SUNRISE RESOURCES plc

("the Company")

AIM Announcement **31 May 2023**

HALF-YEARLY REPORT 2023

Sunrise Resources plc, is pleased to announce its unaudited interim results for the six months ended 31 March 2023, a copy of which is also available on the Company's website, www.sunriseresourcesplc.com.

Operational Highlights

CS Pozzolan-Perlite Project, Nevada

- Discussions continue with interested parties for the development of the project.
- Interest in natural pozzolan accelerating in 2023 driven by legislative pressures on the cement industry to decarbonise and a growing acceptance that fly ash supplies in the US are not sustainable.
- Cement Distribution Consultants commissioned to produce a detailed market study on cement and pozzolans in California and Nevada to provide the Company with additional market intelligence and to identify additional partnership opportunities.
- Projections to 2030 indicate the combined market for cement and pozzolans will grow from 12.6 million tons to 15.1 million tons in the key California markets with growth to be met by increasing production and inter-state imports of pozzolan including 2.4 million tons of natural pozzolan.
- CS Project is shovel ready; Company has a first mover advantage.

Hazen Pozzolan Project, Nevada

- Collaborative arrangement with an existing processor of natural pozzolan for mining and test grinding of a bulk sample of the Company's Hazen natural pozzolan deposit in northern Nevada.
- Test mining completed successfully, pozzolan is free digging.
- Laboratory tests on bulk sample reported to be satisfactory.
- Unusually severe winter storms have limited the availability of silo space for the test grind which is still awaited.

Pioche Sepiolite Project, Nevada

- Project continues to be advanced by Tolsa, the world's largest producer of sepiolite.
- Trenching programme confirmed multiple beds of sepiolite and generated several mini-bulk samples, now under evaluation in Spain.
- 31 additional mining claims staked to more than double the size of the Pioche Project.
- Resource definition drilling scheduled for June 2023.
- Detailed site topographic survey in progress to better define drill sites.
- Tolsa has made the US$50,000 interim payment, can purchase the project for US$1.25m by 28 December 2023 and Sunrise will retain a 3% gross revenue royalty on all claims.

Reese Ridge Base Metal and Gold Project, Nevada

- New project located on the south side of the prospective Humboldt Structural Zone.
- Numerous gossans and alteration zones at surface with grab samples up to 15.8% zinc, 3.3% copper, 0.37g/t gold and 51g/t silver in separate samples with multiple pathfinder elements, including arsenic and thallium.
- Satellite imagery shows large alteration areas associated with this mineralisation.
- Significant low resistivity target identified below the surface mineralisation from past geothermal energy exploration programme.
- Project prospective for a number of different styles of mineralisation including carbonate replacement lead-zinc-copper-silver and Carlin-style gold deposits.

Financial Results Summary

Group loss for the six months ended 31 March 2023 of £145,911 comprising:

- Income includes £32,344 for granting option rights to Tolsa, £4,043 from lease and £380 interest receivable.
- Less administration costs of £180,426 and expensed pre-licence exploration costs £2,252.

Project expenditure of £39,012 was capitalised.

Funding during the period

In November 2022, the Company issued a two-year zero-coupon convertible security of £200,000 to Toward Net Zero LLC ("TNZ") and in addition £80,000 (before expenses) was raised via a share placing, both as part of a funding package of up to £480,000 with TNZ.

Shares to the value of £20,116 were issued in January 2023 in satisfaction of a portion of outstanding directors' fees.

On 31 March 2023, the Company held £180,896 in cash and cash equivalents and listed investments with a current value of £15,341.

The Company relies upon periodic capital fundraisings until such time as cashflow can be derived either from the sale of assets or future operations.

Further information

Sunrise Resources plc Patrick Cheetham, Executive Chairman	**Tel: +44 (0)1625 838 884**
Beaumont Cornish Limited *Nominated Adviser* James Biddle/Roland Cornish	**Tel: +44 (0)20 7628 3396**
Peterhouse Capital Limited *Broker* Lucy Williams/Duncan Vasey	**Tel: +44 (0)207 469 0930**

CAUTIONARY NOTICE
The news release may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's directors. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements. Accordingly, you should not rely on any forward-looking statements and save as required by the AIM Rules for Companies or by law, the Company does not accept any obligation to disseminate any updates or revisions to such forward-looking statements.

MARKET ABUSE REGULATION (MAR) DISCLOSURE
The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

Chairman's Statement

I am pleased to present the Company's unaudited financial results for the six months' period ended 31 March 2023.

In the period under review we have continued and extended our efforts to secure the future development of our flagship CS Pozzolan-Perlite project in Nevada, USA. Our experience, and that of others in the pozzolan business, is that cement companies are incredibly conservative and slow to act. However, the evidence from the 2023 NPA Symposium, where attendance levels were up 300%, is that 2023 may prove to be a pivotal year as the cement companies react to the realities of climate change legislation. I encourage shareholders to read the recent RNS Reach announcement in which some key points from the NPA Symposium are discussed.

