

# **SUNRISE**

## **RESOURCES plc**

(“the Company”)

**AIM Announcement**

**29 May 2020**

### **HALF-YEARLY REPORT**

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 2020.

#### **Operational Highlights**

##### **CS Pozzolan-Perlite Project, Nevada, USA**

Permitting:

- Plan of Operations/Reclamation Permit Application accepted as complete by lead regulator, the Bureau of Land Management (BLM).
- Environmental Assessment and 14 Supplemental Environmental Reports released by the BLM for public comment.
- Public comment period to end on 15 June 2020 after which permitting decision will be made.
- Environmental effects of the Project are considered negligible or minor.
- Project brings substantial environmental benefits from the replacement of Portland cement with CS natural pozzolan with an annual CO<sub>2</sub> reduction equivalent to the average annual CO<sub>2</sub> emissions from over 10,400 US households.
- Company anticipates a BLM Finding of No Significant Impact (FONSI), which will permit mining to proceed subject to the issue of the State Reclamation Permit and the lodgement of the appropriate reclamation bond.
- Agreements reached to acquire water rights and water permits applied for.
- Air quality operating permit applied for and deemed administratively complete.

##### **Other Projects**

- Drill programmes being considered for Company's gold and silver projects.

##### **Results Summary**

Group loss for the six-months' period of £151,378 (six months to 31 March 2019: £157,139) comprising:

- Interest income of £171; less Administration costs of £149,642.
- Expensed exploration costs totalling £1,907.

Project expenditure of £93,669 was capitalised.

##### **Funding during the period**

- On 1 November 2019, a total of £350,000 (before expenses) was raised through the issue of 350,000,000 new ordinary shares by way of a placing at a price of 0.1p.
- On 22 November 2019, 14,551,565 new ordinary shares were issued at a price of 0.115p to the three directors in settlement of a portion of outstanding directors' fees totalling £16,734.

- On 14 February 2020, a total of £200,000 (before expenses) was raised through the issue of 181,818,182 new ordinary shares by way of a placing at a price of 0.11p.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

### **Further information**

**Sunrise Resources plc**

Patrick Cheetham, Executive Chairman

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**Beaumont Cornish Limited**

***Nominated Adviser & Broker***

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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 2020.

At a time when so many businesses are so badly affected by the global Coronavirus pandemic it seems paradoxical to say that the reporting period has been uneventful for the Company. All our efforts in this period have been focused on the permitting of our CS Pozzolan-Perlite Project in Nevada, USA and so news has understandably been limited to periodic updates.

However, on 15 May 2020, we were able to deliver the much-anticipated news that the lead regulator, the Bureau of Land Management (BLM), has now released the CS Project Environmental Assessment (EA) for public comment. This document and the extensive Supplemental Environmental Reports are based on the Company's Plan of Operations and are the culmination of two-years' near full-time endeavour by our small team and marks the final stage of permitting.

The environmental impacts set out in the EA are considered to be largely minor, or negligible. The public comment period will end on June 15, 2020 after which the BLM will address any substantive comments and amend the EA if necessary and issue its permitting decision. We anticipate a "Finding of No Significant Impact" (FONSI) which will permit mining to proceed subject to the issue of the State Reclamation Permit and the lodgement of the appropriate reclamation bond and other routine permits.

Our next objective is to initiate first production of perlite and natural pozzolan for larger scale customer trials as soon as possible with the expectation that this will transition to commercial production in due course on the commitment of potential customers to sales contracts and appropriate funding.

To date the Covid-19 pandemic has not affected our progress. Mining is considered an essential industry in Nevada and existing operations are progressing largely as normal, as is mineral exploration. Our permitting process has been unaffected by the Covid-19 pandemic as most Nevada State Agencies are working, albeit from home.

In taking the CS Project forward I believe we need to keep in mind that although the financial markets in which we operate have been more buoyant than might be expected, the financial consequences of massive global quantitative easing have yet to play out. In this environment it is difficult to make too many predictions on progress. The construction and horticultural industries that we propose to sell into have no doubt been affected by reduced demand and their appetite for new arrangements may be tempered for now. These are unpredictable factors and beyond our control.

In the 12 months leading up to the date of this report the US dollar gold price has seen a 29% increase. In the coming weeks we will look at the best way for shareholders to benefit from this. We already hold a portfolio of highly prospective gold and silver projects which, we believe, have been overlooked by the market and we will consider some limited drill testing of selected projects in order to unlock the value they represent for the Company and its shareholders.

Our commitment to bringing the CS Project into profitable production remains our priority and this will be the focus of our efforts over the coming months.

