SUNRISE RESOURCES plc

("the Company")

AIM Announcement **24 May 2021**

Half-Yearly Report 2021

Sunrise Resources plc, the AIM-traded company focusing on the development of its CS Pozzolan-Perlite Project in Nevada, USA, announces its unaudited interim results for the six months ended 31 March 2021.

Operational Highlights

Focus continues on flagship CS Pozzolan-Perlite Project, Nevada, USA (100% owned by Sunrise)

- 500-ton pozzolan sample extracted in collaboration with large cement and ready-mix company (CRMC).
- CRMC test grind of bulk sample completed successfully.
- Commercial concrete pours, using Company product, are currently being organised.
- Positive results from recent perlite expansion trial.
- Additional 200-ton perlite sample mined and awaiting further processing.

Other Projects

Clayton Silver-Gold Project in Nevada, USA (100% owned by Sunrise)

- Diamond drill hole, a twin of historic hole, validates the Company's belief that historic silver grades are likely under-reported.
- Recovered core from a 7.92m mineralised interval graded 303 g/t (8.84 ounces/ton) silver and 0.2 g/t gold - 84% higher grade than in historic hole.
- Seeking partner for project – discussions underway.

Sundance Gold Project, Nevada, USA (New Project - 100% owned by Sunrise)

- Nine claims staked in Walker Lane Mineral Belt in same area as 1.8 million ounce past producing Denton-Rawhide Gold-Silver Mine.
- Anomalous bedrock gold mineralisation in altered and quartz veined volcanics.
- Soil sampling programme completed - gold in soil anomaly identified for further testing.

Baker's Gold Project, Western Australia (100% owned by Sunrise)

- Aboriginal Heritage Survey completed.
- Five RC drill holes completed to test three target areas including old mine workings, areas of gold nugget production and a large gold-in soil geochemical anomaly. Results awaited.

Financial Results Summary

Group loss for the six-months ended 31 March 2021 of £185,955 (31 March 2020: £151,378) comprising:

- Interest income of £39; less Administration costs of £165,581.
- Expensed pre-licence exploration costs totalling £12,985.

- Impairment of deferred exploration asset of £7,428

Project expenditure of £247,797 was capitalised.

Funding during the period

No equity or other funds were raised during the current reporting period except for a small amount raised through the exercise of warrants (£12,825). Shares to the value of £16,254 were issued in October 2020 in satisfaction of a portion of outstanding directors' fees.

At 31 March 2021, the Company held £637,834 in cash and cash equivalents.

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

Further information:

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Chairman's Statement

I am pleased to present the Company's unaudited financial results for the six-month period ended 31 March 2021.

In the first quarter of this period, we reported significant progress on our flagship CS industrial minerals project with a 500-ton bulk sample of pozzolan being mined and sent to an internationally recognised cement and ready-mix concrete company (CRMC) for testing and a 200-ton sample of horticultural grade raw perlite mined and held for further processing.

The CRMC's testing objective is to assess the suitability of their surplus cement milling facility for grinding the CS natural pozzolan to the target fine grain size and to then test the ground product in some commercial scale concrete pours. The grinding test has now been successfully completed and the target fine grain size achieved.

The concept under discussion with the CRMC is the use of its facility to allow for a low capital cost, low risk start up to production with a purpose-built process plant to be considered as the product gains market acceptance. The CRMC has a substantial ready-mix business that is potentially a captive customer for CS natural pozzolan to be used as a replacement for the large volumes of fly ash traditionally used in its concrete products.

Our expectations for the natural pozzolan market continue to grow as fly ash supplies decline, with rationing in some US markets. Recent moves by the Biden Administration to curb CO_2 emissions and stimulate the economy, and infrastructure development in particular, are expected to increase demand for natural pozzolan and add value to our large mine-permitted deposits.

This financial reporting period coincides with the late winter and spring "growing season" in the horticultural perlite industry where demand for expanded perlite horticultural grade perlite is seasonally high and in 2021 our potential customers report that they have experienced exceptionally high demand and a large backlog in orders that need to be filled, as well as difficulties in getting supplies of raw perlite.