Portland cement is responsible for 8% of the global man-made carbon dioxide emissions and Net-zero CO_2 targets are therefore a major challenge for the cement and concrete industries. In the US, these targets are enshrined in Federal and State legislation and industry-body commitments and are increasingly driven by cement and concrete customers and specifiers. One of the Implementation Priorities in US President Biden's November 2021 Executive Order "Implementation of the $1.2 trillion Infrastructure Investment and Jobs Act" is "building infrastructure that is resilient and that helps combat the crisis of climate change". The Inflation Reduction Act of 2022 includes a $5.8 billion financial package for decarbonisation of heavy industries like steel and cement. California has the largest economy of all the US States and southern California is a major target market for the CS Project. In September 2021 California's Carbon Cap-and-Trade scheme was signed into legislation and directly targets greenhouse gas emissions associated with the cement industry. These legislative changes are driving strong interest in natural pozzolan which can replace up to 30% of Portland cement in cement and concrete mixes and be a major contributor to net-zero strategies.

The CS Project is shovel ready. We are in a favourable position to take advantage of these projections and the increasing interest in natural pozzolan. This interest is coming not just from the cement companies, but also from the established fly ash distributers who see the writing on the wall for fly ash and the opportunities both for the production of fly ash/pozzolan mixes to extend remaining fly ash supplies, and the rise of blended cements with a substantially reduced carbon footprint.

Our focus in the reporting period at the CS Project has been on the markets for pozzolan rather than perlite as this is the larger business opportunity, having the better potential to attract external funding, and recognising that our perlite deposits can also be utilised as natural pozzolan.

Our Hazen Pozzolan Project is a much earlier stage project, but has a favourable location close to rail and the cement markets of northern California. This has attracted the attention of an existing producer of natural pozzolan already serving this market and we have agreed a collaborative programme to test mine and grind a bulk sample of Hazen pozzolan. The mining exercise completed successfully, demonstrated that the Hazen pozzolan is free digging and so cheap to mine and we await the results of the test grind which has been delayed by a particularly difficult winter which has prevented silo space from becoming available.

In order to provide additional market intelligence and identify additional partnership opportunities we have commissioned a detailed, granular, study of the markets for cements and pozzolans in California and Nevada with independent Cement Distribution Consultants ("CDC"). CDC has also provided us with its projections on the US and individual State markets to 2030. This assumes that ordinary Portland cement production will remain steady whilst increasing demand for cement and concrete will be met by blended cements using natural and other pozzolans. These projections identify a US wide shortfall by 2030 of 18.8 million tons of pozzolan, 2.7 million tons in California alone. In California this shortfall is predicted to be met by increased consumption of natural pozzolan from other states.

Our partner on the Pioche Sepiolite Project, our third key project, is Tolsa, the world's largest producer of sepiolite. Tolsa continues to make progress with testwork ongoing in Spain on bulk samples extracted during last years' trenching programme. Planning is also well underway for drill testing this summer of the extensive sepiolite beds now known to exist as Tolsa moves towards its decision to purchase the Pioche project by year end. This has potential to provide a significant injection of funds into the Company and, moreover, we will retain a gross revenue royalty which has potential to provide a significant cash flow in future years.

We were pleased to see Golden Metal Resources plc ("GMR") make its recent IPO debut on AIM. We hold royalty interests on two of the four projects held by GMR in Nevada and we look forward to their further exploration of these projects. Cash flow from royalties commands a higher valuation than cash flow from equity participation as royalty cash flow is risk free and unrelated to profitability.

In the longer term we see the potential to build up a valuable portfolio of mining royalties from the sale of other projects held by the Company. We continue to add to our project interests where opportunities are presented at low cost, and in the reporting period we staked claims at the Reese Ridge Project where we have found high values of base metals in gossans at surface and where there is a compelling target for drill testing.

The Company's projects were recently reviewed and valued by our broker, Peterhouse, in a recently published research note which highlights a substantial undervaluation of the Company by the market. It also identifies a number of triggers for further value appreciation. This research note can be accessed via our website.

I would like to thank shareholders for their patient support, and we look forward to bringing you further news from our key projects this summer.

