SUNRISE RESOURCES PLC

AIM Announcement

24 October 2016

SUNRISE RESOURCES PLC
("the Company")

Bay State Silver Project – Phase 2 Drill Results

Sunrise Resources plc (ticker symbol 'SRES'), the AIM-traded diversified mineral exploration and development company ("the Company"), is pleased to announce results of the second phase of drilling at its Bay State Silver Project in Nevada together with the results of a small programme of underground sampling, both targeting extensions of the Chihuahua Vein system south of Mining Canyon.

HIGHLIGHTS:

- Shallow underground (near surface) samples
  - 0.33m grading 85 grammes/tonne silver (2.48 ounces/ton).
  - 0.76m grading 399 grammes/tonne silver (11.64 ounces/ton).
  - 0.91m grading 480 grammes/tonne silver (14.00 ounces/ton).
- Three holes completed in Phase 2 drilling:
  - Hole 16SRRC004 – Located Chihuahua Vein system at c.300m below surface.
  - Hole 16SRRC005 – Interpreted to have stopped short of Chihuahua Vein.
  - Hole 16SRRC006 – Lincoln Vein system not intersected.

Commenting today, Executive Chairman Patrick Cheetham said: *"This most recent underground sampling confirms the high grade of material left behind in the Chihuahua Vein by the old timers in the area south of Mining Canyon and, pleasingly, the drill programme has demonstrated that the Chihuahua vein system is present at 300m from surface, a substantial depth below both the level of all historical workings and the lowest level of previous drilling. I am also pleased to confirm that the vein system is silver-bearing at that depth. The drill programme presented a number of technical challenges and whilst these were largely resolved during the programme they have nevertheless impacted the results. Notwithstanding these frustrations, Bay State remains a priority target amongst our diverse exploration portfolio."*

Further information

Sunrise Resources plc Patrick, Cheetham, Executive Chairman	**Tel: +44 (0)1625 838 884**
Northland Capital Partners Limited *Nominated Adviser and Broker* Edward Hutton/David Hignell John Howes/Rob Rees	**Tel: +44 (0)203 861 6625**
Beaufort Securities Limited *Joint Broker* Jon Belliss	**Tel: +44 (0)207 382 8300**

Further information on the Bay State Silver Project, including maps, photos, previous drilling results and an underground video tour of the Chihuahua Adit are available on the Bay State Project page of the Company's website:

http://www.sunriseresourcesplc.com/projects/bay-state-silver-project

Cross and Long sections for the drill holes now being reported will be added to this page in the near future.

The Company presentation on the website will also be updated to illustrate the results of the Phase 2 drill programme and to include projects acquired by the Company's new 100% owned subsidiary, Westgold Inc.

Detailed Information

Introduction

The Phase 2 drill programme was designed to follow up the positive results from Phase 1 drilling where high-grade silver mineralisation was intersected in all three drill holes drilled north of Mining Canyon (1,460g/t silver over 0.2m; 566g/t silver over 0.5m & 503g/t silver over 1.4m – for further details see news release dated 22 October 2015).

Two holes were planned to test the Chihuahua Vein system to the south of Mining Canyon along strike from Phase 1 drilling and beneath the deepest levels of the historical mine workings which last produced high-grade silver ore in the late 19th and early 20th centuries. A third hole was designed as a relatively shallow test of the parallel Lincoln Vein system.

North of Mining Canyon the topography allowed the Phase 1 drill holes to be positioned on the hanging wall side of the Chihuahua Vein so holes could be drilled towards (and almost perpendicular to) the dip of the vein system to maximize the chance of an optimal intersection of the vein.

In contrast the topography south of Mine Canyon does not permit easy access to drill from the hanging wall and so Phase 2 drilling was carried out from drill sites in the footwall of the vein. When drilling a dipping vein from its footwall the vein is dipping away from the drill and the hole must be drilled at an angle shallower than the dip of the vein in order to intersect it. The success of drilling from the footwall can be adversely affected by changes to the dip of the vein or drill hole deviation.

Phase 2 was completed using the reverse circulation percussion drilling method which is typically 50-70% cheaper than the diamond drilling used in the Phase 1. Percussion drilling uses a hammering action to break the rock and samples are recovered as rock powder and chips up to, typically, 0.5-1cm in size and are collected over 1.52m (5ft) or 0.76m (2.5ft) intervals. Geological information is limited and mineralisation is often hard to recognize in the field.

Underground Sampling.

Prior to the Phase 2 drilling programme a small programme of sampling was undertaken in shallow underground workings immediately south of Mining Canyon. These workings are located on the Chihuahua Vein up-dip and on section of the first planned drill hole, 16SRRC004.