Paradoxically for the Company, this increase in demand for perlite has led to these potential customers being too busy to cease commercial production in order for their production facilities to be used to test the Company's product and, as a result, testing has been delayed or cut short. These delays continued into the second quarter of the reporting period, but now appear to be easing as the seasonal rush abates. So far the test results have been mixed due to the inclusion of too much fine perlite in the samples produced by the Company for testing, but it is expected that this issue can be resolved when the 200-ton sample is processed for further trials. The most recent customer feedback from testing completed last week is that, after allowing for the finer size the raw perlite supplied, the CS raw perlite produced a good low density expanded product with good rates and attractive appearance and would be a premium product for the US market.

We predict that mine supply of raw perlite to the independent expanders that we are targeting will reduce further following recent the recent acquisitions of two independent mine producers by large downstream integrated industrial mineral companies who seem likely to divert mine supply to their internal consumption, increasing the opportunities for our material.

Alongside the opportunities for horticultural perlite, the Company is also continuing its evaluation of production opportunities for industrial and construction grades of perlite which make up 84% of the perlite market and which have been produced successfully from CS Project perlite on a laboratory scale. Perlite can also be utilised as a natural pozzolan.

The CS Project continues to be the firm focus for management and expenditure, but in the meantime, and while product testing is concluded, the Company has allocated a modest budget into drilling, testing and advancing the Company's precious metal projects to assist the Company in its plans to valorise these non-core assets through farm-out or outright sale.

At our Clayton Silver Project in Nevada results from our first drill hole validated our geological interpretation that silver grades were historically under-reported and confirmed the presence of significant silver mineralisation in an area with several active mines and extensive current and historic exploration. The project warrants further intensive exploration and a number of interested parties are currently reviewing data with a view to partnering with the Company in the further exploration of the project.

We also acquired an additional gold exploration project within our Westgold subsidiary in Nevada, the Sundance Project, where our soil sampling has defined a number of surface soil anomalies that are now being evaluated in the field.

Most recently, and after the six-month period ended 31 March 2021, we successfully completed our first drill programme at the Baker's Gold Project in Western Australia where assay results from a five-hole drill programme are now awaited.

Whilst we have been frustrated with a slower than anticipated progress on our flagship CS Project, due in no small part to delays in customer testing, our large mine-permitted deposits of natural pozzolan and perlite provide a valuable base on which to build and we believe that there is much to look forward to in the coming months, both for the CS Project and for the Company in general.

Patrick Cheetham
Executive Chairman
24 May 2021

COVID-19
The Company has applied all government guidelines in its day-to-day operations and administration. The restrictions on international travel have impacted the ability of the Company to meet with potential customers in the US and the ability to supervise local operations. Fortunately, this has caused not caused any material delays or setbacks in the advancement of corporate objectives. Management and staff have carried out their duties diligently and efficiently in the circumstances of the "work-from-home" rules and social distancing. The Company is pleased to report that, to date, it has not incurred any positive cases of Coronavirus amongst its staff.

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 as it 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.

Consolidated Income Statement

for the six months to 31 March 2021

	Six months to 31 March 2021 Unaudited	Six months to 31 March 2020 Unaudited	Twelve months to 30 September 2020 Audited
	£	£	£
Pre-licence exploration costs	**(12,985)**	(1,907)	(4,183)
Impairment of deferred exploration asset	**(7,428)**	-	-
Administration costs	**(165,581)**	(149,642)	(298,980)
Operating loss	**(185,994)**	(151,549)	(303,163)
(Loss)/gain on disposal of intangible asset	**-**	-	-
Interest receivable	**39**	171	261
Loss before income tax	**(185,955)**	(151,378)	(302,902)
Income tax	**-**	-	-
Loss for the period attributable to equity holders of the parent	**(185,955)**	(151,378)	(302,902)
Loss per share – basic and fully diluted (pence) (Note 2)	**(0.005)**	(0.005)	(0.009)