Patrick Cheetham
Executive Chairman
31 May 2023

Consolidated Income Statement
for the six months to 31 March 2023

	Six months to 31 March 2023 Unaudited	Six months to 31 March 2022 Unaudited	Twelve months to 30 September 2022 Audited
	£	£	£
Pre-licence exploration costs	**(2,252)**	(4,133)	(5,638)
Impairment of deferred exploration assets	**-**	-	(194,247)
Administration costs	**(180,426)**	(160,623)	(291,860)
Other income	**36,387**	11,422	13,474
Operating loss	**(146,291)**	(153,334)	(478,271)
Interest receivable	**380**	11	48
Loss before income tax	**(145,911)**	(153,323)	(478,223)
Income tax	**-**	-	-
Loss for the period attributable to equity holders of the parent	**(145,911)**	(153,323)	(478,233)
Loss per share – basic and fully diluted (pence) (Note 2)	**(0.004)**	(0.004)	(0.013)

Consolidated Statement of Comprehensive Income

for the six months to 31 March 2023

	Six months to 31 March 2023 Unaudited	Six months to 31 March 2022 Unaudited	Twelve months to 30 September 2022 Audited
	£	£	£
Loss for the period	**(145,911)**	(153,323)	(478,223)
Other comprehensive income:			
Items that could be reclassified subsequently to the income statement:			
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(246,823)**	61,117	441,434
Items that will not be reclassified to the Income Statement:			
Changes in the fair value of equity investments	**(3,119)**	(14,282)	(22,962)
	(249,942)	(14,282)	418,472
Total comprehensive loss for the period attributable to equity holders of the parent	**(395,853)**	(106,488)	(59,751)

Consolidated Statement of Financial Position
as at 31 March 2023

	As at 31 March 2023 Unaudited	As at 31 March 2022 Unaudited	As at 30 September 2022 Audited
	£	£	£
Non-current assets			
Intangible assets	**2,292,959**	2,228,941	2,503,812
Right of use assets	**7,749**	11,603	11,147
Other investments	**15,341**	49,553	20,075
	2,316,049	2,290,097	2,535,034
Current assets			
Receivables	**151,325**	147,358	167,425
Cash and cash equivalents	**180,896**	183,923	96,126
	332,221	331,281	263,551
Current liabilities			
Trade and other payables	**(54,930)**	(103,178)	(104,936)
Lease liability	**(2,587)**	(1,171)	(2,839)
Net current assets	**274,704**	226,932	155,776
Non-Current liabilities			
Lease liability	**-**	(3,632)	(2,874)
Share subscription loan	**(200,000)**		
Provisions for liabilities and charges	**(29,129)**	(24,458)	(32,079)
	(229,129)	(28,090)	(34,953)
Net assets	**2,361,624**	2,488,939	2,655,857
Equity			
Called up share capital	**3,933,675**	3,711,086	3,833,559
Share premium account	**5,680,316**	5,683,695	5,680,316
Share warrant reserve	**39,136**	39,015	40,101
Fair value reserve	**7,021**	18,820	10,140
Foreign currency reserve	**157,280**	23,786	404,103
Accumulated losses	**(7,455,804)**	(6,987,463)	(7,312,362)
Equity attributable to owners of the parent	**2,361,624**	2,488,939	2,655,857

Consolidated Statement of Changes in Equity

	Share capital £	Share premium account £	Share warrant reserve £	Fair value reserve £	Foreign currency reserve £	Accumulated losses £	Total £
At 30 September 2021	**3,701,805**	**5,675,616**	**40,164**	**33,102**	**(37,331)**	**(6,835,289)**	**2,578,067**
Loss for the period	-	-	-	-	-	(153,323)	(153,323)
Change in fair value	-	-	-	(14,282)	-	-	(14,282)
Exchange differences	-	-	-	-	61,117	-	61,117
Total comprehensive loss for the period	**-**	**-**	**-**	**(14,282)**	**61,117**	**(153,323)**	**(106,488)**
Share issue	9,281	8,079	-	-	-	-	17,360
Share based payments expense	-	-	-	-	-	-	-
Transfer of expired warrants	-	-	(1,150)	-	-	1,150	-
At 31 March 2022	**3,711,086**	**5,683,695**	**39,014**	**18,820**	**23,786**	**(6,987,462)**	**2,488,939**
Loss for the period	-	-	-	-	-	(324,900)	(324,900)
Change in fair value	-	-	-	(8,680)	-	-	(8,680)
Exchange differences	-	-	-	-	380,317	-	380,317
Total comprehensive loss for the period	**-**	**-**	**-**	- **(8,680)**	**380,317**	**(324,900)**	**46,737**
Share issue	122,473	(3,379)	-	-	-	-	119,094
Share based payments expense	-	-	1,087	-	-	-	1,087
Transfer of expired warrants	-	-	-	-	-	-	-
At 30 September 2022	**3,833,559**	**5,680,316**	**40,101**	**10,140**	**404,103**	**(7,312,362)**	**2,655,857**
Loss for the period	-	-	-	-	-	(145,911)	(145,911)
Change in fair value	-	-	-	(3,119)	-	-	(3,119)
Exchange differences	-	-	-	-	(246,823)	-	(246,823)
Total comprehensive loss for the period	**-**	**-**	**-**	**(3,119)**	**(246,823)**	**(145,911)**	**(395,853)**
Share issue	100,116	-	-	-	-	-	100,116
Share based payments expense	-	-	1,504	-	-	-	1,504
Transfer of expired warrants	-	-	(2,469)	-	-	2,469	-
At 31 March 2023	**3,933,675**	**5,680,316**	**39,136**	**7,021**	**157,280**	**(7,455,804)**	**2,361,624**