### **Patrick Cheetham**

Executive Chairman

29 May 2020

## **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.

## Consolidated Income Statement

for the six months to 31 March 2020

	Six months to 31 March 2020 Unaudited	Six months to 31 March 2019 Unaudited	Twelve months to 30 September 2019 Audited
	£	£	£
Pre-licence exploration costs	1,907	2,281	4,711
Impairment of deferred exploration asset	-	-	-
Administration costs	149,642	155,241	297,261
<b>Operating loss</b>	<b>(151,549)</b>	<b>(157,522)</b>	<b>(301,972)</b>
(Loss)/gain on disposal of intangible asset	-	233	-
Interest receivable	171	150	234
Loss before income tax	<b>(151,378)</b>	<b>(157,139)</b>	<b>(301,738)</b>
Income tax	-	-	-
<b>Loss for the period attributable to equity holders of the parent</b>	<b>(151,378)</b>	<b>(157,139)</b>	<b>(301,738)</b>
Loss per share – basic and fully diluted (pence) (Note 2)	<b>(0.005)</b>	<b>(0.006)</b>	<b>(0.01)</b>

# Consolidated Statement of Comprehensive Income

for the six months to 31 March 2020

	Six months to 31 March 2020 Unaudited £	Six months to 31 March 2019 Unaudited £	Twelve months to 30 September 2019 Audited £
<b>Loss for the period</b>	<b>(151,378)</b>	<b>(157,139)</b>	<b>(301,738)</b>
Other comprehensive income:			
<b>Items that could be reclassified subsequently to the income statement:</b>			
Foreign exchange translation differences on foreign currency net investments in subsidiaries	<b>(13,754)</b>	(1,234)	93,692
	<b>(13,754)</b>	(1,234)	93,692
<b>Items that will not be reclassified to the Income Statement:</b>			
Changes in the fair value of equity investments	<b>(10,583)</b>	1,821	44,625
	<b>(10,583)</b>	1,821	44,625
<b>Total comprehensive loss for the period attributable to equity holders of the parent</b>	<b>(175,715)</b>	<b>(156,552)</b>	<b>(163,421)</b>

# Consolidated Statement of Financial Position

as at 31 March 2020

	As at 31 March 2020 Unaudited £	As at 31 March 2019 Unaudited £	As at 30 September 2019 Audited £
<b>Non-current assets</b>			
Intangible assets	1,830,071	1,513,066	1,753,050
Right of use assets	21,457	-	-
Other investments	11,405	27,105	22,078
	<b>1,862,933</b>	<b>1,540,171</b>	<b>1,775,128</b>
<b>Current assets</b>			
Receivables	66,557	57,110	53,740
Cash and cash equivalents	318,581	234,509	27,069
	<b>385,138</b>	<b>291,619</b>	<b>80,809</b>
<b>Current liabilities</b>			
Trade and other payables	(80,836)	(57,419)	(72,988)
<b>Net current assets</b>	<b>304,302</b>	<b>234,200</b>	<b>7,821</b>
<b>Non Current liabilities</b>			
Lease liabilities	(9,990)	-	-
<b>Net assets</b>	<b>2,157,245</b>	<b>1,774,371</b>	<b>1,782,949</b>
<b>Equity</b>			
Called up share capital	3,296,130	2,736,228	2,749,760
Share premium account	5,056,109	5,058,567	5,059,244
Share warrant reserve	21,738	23,239	24,476
Fair value reserve	33,830	1,609	44,413
Foreign currency reserve	111,344	30,172	125,098
Accumulated losses	(6,361,906)	(6,075,444)	(6,220,042)
<b>Equity attributable to owners of the parent</b>	<b>2,157,245</b>	<b>1,774,371</b>	<b>1,782,949</b>