Consolidated Statement of Comprehensive Income
for the six months to 31 March 2021

	Six months to 31 March 2021 Unaudited	Six months to 31 March 2020 Unaudited	Twelve months to 30 September 2020 Audited
	£	£	£
Loss for the period	**(185,955)**	(151,378)	(302,902)
Other comprehensive income:			
Items that could be reclassified subsequently to the income statement:			
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(127,182)**	(13,754)	(75,659)
	(127,182)	(13,754)	(75,659)
Items that will not be reclassified to the Income Statement:			
Changes in the fair value of equity investments	**758**	(10,583)	(1,660)
	758	(10,583)	(77,319)
Total comprehensive loss for the period attributable to equity holders of the parent	**(312,379)**	(175,715)	(380,221)

Consolidated Statement of Financial Position

as at 31 March 2021

	As at 31 March 2021 Unaudited	As at 31 March 2020 Unaudited	As at 30 September 2020 Audited
	£	£	£
Non-current assets			
Intangible assets	**1,997,911**	1,830,071	1,867,218
Right of use assets	**15,178**	21,457	18,431
Other investments	**19,614**	11,405	19,765
	2,032,703	1,862,933	1,905,414
Current assets			
Receivables	**130,521**	66,557	51,980
Cash and cash equivalents	**637,834**	318,581	1,089,417
	768,355	385,138	1,141,397
Current liabilities			
Trade and other payables	**(93,723)**	(80,836)	(90,677)
Lease liability	**(2,248)**	(2,437)	(2,364)
Net current assets	**672,384**	301,865	1,048,356
Non Current liabilities			
Lease liability	**(4,553)**	(7,553)	(7,336)
Reclamation Liability	**(25,792)**	-	-
	(30,345)	(7,553)	(7,336)
Net assets	**2,674,742**	2,157,245	2,946,434
Equity			
Called up share capital	**3,695,860**	3,296,130	3,677,997
Share premium account	**5,666,997**	5,056,109	5,655,781
Share warrant reserve	**40,774**	21,738	33,893
Fair value reserve	**43,511**	33,830	42,753
Foreign currency reserve	**(77,743)**	111,344	49,439
Accumulated losses	**(6,694,657)**	(6,361,906)	(6,513,429)
Equity attributable to owners of the parent	**2,674,742**	2,157,245	2,946,434

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 2019	**2,749,760**	**5,059,244**	**24,476**	**44,413**	**125,098**	**(6,220,042)**	**1,782,949**
Loss for the period	-	-	-	-	-	(151,378)	(151,378)
Change in fair value	-	-	-	(10,583)	-	-	(10,583)
Exchange differences	-	-	-	-	(13,754)	-	(13,754)
Total comprehensive loss for the period	**-**	**-**	**-**	**(10,583)**	**(13,754)**	**(151,378)**	**(175,715)**
Share issue	546,370	(3,135)	-	-	-	-	543,235
Share based payments expense	-	-	6,776	-	-	-	6,776
Transfer of expired warrants	-	-	(9,514)	-	-	9,514	-
At 31 March 2020	**3,296,130**	**5,056,109**	**21,738**	**33,830**	**111,344**	**(6,361,906)**	**2,157,245**
Loss for the period	-	-	-	-	-	(151,523)	(151,523)
Change in fair value	-	-	-	8,923	-	-	8,923
Exchange differences	-	-	-	-	(61,905)	-	(61,905)
Total comprehensive				**-**			
loss for the period	**-**	**-**	**-**	**8,923**	**(61,905)**	**(151,523)**	**(204,505)**
Share issue	381,867	599,672	-	-	-	-	981,539
Share based payments expense	-	-	12,155	-	-	-	12,155
At 30 September 2020	**3,677,997**	**5,655,781**	**33,893**	**42,753**	**49,439**	**(6,513,429)**	**2,946,434**
Loss for the period	-	-	-	-	-	(185,955)	(185,955)
Change in fair value	-	-	-	758	-	-	758
Exchange differences	-	-	-	-	(127,182)	-	(127,182)
Total comprehensive loss for the period	**-**	**-**	**-**	**758**	**(127,182)**	**(185,955)**	**(312,379)**
Share issue	17,863	11,216	-	-	-	-	29,079
Share based payments expense	-	-	11,608	-	-	-	11,608
Transfer of expired warrants	-	-	(4,727)	-	-	4,727	-
At 31 March 2021	**3,695,860**	**5,666,997**	**40,774**	**43,511**	**(77,743)**	**(6,694,657)**	**2,674,742**