Three chip samples of material taken across the exposed mineralisation at places along an accessible 30m long (approx.) section of the vein system returned:

- 0.33m grading 85 grammes/tonne silver (2.48 ounces/ton).
- 0.76m grading 399 grammes/tonne silver (11.64 ounces/ton).
- 0.91m grading 480 grammes/tonne silver (14.00 ounces/ton).

Drill Programme Details

HOLE 16SRRC004

The first hole in this programme targeted the Chihuahua Vein at a downhole depth of 175m and a depth of 185m below surface. The hole was angled at -55 degrees at the start and was collared in the footwall of the vein system and drilled towards the projection of the Chihuahua Vein which was predicted to be dipping away from the drill hole at an angle of approximately 85 degrees.

A down-hole survey close to the target depth showed the drill hole had deviated (steepened) significantly away from the vein and so the hole was continued to a much greater depth than originally planned. 3D modelling of the projected vein system and a second down-hole survey completed near the end of the hole showed that by 280m it had steepened to the point where it was running parallel to the edge of the projected vein system, within just a few metres from it in the footwall, but that by the end of the hole at 365m down hole depth it was diverging away from the vein.

The Company's interpretation of the data is that the hole did not penetrate the vein system, but skimmed the edge before dipping away from it towards the end of the hole.

Narrow selvedges of vein material were recovered in the hole and the best analytical result was 0.76m grading 52 grammes/tonne silver (1.49 ounces/ton) from 333m down hole. This grade cannot be considered as representative of the vein as a whole and typically the highest grades of silver are contained within sharply defined zones in the central parts of the vein which do not appear to have been cut in this hole.

The vein edge, as it is now interpreted, was located exactly as projected based on the hole survey and whilst the hole failed to penetrate the full thickness of the vein as planned, **it has a positive outcome in demonstrating a much deeper continuation of the vein than was originally envisaged and that at 300m below surface the vein is still silver bearing.**

HOLE 16SRRC005

This hole was originally planned to test the Chihuahua Vein some 114m southeast along strike from Hole16SRRC004 and at a downhole depth of 225m and 293m below surface.

Following the survey of hole 16SRRC004 it was clear that if the second hole deviated at the same rate then the projected position of the vein would never be reached. A field decision was made to drill the second hole in the programme from the same position as 16SRRC004 and on the same azimuth but at a shallower angle in order to get a compete intersection of the vein. In addition, a new, proprietary, deviation compensating drill tool was trialled in this hole.

In its new position this hole was predicted to intersect the Chihuahua Vein at a down hole depth of 135m, 137m below the surface workings that returned the high values reported above, and some 209m vertically above the point where skimmed in hole 16SRRC004.

The new tooling system worked well and hole deviation was not material. However, no significant analytical results were obtained and the vein system does not appear to have been intersected. As the vein was projected to this position both from above and below it seems likely that the vein is displaced at this point by faulting and that the hole did not reach the vein.

HOLE 16SRRC006

This hole was drilled as a first test of the Lincoln Vein which runs semi-parallel to the Chihuahua Vein on its SW side, and which had been interpreted to dip at about 75 degrees toward the Chihuahua Vein. The Lincoln Vein system has only been worked from outcrop and in shallow workings.

Hole 16SRRC006 was sited to intersect the vein at 100m below surface and at a down-hole depth of 90m. The hole was terminated at a depth of 123m and the down-hole survey showed only minor deviation.

No significant analytical results were obtained. Further mapping and sampling of the Lincoln Vein system is required before further drilling on this target can be considered.

Notes:

1. *This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 of the European Parliament and of the Council.*

2. *The information in this release has been compiled and reviewed by Mr. Patrick Cheetham (MIMMM, MAusIMM) who is a qualified person for the purposes of the AIM Note for Mining and Oil & Gas Companies. Mr. Cheetham is a Member of the Institute of Materials, Minerals & Mining and also a member of the Australasian Institute of Mining & Metallurgy.*

3. *Sample analysis. Drill samples being reported were prepared and analysed by independent laboratory Bureau Veritas in Reno and Vancouver using a four acid digest and ICP-ES/MS analysis (Method Code MA270). QA/QC methods included the collection of field duplicates and the laboratory's own QA/QC included the insertion of pulp duplicates, analytical replicates, blanks and known value standards into the assay sequence.*

Notes to Editors:

About Sunrise Resources plc

Sunrise Resources plc is an AIM-traded diversified mineral exploration and development company. The Company's objective 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 deposits.

The Company is exploring a number of precious metal, base metal and industrial mineral projects in Nevada, USA. The Company holds a royalty interest from EP Minerals in a diatomite project in Nevada and holds a white barite project in South-West Ireland. The Company also holds diamond and gold exploration interests in Western Australia.

Shares in the Company trade on AIM. EPIC: "SRES"

Website: www.sunriseresourcesplc.com