AIM Announcement

23 May 2016

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 2016.

OPERATIONAL HIGHLIGHTS

- **County Line Diatomite Project, Nevada, USA:**
  - Lease agreement with EP Minerals, LLC, a world leading producer of diatomite.
  - Potential for revenue based royalty stream starting in 2017 – at no further cost or risk to Company.
- **Bay State Silver Project, Nevada, USA:**
  - Bonanza silver grades from underground sampling.
  - High-grade silver mineralisation intersected in first three drill holes.
- **New subsidiary company formed – Westgold Inc.**
  - Generator model will focus on precious metal projects in western USA.
  - First two project areas staked – Clayton & Newark.

RESULTS SUMMARY

- Group loss for the six month period of £149,534 (six months to 31 March 2015: £151,540) comprising:
  - Interest income of £179; less
  - Administration costs of £142,453; and
  - Uncapitalised exploration costs totalling £7,260.

FUNDING

- There was no fundraising during the reporting period.
- Shares to the value of £9,176 were issued to directors at a price of 0.16p in settlement of fees on 18 February 2016 and shares to the value of £86,272 were issued at a price of 0.175p to Tertiary Minerals plc in settlement of invoices issued for management and services fees on 7 March 2016.
- A total of £120,000 (before expenses) was raised on 4 April 2016 through the issue of 109,090,908 new ordinary shares by way of a placing and subscription.

Further information

Sunrise Resources plc Patrick Cheetham, Executive Chairman	**Tel: +44 (0)1625 838 884**
Northland Capital Partners Limited *Nominated Adviser and Broker* Edward Hutton/David Hignell *Broking* John Howes/Rob Rees	**Tel: +44 (0)203 861 6625**
Beaufort Securities Limited *Joint Broker* Jon Belliss	**Tel: +44 (0)207 382 8300**

Chairman's Statement

I am pleased to report the results for the six month period ended 31 March 2016.

The first half of the financial year was very busy for the Company, particularly the first quarter, although many of the operational highlights from this quarter have already been discussed in the Chairman's Statement and Operating Review of the last Annual Report which, when published on 14 December 2015, reported on events up to that date.

Perhaps the most significant of these highlights was the execution of a lease and royalty agreement with leading diatomite producer EP Minerals, LLC over our large County Line Diatomite Deposit in Nevada in early December 2015. We retain a significant revenue based royalty interest which we hope will generate cash for the Company in future with advance royalty payments starting in 2017 provided that EP Minerals has not terminated its lease of the Company's claims beforehand. EP Minerals has started its evaluation of the project and has received a permit for an initial exploration programme on the claims. We look forward to a successful result.

We hope to replicate this partnering strategy with other industrial minerals projects in the western USA including the recently acquired Pozz Ash Project where evaluation work is underway.

A further highlight of the current interim reporting period was the announcement of impressive silver results from each of the first three drill holes in our maiden drill programme on the Bay State Silver Project in Nevada – for example 503 g/t silver (14.7 oz/ton) over 1.4m from 185.32m in Hole 15SRDD003. The Company is fully permitted for a substantial follow-up drill programme.

A major initiative in the second quarter of this interim period has been the incorporation of a new Nevada subsidiary, Westgold Inc., that will focus exclusively on low-cost acquisition of precious metal projects in the western USA with the objective to sell, lease or joint venture these projects. A programme of claim staking has been initiated and two projects have already been claimed. The Clayton Project is an epithermal silver-gold project in the Walker Lane Mineral Belt with significant past drill results and the Newark Project is a Carlin-style gold project in the famous Battle Mountain Gold Trend.

The Company is currently compiling historical drilling results for these two projects and further details will be released as they become available.

March this year saw an increase in the value of our investment in Taoudeni Resources Ltd following its acquisition by ISDX listed Goldcrest Resources PLC, where we now hold just over 5%. We will consider investments of similar strategic value in future when opportunities arise.

