



# SUNRISE RESOURCES PLC

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21 August 2012

## PROJECT UPDATE

Sunrise Resources plc (“Sunrise” or “the Company”), the AIM-quoted diversified mineral exploration and development specialist, is pleased to provide the following update for its Cue diamond project in Western Australia and its Derryginagh barite project in Ireland.

### Cue Diamond Project - Highlights

- First Aboriginal Heritage Survey completed on Cue 1 kimberlite locality
- 50kg sample of Cue1 kimberlite outcrop submitted for diamond evaluation.
- Soil sampling results define additional targets.
- Drill testing of Cue 1 kimberlite and other targets expected to start next week.

### Derryginagh Barite Project - Highlights

- Mining studies largely completed.
- Preliminary metallurgical design contracted to Wardell Armstrong International Ltd.
- Scoping study on track for completion at end of September.

Commenting on today's news, Patrick Cheetham, Executive Chairman, said: **“It is rewarding to report that the Cue diamond project has now progressed to this exciting drill stage and we look forward to reporting the results of diamond sampling and evaluation.**

**“I am also pleased to report that the Derryginagh barite project is on track for completion at the end of this quarter.”**

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## **Cue Diamond Project**

The 100% owned Cue diamond project is located in the Murchison Mining District of central Western Australia, 80km north-west of the gold mining town of Cue.

The Company is targeting multiple kimberlite dykes discovered by De Beers in the period leading up to their withdrawal from all diamond exploration in Australia several years ago. De Beers discovered kimberlite dykes at two locations – Cue 1 and Soapy Bore and results of geophysical exploration and stream sediment sampling suggest significant strike potential to both dyke systems. De Beers reported both kimberlites to be significantly diamondiferous but detailed grade information was not provided.

Sunrise's exploration programme has the initial objective to test the diamond potential of the known kimberlites and collect mini-bulk drill samples for a preliminary evaluation of diamond content and quality.

In a release dated 18 May the Company reported that a preliminary field programme had been undertaken and that the outcrop of the Cue 1 kimberlite had been relocated. Three samples (total 50kg) taken from the outcrop have now been submitted to the diamond laboratories of the Saskatchewan Research Council in Canada for further evaluation.

The Company's first Aboriginal heritage survey has now been completed. Aboriginal heritage Surveys are carried out to ensure that sites of Aboriginal archaeological and cultural significance are avoided during the Company's exploration activities. The survey was contracted to the Ethical Engagement Consultancy, an Aboriginal owned and operated company whose principal is an elder of the Wajarri people who are indigenous to the West Murchison region where the project is located.

Individual surveys covered targets at the Cue 1 and Soapy Bore kimberlites and outlying areas at Fennels Well and Cue 1 NW as well as potential access routes. The survey has cleared sufficient of the Cue 1 and Cue 1 NW target areas to allow drilling to proceed.

Scattered Aboriginal artefacts were found in areas around Soapy Bore but insufficient time was available to allow these finds to be fully delineated and so further Heritage Survey work will be required before drilling can take place at Soapy Bore.

In the Fennels Well area a potentially important Aboriginal site was found that needs to be avoided by ground disturbing work. The extent of this site will also need to be defined in future surveys so that alternative drilling areas can be considered.

Drilling of the Cue 1 kimberlite and targets at the Cue 1 NW targets is now expected to start next week and run for approximately one week. Several drill holes are provisionally planned. One hole aims to collect a 1-2 tonne mini-bulk sample of the Cue1 kimberlite whilst the remaining holes will test targets for kimberlite extensions defined by soil sampling, parallel structures and other targets.

## **Derryginagh Barite Project**

At Derryginagh, the Company is targeting the production of white barite for use as a high-value industrial filler and in May this year announced the start of a technical and economic scoping study for development of the project.

This is progressing on schedule. Mine planning and mine cost estimation is now complete as is an evaluation of transport logistics and infrastructure options. A contract for preliminary metallurgical plant design and a concept flow sheet was recently awarded to Wardell Armstrong International Ltd. This will be based on an evaluation of the Company's metallurgical testwork results and will allow for process plant capital and operating cost estimates to be made.

Various meetings and discussions with the regulatory authorities have been initiated so that the applicable planning regimes and timetables can be evaluated.

The Company considers the results of drilling announced earlier this year, coupled with historical drilling results, are likely to be sufficient to support an independent JORC Mineral Resource estimate but, in this financial environment, does not consider that this cost is justified for a scoping level study. The study will be based on a range of tonnage-grade targets based on the Company's modelling of existing drill results.

The Company is continuing its marketing discussions with potential off-take partners. Strong interest in the project continues to be shown against a background of declining availability of traditional Chinese supplies, rising barite prices and a looming supply shortage for white barite.

The scoping study is on-track for completion by the end of September.

#### **Notes:**

*1. The information in this release has been compiled and reviewed by Mr. Patrick Cheetham (MIMMM, MAusIMM) who is a qualified person for the purposes of the AIM Note for Mining and Oil & Gas Companies dated June 2009. Mr Cheetham is a Member of the Institute of Materials, Minerals & Mining and also a member of the Australasian Institute of Mining & Metallurgy.*

*2. Reference to dates or timetables for work programmes and the receipt of results are based on the Company's expectations held at the date of this release. Such timetables often depend on outside contractors and matters beyond the Company's control and are therefore subject to change.*

#### **Notes to Editors**

##### ***About Sunrise Resources plc***

Sunrise Resources plc ('SRES') is a diversified mineral exploration and development specialist.

The Company's objective is to develop profitable mining operations to sustain the Company's wider exploration efforts and create value for shareholders through the discovery of world-class deposits.

The Company is evaluating a product opportunity for white barite in south-west Ireland and diamond exploration interests in Finland and Western Australia.

Shares in the Company trade on AIM under the symbol "SRES".

*Various maps and images illustrating some of the features discussed in this release are available on the Company's website at:*

<http://www.sunriseresourcesplc.com>