SUNRISE RESOURCES PLC

AIM Announcement 20 May 2015

SUNRISE RESOURCES PLC
(the "Company")

HALF-YEARLY REPORT

Sunrise Resources plc, the AIM-traded diversified mineral exploration and development company, announces its unaudited interim results for the six months ended 31 March 2015.

<u>Operational Highlights</u>

Nevada, USA

County Line Diatomite Project:

- Project expanded – now over 8 square km of diatomite under claim.
- Independent testing produces high-value filtration grade flux calcined diatomite from surface samples.
- Deeper sampling scheduled for summer 2015 and a review of commercial options for future development is ongoing.

Bay State Silver Project:

- Lease agreement signed on two additional claims in March 2015.
- Further positive sampling results focused on Chihuahua Main, Splay and Lincoln vein systems:
  - 3.5 m width from stockwork mineralisation between Chihuahua Main Vein and Splay Vein average 403 g/t silver (11.8 oz/t) & 1.5m grading 6.3% zinc, 6.6% lead, 0.3% copper, 0.16% tungsten and 579 g/t silver.
- Drill permitting initiated at Bay State Silver Project.

Junction Gold Project:

- New zone of gold mineralisation discovered – samples up to 16 g/t gold in initial sampling round.

Garfield Project:

- Soil sampling completed to follow up copper-gold-silver float sample.

Western Australia

Planned Native Title and drilling programmes on the Cue Diamond Project and Baker's Gold Projects delayed by heavy rains and floods. Activity gearing up in second half of financial year.

<u>Results Summary</u>

- Group loss for the six month period of £151,540 (six months to 31 March 2014: £156,479) comprising:
  - Administration costs of £131,623 (which includes non-cash share based payments of £6,058).
  - Uncapitalised exploration costs totalling £20,648.
  - Interest income of £731.

<u>Funding</u>

- Placing of 70,000,000 shares on 19 January 2015 and 105,000,000 shares on 20 April 2015 together raising £420,000 before expenses.

Further information:

Sunrise Resources plc Patrick Cheetham, Executive Chairman	Tel:	+44 (0) 845 868 4590
Northland Capital Partners Limited Edward Hutton/David Hignell John Howes/Mark Treharne (Broking)	Tel:	+44 (0)20 7382 1100

Additional details follow.

Chairman's Statement

I am pleased to report that in the first half of this year we have maintained last year's level of exploration activity supported by modest fundraising and have focused on our projects in Nevada, USA and Western Australia.

The generation of new projects is taking place mainly in Nevada due to the speed at which secure tenure can be acquired and drilling programmes can be permitted. This contrasts with the typical 12 month time frame for licences to be granted in Western Australia and where, subsequently, Native Title clearances for drilling can be lengthy and expensive.

At our County Line Diatomite Project in Nevada we hold a large claim block covering over 8 sq. km. and a large surface occurrence of diatomite, a valuable, silica-rich, industrial raw material. Two programmes of surface sampling and testwork by an independent company have confirmed the suitability of tested samples for the production of high value markets in the filtration of beer, wine and other liquids and we are now moving to deeper sampling and a preliminary evaluation of production options.

The County Line Project has the potential to meet one of our strategic objectives which is to bring into production, at modest capital cost, a project that will sustain the costs of our broader objective which is the discovery of valuable mineral deposits that can be developed to create additional shareholder value.

However, we are clear in our resolve that the aim is not 'production at any cost' as it is well established that the majority of companies that attempt the transition from exploration to production fail in this endeavour and there are many recent examples of ill-conceived mining operations which are now in administration or bankrupt.

At our Bay State Silver Project in Nevada we have been able to progress the project quickly to the drill permitting stage. Additionally, we have reported developments on a number of other new projects in Nevada with interesting gold discoveries being made on our early stage Junction and Garfield projects.