Consolidated Statement of Cash Flows

for the six months to 31 March 2023

	Six months to 31 March 2023 Unaudited	Six months to 31 March 2022 Unaudited	Twelve months to 30 September 2022 Audited
	£	£	£
Operating activity			
Operating Loss	**(146,291)**	(153,323)	(478,271)
Depreciation/interest charge	**2,286**	2,285	5,595
Share based payment charge	**1,504**	-	1,087
Shares issued in lieu of net wages	**20,116**	16,685	31,279
Shares issued via exercise of warrants	**-**	675	-
Impairment of deferred exploration asset	**-**	-	194,247
Reclamation provision	**-**	(2,950)	-
(Increase)/decrease in receivables	**16,098**	(16,553)	(36,620)
Increase/(decrease) in trade and other payables	**(50,007)**	2,317	4,075
Net cash outflow from operating activity	**(156,294)**	(150,864)	(278,608)
Investing activity			
Interest received	**380**	11	48
Receipts from disposal of equity investments	**-**	-	23,263
Project development expenditures	**(39,012)**	(37,145)	(137,490)
Net cash outflow from investing activity	**(38,632)**	(39,571)	(114,179)
Financing activity			
Issue of share capital (net of expenses)	**80,000**	-	104,500
Issue of shares via exercise of warrants	**-**	675	675
Share subscription loan	**200,000**		
Lease payments	**(2,587)**	(2,437)	(2,874)
Net cash inflow from financing activity	**277,413**	1,762	102,301
Net increase/(decrease) in cash and cash equivalents	**82,487**	(189,760)	(290,486)
Cash and cash equivalents at start of period	**96,126**	371,740	371,740
Exchange differences	**2,283**	1,943	14,872
Cash and cash equivalents at end of period	**180,896**	183,923	96,126

Notes to the Interim Statement

1. Basis of preparation

The consolidated interim financial information has been prepared in accordance with the accounting policies that are expected to be adopted in the Group's full financial statements for the year ending 30 September 2023 which are not expected to be significantly different to those set out in Note 1 of the Group's audited financial statements for the year ended 30 September 2022. These are based on the recognition and measurement requirements of applicable law and UK adopted International Accounting Standards. The financial information has not been prepared (and is not required to be prepared) in accordance with IAS 34. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information.

The financial information in this statement relating to the six months ended 31 March 2023 and the six months ended 31 March 2022 has neither been audited nor reviewed by the Independent Auditor pursuant to guidance issued by the Auditing Practices Board. The financial information presented for the year ended 30 September 2022 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2022 have been filed with the Registrar of Companies. The Independent Auditor's Report on the Annual Report and Financial Statements for the year ended 30 September 2022 was unqualified, although it did draw attention to matters by way of emphasis in relation to going concern.

The directors prepare annual budgets and cash flow projections for a 15-month period. These projections include the proceeds of future fundraising necessary within the period to meet the Company's and the Group's planned discretionary project expenditures and to maintain the Company and the Group as a going concern. 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. These factors represent a material uncertainty related to events or conditions which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its 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.

2. Loss per share

Loss per share has been calculated on the attributable loss for the period and the weighted average number of shares in issue during the period.

	Six months to 31 March 2023 Unaudited	Six months to 31 March 2022 Unaudited	Twelve months to 30 September 2022 Audited
Loss for the period (£)	**(145,911)**	(153,323)	(478,223)
Weighted average shares in issue (No.)	**3,894,814,406**	3,705,826,898	3,734,454,207
Basic and diluted loss per share (pence)	**(0.004)**	(0.004)	(0.013)

The loss attributable to ordinary shareholders and weighted average number of shares for the purpose of calculating the diluted earnings per share are identical to those used for the basic earnings per share. This is because the exercise of share warrants would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS33.

3. Share capital

During the six months to 31 March 2023 the following share issues took place:

An issue of 80,000,000 Ordinary Shares of 0.1p at 0.1p per share for a total consideration of £80,000, as part of a share placing with Toward Net Zero LLC (30 November 2022).

An issue of 20,116,000 Ordinary Shares of 0.1p at 0.1p per share to three directors, for a total consideration of £20,116, in satisfaction of a portion of outstanding directors' fees (17 January 2023).

The total number of Ordinary Shares in issue on 31 March 2023 was 3,933,675,087 (30 September 2022: 3,833,559,087).