SUNRISE RESOURCES PLC

AIM Announcement 19 May 2014

SUNRISE RESOURCES PLC
www.sunriseresourcesplc.com
("the Company")

INTERIM STATEMENT 2014

Chairman's Statement

I am pleased to report on the Company's progress and unaudited interim results for the six months ended 31 March 2014.

Review of Activities
In contrast to this same period last year, the Company has started this financial year with a higher level of exploration activity and renewed optimism for the future. Following a fundraising in March this year we have moved quickly to advance exploration on a number of our projects with positive results already announced.

At the **Cue** diamond project in Western Australia we recently completed a drilling programme to test a number of new kimberlite targets and to collect a sample of the Soapy Bore kimberlite for diamond extraction and a preliminary grade evaluation. All objectives were achieved with a one tonne sample of the Soapy Bore kimberlite now being readied for testwork and at least one new occurrence of kimberlite confirmed by drilling with others suspected – to be confirmed.

This time last year we advised that we would take advantage of the share-market doldrums to generate new projects and the benefits of this ground-work are now being seen. In June last year the Company applied for licences over two new gold projects at Corona and Baker's in the multi-million ounce Meekatharra greenstone belt and I am pleased to report that the principal terms of an Aboriginal Heritage Agreement are now settled and, when signed, the agreement will pave the way for grant of the tenement now expected this second quarter of 2014. Exploration will commence immediately after grant.

In February this year the Company announced the incorporation of a new 100% owned Nevada subsidiary, SR Minerals Inc., and the staking of claims in Nevada for two new projects. The **County Line Project** in southern Nevada, covers a deposit of the industrial raw material diatomite which, in processed form, is used for filtration of beer and wine and as an industrial filler. A preliminary and independent testwork programme was recently completed returning positive results and promise for the production of valuable commercial products. A programme of trenching and drilling has been recommended and could be completed at low cost and from the Company's existing cash reserves.

In the same locality, in Nevada, we have staked claims over the **Strike Copper Project**, an area of exploratory mine workings where the Company's sampling results have confirmed interesting grades of copper and where a previous drill hole reportedly intersected copper mineralisation from surface to 30m deep. Further work is planned for the summer.

Results

The Group is reporting a loss for the six month period of £156,479 (six months to 31 March 2013: £748,949). This loss comprises administration costs of £140,112 (which includes share based payments of £20,071); pre-licence (reconnaissance) costs totalling £17,021 and interest income of £654. The share-based payment is a net non-cash item relating to the issue of warrants in this period and the expiry in this period of warrants which were issued in previous years.

At the end of the reporting period a placing of new shares with warrants raised £525,000 before expenses from existing shareholders and a new institutional shareholder which is backing management and its proven track record of delivering value for patient long-term investors.

The directors continue to invest in the Company, both in the recent placing and by continuing to take fees in shares. We expect that this investment will be rewarded as market sentiment improves. Certainly investor sentiment for diamond companies appears to have turned a corner with an increasing recognition that there is a supply shortfall looming after years of under investment in exploration and new mine development. From our roots as Sunrise Diamonds we have kept faith with our diamond exploration efforts and look forward to reporting further results when available.

Patrick Cheetham
Executive Chairman
19 May 2014

Further information

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Consolidated Income Statement

for the six months to 31 March 2014

	Six months to 31 March 2014 Unaudited	Six months to 31 March 2013 Unaudited	Twelve months to 30 September 2013 Audited
	£	£	£
Pre-licence exploration costs	**17,021**	3,283	48,090
Impairment of deferred exploration cost	**-**	562,793	557,020
Administrative expenses	**140,112**	185,169	322,961
Operating loss	**(157,133)**	(751,245)	(928,071)
Interest receivable	**654**	2,296	3,624
Loss on ordinary activities before taxation	**(156,479)**	(748,949)	(924,447)
Tax on loss on ordinary activities	**-**	-	-
Loss on ordinary activities after taxation	**(156,479)**	(748,949)	(924,447)
Loss for the period attributable to equity holders of the parent	**(156,479)**	(748,949)	(924,447)
Loss per share – basic and fully diluted (pence) (note 2)	**(0.04)**	(0.22)	(0.25)

Consolidated Statement of Comprehensive Income
for the six months to 31 March 2014

	Six months to 31 March 2014 Unaudited	Six months to 31 March 2013 Unaudited	Twelve months to 30 September 2013 Audited
	£	£	£
Loss for the period	**(156,479)**	(748,949)	(924,447)
Items that could be reclassified subsequently to the income statement:			
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(11,406)**	13,745	(39,015)
Total comprehensive loss for the period attributable to equity holders of the parent	**(167,885)**	(735,204)	(963,462)