Our work in Western Australia has been hampered by recent heavy rains and floods but we expect to gear up work in the second half of the year at both the Cue Diamond Project and the Baker's Gold Project as we prepare these two projects for further drilling. An additional soil sampling programme has just been completed at the Baker's Gold Project and a reinterpretation of airborne magnetic data has been commissioned at the Cue Diamond Project.

There is of course a direct link between the level of our exploration activity and the state of the mining equity markets that fund our activity. These markets continue to bump along at the bottom of this current cycle and, whilst the fundraising environment is more permissive than in recent times, our share price is regrettably low. Although this is a problem we share with most of our peers, it makes fundraising painfully dilutive. We recognise the benefit of bringing partners into our projects but also acknowledge that potential partners in the resource industry are similarly constrained and so progress towards this objective can be slow.

It is therefore a difficult balancing act between preserving cash, minimising dilution and progressing our exploration and development plans. Sunrise Resources plc is first and foremost an exploration company and we would like to thank those fellow shareholders who, understanding this, are along for our journey and share a common position with the Directors who continue to take their remuneration in shares in the Company.

Patrick Cheetham
Executive Chairman
20 May 2015

Consolidated Income Statement
for the six months to 31 March 2015

	Six months to 31 March 2015 Unaudited	Six months to 31 March 2014 Unaudited	Twelve months to 30 September 2014 Audited
	£	£	£
Exploration costs	**20,648**	17,021	52,351
Impairment of deferred exploration cost	**-**	-	281,282
Administrative expenses	**131,623**	140,112	368,517
Operating loss	**(152,271)**	(157,133)	(702,150)
Interest receivable	**731**	654	1,855
Loss on ordinary activities before taxation	**(151,540)**	(156,479)	(700,295)
Tax on loss on ordinary activities	**-**	-	-
Loss on ordinary activities after taxation	**(151,540)**	(156,479)	(700,295)
Loss for the period attributable to equity holders of the parent	**(151,540)**	(156,479)	(700,295)
Loss per share – basic and fully diluted (pence) (note 2)	**(0.03)**	(0.04)	(0.17)

Consolidated Statement of Comprehensive Income
for the six months to 31 March 2015

	Six months to 31 March 2015 Unaudited	Six months to 31 March 2014 Unaudited	Twelve months to 30 September 2014 Audited
	£	£	£
Loss for the period	**(151,540)**	(156,479)	(700,295)
Items that could be reclassified subsequently to the income statement:			
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(9,637)**	(11,406)	(28,949)
Total comprehensive loss for the period attributable to equity holders of the parent	**(161,177)**	(167,885)	(729,244)

Company Registration Number: 05363956

Consolidated Statement of Financial Position

as at 31 March 2015

	As at 31 March 2015 Unaudited	As at 31 March 2014 Unaudited	As at 30 September 2014 Audited
	£	£	£
Non-current assets			
Intangible assets	**579,321**	654,266	513,431
	579,321	654,266	513,431
Current assets			
Receivables	**19,597**	39,229	23,683
Cash and cash equivalents	**326,214**	653,742	354,350
	345,811	692,971	378,033
Current Liabilities			
Trade and other payables	**(87,589)**	(128,346)	(118,014)
Net current assets	**258,222**	564,625	260,019
Net assets	**837,543**	1,218,891	773,450
Equity			
Called up share capital	**581,615**	501,617	503,326
Share premium account	**4,661,609**	4,515,131	4,520,686
Share option reserve	**365,486**	398,177	404,979
Foreign currency reserve	**(83,389)**	(56,209)	(73,752)
Accumulated losses	**(4,687,778)**	(4,139,825)	(4,581,789)
Equity attributable to owners of the parent	**837,543**	1,218,891	773,450

