



SUNRISE RESOURCES PLC

AIM Announcement

19 September 2016

SUNRISE RESOURCES PLC ("the Company")

Strategy and Business Overview

Sunrise Resources plc (LON:SRES), the London Stock Exchange AIM-traded diversified mineral exploration and development Company, is pleased to announce a Strategy and Business Overview for the Company.

Patrick Cheetham, Executive Chairman notes: "I am pleased to announce this overview for shareholders as we continue to develop our business in readiness for what the Board believes is a building recovery phase for the commodity sector.

Sunrise has numerous interests across its portfolio of mineral assets and represents a diversified mineral resource investment opportunity. Our business model and focus on precious metals and strategic industrial mineral commodities, together with diligent project selection, has delivered a project portfolio with the potential for considerable returns for shareholders from a spread of business interests.

The Board recognises that from an external viewpoint the depth and breadth of our activities may appear complex and therefore challenging to fully appreciate the fundamentals of the Company's business model. Consequently we are working to further improve our communications through RNS announcements, additional media work and website enhancement, to make our business model better understood and create a wider level of market awareness.

This announcement also contributes by outlining the extent of our activities and summarising the status and plans for each project.

Sunrise is highly ambitious and we consider the next commodities cycle will present a tremendous opportunity. We are cost effectively run, have assembled a very strong portfolio of interests and are looking forward to updating the market on a regular basis with progress across our business activities."

STRATEGIC OVERVIEW

Sunrise Resources' aim is to create value for shareholders through the discovery of economic mineral deposits and develop profitable mining operations to sustain the Company's wider exploration efforts.

The Company's strategy to achieve this aim is to acquire, explore and when appropriate develop mineral projects in stable, democratic and mining friendly jurisdictions targeting:

1. advanced projects which have the potential to generate a sustaining cash flow; and
2. near-drill stage projects where there is potential for a significant mineral discovery.

BUSINESS MODEL

The Company identifies mineral project opportunities through extensive archival research and follow up exploration. It prefers to acquire its project interests by staking and licencing of 'open ground' from the relevant authority. This allows the Company to acquire 100% ownership of valuable assets, often at minimal cost.

Sunrise is primarily focused on the quality of the opportunity rather than any one specific commodity or industrial mineral. For operational synergies, Sunrise prefers to generate new projects in commodities or geographical areas where it already has interests. An example of this is the acquisition of the Baker's Gold Project in the same region as the Cue Diamond Project in Australia.

The Board seeks to run the Company with a low cost base in order to maximise the amount that is spent on exploration and development as this is where value can be added. Through the cost sharing arrangement with Tertiary Minerals plc (LON:TYM) the Company has the services of their 5 full time employees who also oversee a range of carefully selected and experienced consultants and contractors as and when work requires.

In exploring for world-class mineral deposits the Board accepts that not all exploration will be successful but also that the rewards for success can be spectacular.

PROJECT OVERVIEW

SR MINERALS INC – NEVADA, USA (100% Sunrise)

SR Minerals Inc. is the Company's original operating vehicle in Nevada and holds two industrial minerals projects and a number of precious and base-metal projects.

County Line Diatomite Project:

A potential new source of high value filter aid diatomite, a commodity utilised primarily as a filtering media in the food and beverage processing industry. Investors wishing to understand the uses of diatomite can refer to the following web link from the Industrial Minerals Association of North America:

http://www.ima-na.org/?page=what_is_diatomite

The County Line Project is currently leased to EP Minerals, LLC (a leading diatomite producer) under a 25 year lease which is renewable for a further two periods of 25 years or a maximum of 75 years in total. EP Minerals can terminate the lease at any time.

Sunrise holds a revenue-based royalty payable six months from the start of production and the first advanced royalty payment of US\$450,000 is due in June 2017.

Further details of the transaction can be found in the announcement dated 3 December 2015 through the following web link:

<http://w3w.sunriseresourcesplc.com/downloads/Sunrise%20Resources%20plc%20-%20RNS%20-%20Agreement%20-%20County%20Line%20Diatomite%20Project%20-%2003%20December%202015.pdf>

The Company benefits from the potential to receive royalty income at no further cost to the Company through this agreement with EP Minerals.