A share issue was made in March to settle certain shared "at cost" management expenses due to our largest shareholder, Tertiary Minerals plc, and the Company completed a modest fundraising in April which I was pleased to support as the largest participant. There is a reluctance on the part of the Board to raise large amounts of money at the current low share price whilst there is an expectation of an improving market and future cash flow from the Company's industrial minerals projects. Current funds will support a modest level of exploration activity as previously reported.

In closing I would like to again thank Francis Johnstone who recently retired as a non-executive director after many years of service and note the appointment of Roger Murphy as a new non-executive director. Roger has a strong background in mining finance and will, I am sure, have a valuable contribution to make to the Company.

Patrick Cheetham
Executive Chairman
20 May 2016

Consolidated Income Statement

for the six months to 31 March 2016

	Six months to 31 March 2016 Unaudited	Six months to 31 March 2015 Unaudited	Twelve months to 30 September 2015 Audited
	£	£	£
Pre-licence and other exploration costs	**7,260**	20,648	35,276
Impairment of deferred exploration cost	**-**	-	10,386
Administrative expenses	**142,453**	131,623	256,957
Operating loss	**(149,713)**	(152,271)	(302,619)
Interest receivable	**179**	731	1,348
Loss before income tax	**(149,534)**	(151,540)	(301,271)
Income tax	**-**	-	-
Loss on ordinary activities after tax	**(149,534)**	(151,540)	(301,271)
Loss for the period attributable to equity holders of the parent	**(149,534)**	(151,540)	(301,271)
Loss per share – basic and fully diluted (pence) (note 2)	**(0.02)**	(0.03)	(0.05)

Consolidated Statement of Comprehensive Income

for the six months to 31 March 2016

	Six months to 31 March 2016 Unaudited	Six months to 31 March 2015 Unaudited	Twelve months to 30 September 2015 Audited
	£	£	£
Loss for the period	**(149,534)**	(151,540)	(301,271)
Items that could be reclassified subsequently to the income statement:			
Fair value movement on available for sale investment	**44,971**	-	-
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**93,618**	(9,637)	(65,272)
Total comprehensive loss for the period attributable to equity holders of the parent	**(10,945)**	(161,177)	(366,543)

Company Registration Number: 05363956

Consolidated Statement of Financial Position

as at 31 March 2016

	As at 31 March 2016 Unaudited	As at 31 March 2015 Unaudited	As at 30 September 2015 Audited
	£	£	£
Non-current assets			
Intangible assets	**871,040**	579,321	753,738
Available for sale investment	**69,971**	-	25,000
	941,011	579,321	778,738
Current assets			
Receivables	**32,343**	19,597	34,483
Cash and cash equivalents	**62,008**	326,214	142,079
	94,351	345,811	176,562
Current Liabilities			
Trade and other payables	**(100,598)**	(87,589)	(108,651)
Net current assets/(liabilities)	**(6,247)**	258,222	67,911
Net assets	**934,764**	837,543	846,649
Equity			
Called up share capital	**746,182**	581,615	691,149
Share premium account	**4,802,191**	4,661,609	4,761,776
Share option reserve	**88,180**	365,486	322,820
Available for sale investment reserve	**44,971**	-	-
Foreign currency reserve	**(45,406)**	(83,389)	(139,024)
Accumulated losses	**(4,701,354)**	(4,687,778)	(4,790,072)
Equity attributable to owners of the parent	**934,764**	837,543	846,649

Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium Account £	Share Option Reserve £	Available for Sale Revaluation Reserve £	Foreign Currency Reserve £	Accumulated Losses £	Total £
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 expense	-	-	6,058	-	-	-	6,058
Transfer of expired options	-	-	(45,551)	-	-	45,551	-
At 31 March 2015	**581,615**	**4,661,609**	**365,486**	**-**	**(83,389)**	**(4,687,778)**	**837,543**
Loss for the period	-	-	-	-	-	(149,731)	(149,731)
Exchange differences	-	-	-	-	(55,635)	-	(55,635)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(55,635)**	**(149,731)**	**(205,366)**
Share issues	109,534	100,167	-	-	-	-	209,701
Share based payments expense	-	-	4,771	-	-	-	4,771
Transfer of expired options	-	-	(47,437)	-	-	47,437	-
At 30 September 2015	**691,149**	**4,761,776**	**322,820**	**-**	**(139,024)**	**(4,790,072)**	**846,649**
Loss for the period	-	-	-	-	-	(149,534)	(149,534)
Change in fair value	-	-	-	44,971	-	-	44,971
Exchange differences	-	-	-	-	93,618	-	93,618
Total comprehensive loss for the period	**-**	**-**	**-**	**44,971**	**93,618**	**(149,534)**	**(10,945)**
Share issues	55,033	40,415	-	-	-	-	95,448
Share based payments expense	-	-	3,612	-	-	-	3,612
Transfer of expired options	-	-	(238,252)	-	-	238,252	-
At 31 March 2016	**746,182**	**4,802,191**	**88,180**	**44,971**	**(45,406)**	**(4,701,354)**	**934,764**

Consolidated Statement of Cash Flows

for the six months to 31 March 2016

	Six months to 31 March 2016 Unaudited	Six months to 31 March 2015 Unaudited	Twelve months to 30 September 2015 Audited
	£	£	£
Operating activity			
Total loss after tax	**(149,713)**	(152,271)	(302,619)
Share based payment charge	**3,612**	6,058	10,829
Shares issued in lieu of net wages	**9,176**	9,015	19,215
Impairment charge	**-**	-	10,386
(Increase)/decrease in receivables	**2,140**	4,086	(10,800)
Increase/(decrease) in payables	**(8,053)**	(30,425)	(9,363)
Net cash outflow from operating activity	**(142,838)**	(163,537)	(282,352)
Investing activity			
Interest received	**179**	731	1,348
Purchase of available for sale investment	**-**	-	(25,000)
Purchase of intangible assets	**(30,715)**	(74,570)	(308,933)
Net cash outflow from investing activity	**(30,536)**	(73,839)	(332,585)
Financing activity			
Issue of share capital (net of expenses)	**86,272**	210,198	409,698
Net cash inflow from financing activity	**86,272**	210,198	409,698
Net increase/(decrease) in cash and cash equivalents	**(87,102)**	(27,178)	(205,239)
Cash and cash equivalents at start of period	**142,079**	354,350	354,350
Exchange differences	**7,031**	(958)	(7,032)
Cash and cash equivalents at end of period	**62,008**	326,214	142,079

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 2016 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 2015. 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 2016. 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 2016 and the six months ended 31 March 2015 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 2015 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 September 2015 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 2015 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 2016 Unaudited	Six months to 31 March 2015 Unaudited	Twelve months to 30 September 2015 Audited
Loss for the period (£)	**(149,534)**	(151,540)	(301,271)
Weighted average shares in issue (No.)	**698,930,220**	535,598,816	606,342,995
Basic and fully diluted loss per share (pence)	**(0.02)**	(0.03)	(0.05)

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 2016 the following share issues took place:

An issue of 5,734,754 0.1p Ordinary Shares at 0.16p per share to the three directors for a total consideration of £9,176 (18 February 2016), in satisfaction of directors' fees.

An issue of 49,298,406 0.1p Ordinary shares at 0.175p per share to Tertiary Minerals plc (a Related Party), for a total consideration of £86,272 (7 March 2016) by way of settlement of invoices issued to Sunrise Resources plc for management and services fees.

4. Events after the balance sheet date

On 4 April 2016 Sunrise Resources plc issued a further 45,454,545 0.1p Ordinary shares at 0.11p per share, by way of placing, and issued a further 63,636,363 0.1p Ordinary shares at 0.11p per share, by way of subscription, for a total consideration of £120,000 before expenses.

On 4 April 2016 Sunrise Resources plc issued a further 9,090,909 0.1p Ordinary shares at 0.11p per share to Beaufort Securities, by way of settlement of broker fees, for a total consideration of £10,000.

On 11 May 2016 Sunrise Resources plc issued 1,840,771 Ordinary shares at 0.14p per share to a director, for a total consideration of £2,577, in satisfaction of directors' fees.

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.