Company Registration Number: 05363956

Consolidated Statement of Financial Position

as at 31 March 2014

	As at 31 March 2014 Unaudited	As at 31 March 2013 Unaudited	As at 30 September 2013 Audited
	£	£	£
Non-current assets			
Intangible assets	**654,266**	594,393	565,964
	654,266	594,393	565,964
Current assets			
Receivables	**39,229**	23,314	25,729
Cash and cash equivalents	**653,742**	470,911	320,353
	692,971	494,225	346,082
Current liabilities			
Trade and other payables	**(128,346)**	(103,211)	(78,676)
Net current assets	**564,625**	391,014	267,406
Net assets	**1,218,891**	985,407	833,370
Equity			
Called up share capital	**501,617**	366,571	375,996
Share premium account	**4,515,131**	4,072,072	4,107,417
Share option reserve	**398,177**	346,655	378,106
Foreign currency reserve	**(56,209)**	7,957	(44,803)
Accumulated losses	**(4,139,825)**	(3,807,848)	(3,983,346)
Equity attributable to owners of the parent	**1,218,891**	985,407	833,370

Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium account £	Share Option reserve £	Foreign Currency reserve £	Accumulated losses £	Total £
At 30 September 2012	**365,251**	**4,061,513**	**283,997**	**(5,788)**	**(3,058,899)**	**1,646,074**
Loss for the period	-	-	-	-	(748,949)	(748,949)
Exchange differences	-	-	-	13,745	-	13,745
Total comprehensive loss for the period	**-**	**-**	**-**	**13,745**	**(748,949)**	**(735,204)**
Share issue	1,320	10,559	-	-	-	11,879
Share based payments	-	-	62,658	-	-	62,658
At 31 March 2013	**366,571**	**4,072,072**	**346,655**	**7,957**	**(3,807,848)**	**985,407**
Loss for the period	-	-	-	-	(175,498)	(175,498)
Exchange differences	-	-	-	(52,760)	-	(52,760)
Total comprehensive loss for the period	**-**	**-**	**-**	**(52,760)**	**(175,498)**	**(228,258)**
Share issues	9,425	35,345	-	-	-	44,770
Share based payments	-	-	31,451	-	-	31,451
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 issues	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**

Consolidated Statement of Cash Flows

for the six months to 31 March 2014

	Six months to 31 March 2014 Unaudited	Six months to 31 March 2013 Unaudited	Twelve months to 30 September 2013 Audited
	£	£	£
Operating activity			
Total loss after tax	**(156,479)**	(748,949)	(924,447)
Interest received	**654**	2,296	3,624
Operating loss	**(157,133)**	(751,245)	(928,071)
Share based payment charge	**20,071**	62,658	94,109
Shares issued in lieu of net wages	**9,348**	11,879	22,728
Impairment charge	**-**	559,092	557,020
(Increase)/decrease in accounts receivable	**(13,500)**	15,072	12,657
Increase/(decrease) in accounts payable	**49,670**	(54,349)	7,740
Net cash outflow from operating activity	**(91,544)**	(156,893)	(233,817)
Investing activity			
Interest received	**654**	2,296	3,624
Purchase of intangible fixed assets	**(99,147)**	(108,530)	(198,888)
Net cash outflow from investing activity	**(98,493)**	(106,234)	(195,264)
Financing activity			
Issue of share capital (net of expenses)	**523,987**	-	33,922
Net cash inflow from financing activity	**523,987**	-	33,922
Net (decrease)/increase in cash and cash equivalents	**333,950**	(263,127)	(395,159)
Cash and cash equivalents at start of period	**320,353**	734,180	734,180
Exchange differences	**(561)**	(142)	(18,668)
Cash and cash equivalents at end of period	**653,742**	470,911	320,353

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 2014 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 2013. 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 2014 or are expected to be adopted and effective at 30 September 2014. 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 2014 and the six months ended 31 March 2013 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. The financial information for the year ended 30 September 2013 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2013 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 2013 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 the last Annual 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 2014 Unaudited	Six months to 31 March 2013 Unaudited	Twelve months to 30 September 2013 Audited
Loss for the period (£)	**(156,479)**	(748,949)	(924,447)
Weighted average shares in issue (No.)	385,136,199	345,255,413	367,806,320
Basic and fully diluted loss per share (pence)	**(0.04)**	(0.22)	(0.25)

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 2014 the following share issues took place:

An issue of 7,254,266 0.1p ordinary shares at 0.50p per share to Tertiary Minerals plc, by way of settlement of an invoice issued to Sunrise Resources plc for management fees in the sum of £36,271.

An issue of 1,699,640 0.1p ordinary shares at 0.55p per share to the three directors for a total consideration of £9,348 (10 January 2014), in satisfaction of directors' fees.

An issue of 116,666,664 0.1p ordinary shares at 0.45p per share, by way of placing, for a total consideration of £487,716 (net of expenses).

4. 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.