Pozz Ash Project:

Natural pozzolan is considered to be a “green” cement replacement raw material and the Company has identified in Nevada a new potential source for pozzolan. Natural pozzolans have been used for millenia and many of the Roman structures built with pozzolan concrete remain today.

Although this project is still within the early evaluation stage there is considered to be a large resource potential and the Company is undertaking work to assess this.

The specific work involves process testwork and cement testing in conjunction with an existing cement producer and results will be provided to market as soon as practicable.

One key advantage is that the Company may be able to implement a low cost development supplying natural pozzolan to a growing regional market. However taking a wider view the Company sees a global growth opportunity in natural pozzolan.

Investors wishing to learn more about pozzolan and the Company’s project should refer to the following web link:

<http://www.sunriseresourcesplc.com/projects/pozz-ash-project>

Bay State Silver Project:

The Bay State Project is a historic mine site with a narrow high-grade mesothermal silver deposit.

The Company’s work to date has encompassed positive underground sampling and Phase 1 drilling with high grade silver encountered in the first three drill holes. The grades included up to 1,460g/t (42.6 ounces per tonne) silver as announced to the market on 22 October 2015.

On 30 August 2016 Sunrise announced that Phase 2 drilling would commence on 7 September 2016 and would follow up the high-grade silver encountered during the first phase of drilling. Drilling is now completed and results are expected within 6 weeks. The Company has drilled two holes to test the Chihuahua Vein south of Mining Canyon and beneath 19th and 20th century mine workings and one hole as a first test of the Lincoln Vein System.

The Bay State Silver Project is permitted for sufficient drilling to define a maiden mineral resource. The Company's plan is to drill-demonstrate tonnage potential, carry out economic modelling and seek a JV partner for delineation drilling under existing permits targeting a minimum 10 million ounce silver reserve.

Further information on this project can be found on the Company's website through the following link:

<http://www.sunriseresourcesplc.com/projects/bay-state-silver-project>

Garfield Copper-Gold Project:

The Garfield Project emerged from the Company's own internal prospecting programme. To date one trench has been completed demonstrating 22m grading 0.33% copper mineralisation, including:

- 2 metres grading 2.18% copper and 0.48 g/t gold from 16m-18m;
- 2 metres grading 1.2 g/t gold and 0.07% copper from 8m-10m.

The Company intends to continue low cost trenching activities along strike from the initial discovery outcrop where the early trenching was undertaken.

The Garfield Project offers the potential for a large low grade copper discovery and subject to continuing exploration success the Company will seek a strategic farm out of the project.

Junction Gold Project:

Junction Gold is another internally generated prospecting discovery and work to date has identified samples of outcropping vein material with assays up to 16 g/t gold.

The next phase of work includes soil sampling to define targets for trenching and drilling to determine the full potential of this new discovery, although the results to date are favourable.

WESTGOLD INC – NEVADA, USA (100% Sunrise)

Incorporated in Nevada in 2016 as a project generator for gold and silver projects in the western US, primarily to capitalise on opportunities for staking projects that have lapsed in recent years and during the recent poor market conditions.

Westgold projects are so far staked at minimal cost on the basis of historical drill or surface sample results that warrant follow-up and the strategy is to farm out these projects or to complete limited drilling to substantiate historical results prior to farm-out. The project generation work is on-going and the Company will seek to update the market as material developments occur.

Further information on the creation of this new subsidiary can be found in the market announcement issued on 19 May 2016 which can be viewed through the following web link:

<http://www.sunriseresourcesplc.com/downloads/Sunrise%20Resources%20plc%20-%20RNS%20-%20New%20US%20Subsidiary%20and%20Projects%20-%2019%20May%202016.pdf>

Newark Gold Project:

The Newark Project was historically drilled by Freeport-McMoRan Gold Co. and the Company is targeting Carlin-Style mineralisation which includes some of the largest gold deposits in the world.