Consolidated Statement of Changes in Equity

	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 period	-	-	-	-	(156,479)	(156,479)
Exchange differences	-	-	-	(11,406)	-	(11,406)
Total comprehensive loss for the period	**-**	**-**	**-**	**(11,406)**	**(156,479)**	**(167,885)**
Share issue	125,621	407,714	-	-	-	533,335
Share based payments	-	-	20,071	-	-	20,071
At 31 March 2014	**501,617**	**4,515,131**	**398,177**	**(56,209)**	**(4,139,825)**	**1,218,891**
Loss for the period	-	-	-	-	(543,816)	(543,816)
Exchange differences	-	-	-	(17,543)	-	(17,543)
Total comprehensive loss for the period	**-**	**-**	**-**	**(17,543)**	**(543,816)**	**(561,359)**
Share issues	1,709	5,555	-	-	-	7,264
Share based payments	-	-	6,802	-	101,852	108,654
At 30 September 2014	**503,326**	**4,520,686**	**404,979**	**(73,752)**	**(4,581,789)**	**773,450**
Loss for the period	-	-	-	-	(151,540)	(151,540)
Exchange differences	-	-	-	(9,637)	-	(9,637)
Total comprehensive loss for the period	**-**	**-**	**-**	**(9,637)**	**(151,540)**	**(161,177)**
Share issues	78,289	140,923		-	-	219,212
Share based payments	-	-	(39,493)	-	45,551	6,058
At 31 March 2015	**581,615**	**4,661,609**	**365,486**	**(83,389)**	**(4,687,778)**	**837,543**

Consolidated Statement of Cash Flows

for the six months to 31 March 2015

	Six months to 31 March 2015 Unaudited	Six months to 31 March 2014 Unaudited	Twelve months to 30 September 2014 Audited
	£	£	£
Operating activity			
Operating loss	**(152,271)**	(157,133)	(702,150)
Share based payment charge	**6,058**	20,071	128,725
Shares issued in lieu of net wages	**9,015**	9,348	16,612
Impairment charge	**-**	-	281,282
(Increase)/decrease in accounts receivable	**4,086**	(13,500)	2,046
Increase/(decrease) in accounts payable	**(30,425)**	49,670	39,338
Net cash outflow from operating activity	**(163,537)**	(91,544)	(234,147)
Investing activity			
Interest received	**731**	654	1,855
Purchase of intangible fixed assets	**(74,570)**	(99,147)	(248,943)
Net cash outflow from investing activity	**(73,839)**	(98,493)	(247,088)
Financing activity			
Issue of share capital (net of expenses)	**210,198**	523,987	523,987
Net cash inflow from financing activity	**210,198**	523,987	523,987
Net increase/(decrease) in cash and cash equivalents	**(27,178)**	333,950	42,752
Cash and cash equivalents at start of period	**354,350**	320,353	320,353
Exchange differences	**(958)**	(561)	(8,755)
Cash and cash equivalents at end of period	**326,214**	653,742	354,350

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 2015 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 2014. These are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 30 September 2015 or are expected to be adopted and effective at 30 September 2015. 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 2015 and the six months ended 31 March 2014 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 2014 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2014 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for the year ended 30 September 2014 was unqualified, although did draw attention to matters by way of emphasis in relation to going concern, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

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 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. This represents 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 realize 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 2015 Unaudited	Six months to 31 March 2014 Unaudited	Twelve months to 30 September 2014 Audited
Loss for the period (£)	**(151,540)**	(156,479)	(700,295)
Weighted average shares in issue (No.)	**535,598,816**	385,136,199	405,273,899
Basic and fully diluted loss per share (pence)	**(0.03)**	(0.04)	(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 not dilutive under the terms of IAS33.

3. Share capital

During the six months to 31 March 2015 the following share issues took place:

An issue of 5,011,388 ordinary shares of 0.1p ("Ordinary Shares") at 0.425p per share to Tertiary Minerals plc (a Related Party), 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 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.

4. Post Balance Sheet Event

On 20 April 2015 Sunrise Resources Plc issued a further 105,000,000 Ordinary Shares at 0.2p per share by way of placing, for a total consideration of £199,950 net of expenses.

5. Interim report

Copies of this interim report are available from Sunrise Resources plc, Silk Point, Queens Avenue, Macclesfield, Cheshire, SK10 2BB, United Kingdom. It is also available on the Company's website at www.sunriseresourcesplc.com.