Consolidated Statement of Cash Flows
for the six months to 31 March 2021

	Six months to 31 March 2021 Unaudited	Six months to 31 March 2020 Unaudited	Twelve months to 30 September 2020 Audited
	£	£	£
Operating activity			
Operating Loss	**(185,994)**	(151,549)	(303,163)
Depreciation/interest charge	**2,250**	1,464	3,700
Share based payment charge	**11,608**	6,776	18,932
Shares issued in settlement of outstanding salaries	**16,254**	16,734	30,724
Shares issued in settlement of invoices	**-**	-	17,550
Impairment of deferred exploration asset	**7,428**	-	-
(Increase)/decrease in receivables	**(78,542)**	(12,816)	1,761
Increase/(decrease) in trade and other payables	**3,046**	7,848	17,690
Net cash outflow from operating activity	**(223,950)**	(131,543)	(212,806)
Investing activity			
Interest received	**39**	171	261
Water lease payments	**(2,325)**	(12,931)	(12,431)
Project development expenditures	**(247,797)**	(93,669)	(188,587)
Net cash outflow from investing activity	**(250,083)**	(106,429)	(200,757)
Financing activity			
Issue of share capital (net of expenses)	**12,825**	526,500	1,476,500
Net cash inflow from financing activity	**12,825**	526,500	1,476,500
Net (decrease)/increase in cash and cash equivalents	**(461,208)**	288,528	1,062,937
Cash and cash equivalents at start of period	**1,089,417**	27,069	27,069
Exchange differences	**9,625**	2,984	(589)
Cash and cash equivalents at end of period	**637,834**	318,581	1,089,417

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 2021 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 2020. These are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) or that are expected to be adopted and effective at 30 September 2021. The implementation of new standards and interpretations has not led to any changes in the Group's accounting policies (other than presentation and disclosure) or had any other material impact on its financial position. 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 2021 and the six months ended 31 March 2020 has neither been audited nor reviewed by the Auditors pursuant to guidance issued by the Auditing Practices Board. The financial information presented for the year ended 30 September 2020 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2020 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 2020 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 Group's planned discretionary project expenditures and to maintain the Company and 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 2021 Unaudited	Six months to 31 March 2020 Unaudited	Twelve months to 30 September 2020 Audited
Loss for the period (£)	**(185,955)**	(151,378)	(302,902)
Weighted average shares in issue (No.)	**3,383,046,491**	3,078,155,111	3,237,733,688
Basic and diluted loss per share (pence)	**(0.005)**	(0.005)	(0.009)

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 2021 the following share issues took place:

An issue of 6,772,459 0.1p Ordinary Shares at 0.24p per share to three directors, for a total consideration of £16,254, in satisfaction of a portion of outstanding directors' fees (30 October 2020).

An issue of 9,090,909 0.1p Ordinary Shares at 0.11p per share for a total consideration of £10,000, following an exercise of warrants (18 January 2021).

An issue of 500,000 0.1p Ordinary Shares at 0.16p per share for a total consideration of £800, following an exercise of warrants (27 January 2021).

An issue of 750,000 0.1p Ordinary Shares at 0.16p per share for a total consideration of £1,200, following an exercise of warrants (3 February 2021).

An issue of 750,000 0.1p Ordinary Shares at 0.11p per share for a total consideration of £825, following an exercise of warrants (15 February 2021).

The total number of shares in issue on 31 March 2021 was 3,695,860,238 (30 September 2020: 3,677,996,870).