The Company is targeting a single drill hole to support historic data and subject to the successful outcome of this work would seek to farm out the project to enable a more intensive exploration programme to be undertaken without overstretching the Company's financial resources.

The Newark Project is located at the confluence of major gold trends in Nevada and should attract farm out interest after proof of concept drilling.

Further information on the Newark Project can be found through the following web link:

<http://www.sunriseresourcesplc.com/downloads/Sunrise%20Resources%20plc%20-%20RNS%20-%20Newark%20Gold%20Project%20Update%20-%2019%20July%202016.pdf>

Clayton Silver Project:

The Clayton Project has been the subject of historic exploration by Freeport and Coeur Exploration. This work included 21 shallow holes with significant silver intersections including up to 165 g/t silver.

The Company is targeting epithermal silver mineralisation and intends to collate the historic exploration data to produce a 3D mineralisation model leading to further exploration work planning and eventually drilling.

Further information on the Clayton Project can be found through the following web link:

<http://www.sunriseresourcesplc.com/downloads/Final%20Sunrise%20RNS%20Clayton%20Silver-Gold%20Project%207%20July%202016.pdf>

Stonewall Gold-Silver Project:

The Stonewall Project comprises 15 claims staked over a major epithermal vein system.

The next phase of exploration is expert mapping and analysis leading to additional on ground exploration programme or potential farm out.

SUNRISE MINERALS AUSTRALIA PTY LTD (100% Sunrise)

The Company's strategy is to position the Australian business as a self-financing separate vehicle with an ambition to expand its mineral property portfolio in Australia and ultimately to consider a listing on the Australian Stock Exchange (ASX), thereby creating tangible value for Sunrise shareholders.

Cue Diamond Project:

The Cue Diamond Project area was formerly explored by De Beers in 1994-2002 during which a number of kimberlite dykes were discovered. Kimberlites in the area of the Company's operations are all diamondiferous.

The focus of the Company is within an area of higher-grade diamondiferous float that suggest the potential for a commercial discovery.

The Company intends to undertake low cost prospecting to identify the source of diamondiferous float and with the benefit of additional positive exploration work to move this project into a farm out with a dedicated diamond explorer.

Baker's Gold Project:

The Baker's Project is located 25km southeast of Meekatharra on the eastern limb of the Meekatharra Greenstone belt, a belt that has, so far, yielded over 5.5 million ounces of gold.

Following historical exploration work the project is drill ready, subject to aboriginal heritage clearance, and drilling will test areas of historic workings and soil anomalies generated by the Company to date.

Subject to successful further exploration the project location makes any new discovery amenable to custom milling in the Meekatharra area.

SUNRISE IRELAND (100% Sunrise)

Derryginagh Barite Project:

The Company holds a prospecting licence for base metals, barite, silver, gold and platinum group elements near Bantry, County Cork, in the south west of the Irish Republic.

Currently the project is focused on barite, a commodity used as a weighting agent in oil industry drilling mud and as a higher value industrial filler for use in paints and various other products.

The project has been subject to significant work programmes by the Company including drilling, metallurgical testing, marketing studies and a scoping study by Wardell Armstrong in 2012.

The current cost for white paint-grade barite is £190-220/tonne delivered to the UK. The above scoping study considered a base-tonnage-grade estimate of 394,000 tonnes grading 81% barite. This is not a JORC compliant Mineral Resource Estimate.

The Company continues to monitor developments in the barite market and is seeking to secure value from this project at the earliest opportunity.

Further information

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Notes:

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 of the European Parliament and of the Council.

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. Mr. Cheetham is a Member of the Institute of Materials, Minerals & Mining and also a member of the Australasian Institute of Mining & Metallurgy.

This announcement and the documents referred to in it contain forward-looking statements. These statements relate to the future prospects developments and business strategies of the Company and its subsidiaries (the "Group") and are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Work programmes are subject to the availability of funding in future.

Shares in the Company trade on AIM. EPIC: "SRES"

Website: www.sunriseresourcesplc.com