## Consolidated Statement of Changes in Equity

	Share capital £	Share premium account £	Share warrant reserve £	Fair value reserve £	Foreign currency reserve £	Accumulated losses £	Total £
<b>At 30 September 2018</b>	<b>2,436,910</b>	<b>5,016,526</b>	<b>68,204</b>	<b>(212)</b>	<b>31,406</b>	<b>(5,964,181)</b>	<b>1,588,653</b>
Loss for the period	-	-	-	-	-	(157,139)	(157,139)
Change in fair value	-	-	-	1,821	-	-	1,821
Exchange differences	-	-	-	-	(1,234)	-	(1,234)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,821</b>	<b>(1,234)</b>	<b>(157,139)</b>	<b>(156,552)</b>
Share issue	299,318	42,041	-	-	-	-	341,359
Share based payments expense	-	-	911	-	-	-	911
Transfer of expired warrants	-	-	(45,876)	-	-	45,876	-
<b>At 31 March 2019</b>	<b>2,736,228</b>	<b>5,058,567</b>	<b>23,239</b>	<b>1,609</b>	<b>30,172</b>	<b>(6,075,444)</b>	<b>1,774,371</b>
Loss for the period	-	-	-	-	-	(144,598)	(144,598)
Change in fair value	-	-	-	42,804	-	-	42,804
Exchange differences	-	-	-	-	94,926	-	94,926
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,804</b>	<b>94,926</b>	<b>(144,598)</b>	<b>(6,868)</b>
Share issue	13,532	677	-	-	-	-	14,209
Share based payments expense	-	-	1,237	-	-	-	1,237
<b>At 30 September 2019</b>	<b>2,749,760</b>	<b>5,059,244</b>	<b>24,476</b>	<b>44,413</b>	<b>125,098</b>	<b>(6,220,042)</b>	<b>1,782,949</b>
Loss for the period	-	-	-	-	-	(151,378)	(151,378)
Change in fair value	-	-	-	(10,583)	-	-	(10,583)
Exchange differences	-	-	-	-	(13,754)	-	(13,754)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,583)</b>	<b>(13,754)</b>	<b>(151,378)</b>	<b>(175,715)</b>
Share issue	546,370	(3,135)	-	-	-	-	543,235
Share based payments expense	-	-	6,776	-	-	-	6,776
Transfer of expired warrants	-	-	(9,514)	-	-	9,514	-
<b>At 31 March 2020</b>	<b>3,296,130</b>	<b>5,056,109</b>	<b>21,738</b>	<b>33,830</b>	<b>111,344</b>	<b>(6,361,906)</b>	<b>2,157,245</b>

# Consolidated Statement of Cash Flows

for the six months to 31 March 2020

	Six months to 31 March 2020 Unaudited £	Six months to 31 March 2019 Unaudited £	Twelve months to 30 September 2019 Audited £
<b>Operating activity</b>			
Operating Loss	(151,549)	(157,522)	(301,972)
Depreciation/interest charge	1,464	-	-
Share based payment charge	6,776	911	2,149
Shares issued in settlement of outstanding wages	16,734	11,859	26,068
Increase/(decrease) in accrued income	-	(5,353)	-
(Increase)/decrease in receivables	(12,816)	19,110	22,479
Increase/(decrease) in trade and other payables	7,848	(48,927)	(33,358)
<b>Net cash outflow from operating activity</b>	<b>(131,543)</b>	<b>(179,922)</b>	<b>(284,634)</b>
<b>Investing activity</b>			
Interest received	171	150	234
Disposal of other investments	-	-	48,649
Acquisition of other investments	-	-	(5,792)
Water lease payments	(12,931)	-	-
Project development expenditures	(93,669)	(150,596)	(313,258)
<b>Net cash outflow from investing activity</b>	<b>(106,429)</b>	<b>(150,446)</b>	<b>(270,167)</b>
<b>Financing activity</b>			
Issue of share capital (net of expenses)	526,500	329,500	329,500
<b>Net cash inflow from financing activity</b>	<b>526,500</b>	<b>329,500</b>	<b>329,500</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>288,528</b>	<b>(868)</b>	<b>(225,301)</b>
Cash and cash equivalents at start of period	27,069	235,722	235,722
Exchange differences	2,984	(345)	16,648
<b>Cash and cash equivalents at end of period</b>	<b>318,581</b>	<b>234,509</b>	<b>27,069</b>



# 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 2020 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 2019. 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 2020. 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 2020 and the six months ended 31 March 2019 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 2019 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2019 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 2019 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 months' 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. There is also an, as yet unknown, impact that the COVID-19 pandemic may have on the capital markets. 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.

	<b>Six months to 31 March 2020 Unaudited</b>	Six months to 31 March 2019 Unaudited	Twelve months to 30 September 2019 Audited
Loss for the period (£)	<b>(151,378)</b>	<b>(157,139)</b>	(301,738)
Weighted average shares in issue (No.)	<b>3,078,155,111</b>	<b>2,574,415,872</b>	2,661,216,018
Basic and diluted loss per share (pence)	<b>(0.005)</b>	<b>(0.006)</b>	(0.011)

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 2020 the following share issues took place:

An issue of 350,000,000 0.1p Ordinary Shares at 0.1p per share, by way of placing, for a total consideration of £350,000 before expenses (1 November 2019).

An issue of 14,551,565 0.1p Ordinary Shares at 0.115p per share to three directors, for a total consideration of £16,734, in satisfaction of a portion of outstanding directors' fees (22 November 2019).

An issue of 181,818,182 0.1p Ordinary Shares at 0.11p per share, by way of placing, for a total consideration of £200,000 before expenses (14 February 2020).

### **4. Event after the balance sheet date**

On 14 April 2020, the Company issued 17,550,000 new Ordinary Shares to Peterhouse Capital Limited, in settlement of their fees as joint broker.