLC (AIM – EPIC: SRES)

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