



SUNRISE RESOURCES PLC

AIM ANNOUNCEMENT

12 May 2014

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

UPDATE - COUNTY LINE DIATOMITE PROJECT, USA

POSITIVE TESTWORK RESULTS

Sunrise Resources plc, ("the Company") the AIM traded diversified mineral exploration and development company, is pleased to advise positive results from an initial independent assessment of diatomite samples from the Company's 100% owned County Line Diatomite Project in Nevada, USA, which was acquired in February this year.

KEY POINTS:

- Positive testwork report received from diatomite specialist Dorfner ANZAPLAN ("ANZAPLAN")
- Testing included chemical, physical and processing testwork
- Results show promise for commercial products
- ANZAPLAN recommends further work to include mapping, trenching and drilling

Commenting today, Executive Chairman Patrick Cheetham said: "We welcome this positive news which paves the way for a more thorough assessment of the deposit over the summer. ANZAPLAN's report highlights the potential for production of high quality commercial products and identifies the important properties that we need to consider in the further evaluation of the deposit. We believe ANZAPLAN's recommendations for further work could be carried out at a relatively low cost and from existing cash reserves."

Further information:

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DETAILED INFORMATION

The County Line Diatomite Project comprises 61 claims over an area of 5 square kilometres 200km southeast of the city of Reno, Nevada, USA.

Diatomite is a valuable industrial raw material made up of hollow and lattice-like silica skeletons of single cell aquatic algae (diatoms). It has a high porosity and is suitable for use as a filtration medium in making beer, liquor, wine, fats, fruit juices, and solvents. Commercial diatomite products have a high brightness, a low bulk density and chemical inertness which make them suitable as industrial fillers in paint and plastics and as a carrier material in various industrial and domestic products.

Diatomite is produced and sold in three main product forms each requiring a different level of processing of the raw material. In all cases the raw material is first carefully deagglomerated and then size-classified to remove coarse impurities. The diatomite can be sold in this form as "Natural Diatomite" or it can be processed further by heating to high temperature (calcining) to adjust particle structure and increase particle size to produce "Calcined Diatomite". Often a flux (salt or soda ash) is added during the calcining stage to produce "Flux Calcined Diatomite".

The work now being reported is in follow up to the favourable analysis of two grab samples taken during an initial reconnaissance of the deposit in 2013. This indicated that more extensive testing of a range of chemical and physical properties was warranted.

Further samples were collected in February 2014 and submitted to specialist industrial minerals consulting company Dorfner ANZAPLAN in Germany ("ANZAPLAN") for testing of a range of chemical and physical properties and comparison with commercial diatomite products.

The samples were made into a composite for testing with results as follows:

Character of the Raw Material

Mineralogical and chemical evaluation was carried out on the unprocessed diatomite to identify and quantify the main impurities. It is important to determine and remove impurities which can affect filtration and product properties. For example, calcite (CaCO₃) reacts with oxalic acid in beer and forms uncontrolled CO₂ exhalations (gushing). The release of iron during e.g. beer filtration leads to the formation of unwanted substances reducing the shelf life of the beer. Release of toxic heavy metals must not exceed governmental threshold values for beverages.

Chemical analysis of the raw sample was carried out by X-ray fluorescence (XRF), mineralogical characterisation by X-ray diffraction (XRD) and visualised by Scanning Electron Microscopy (SEM). This identified higher levels of clay minerals and a higher level of fragmented diatoms in the samples tested than is common in some commercial diatomite products. Most deposits contain variable levels of clay and fragments and their content in the final product is usually controlled by selective mining of the raw material.

Deagglomeration and size classification was carried out to reduce mineral impurities which were checked again by XRF analysis. The chemical composition of the classified material was comparable to commercial Natural Diatomite products.

Testwork for Calcined Diatomite

A sample of the processed Natural Diatomite was straight-calcined (i.e. without flux addition) and tested for important filtration properties - permeability, wet density, pH-value, particle size, specific surface area and bulk density.

All of these properties were seen to be comparable or better than for the commercial reference products.

Impurity levels were tested by XRF analysis whilst iron, calcium and heavy metal release was tested by phthalate extraction. The level of phthalate extractable metals was found to be well within limits and at the same or lower levels for all elements analysed when compared to commercial reference materials. Iron extraction was extremely low providing a remarkable advantage. Total soluble substances were also low.

Testwork for Flux Calcined Diatomite

Flux calcination increases the permeability over that of straight Calcined Diatomite by increasing particle size and reducing fine particles that might block the filters. In commercial practice some Flux Calcined Diatomite is size-classified, the coarser material being sold to the filtration industry and the fine material sold as an industrial filler where high brightness is an advantage.

In the current testwork the preprocessed Natural Diatomite sample was flux calcined with 5% soda-ash and then tested for the same physical properties both before and after size classification. The coarse Calcined Diatomite was found to have comparable permeability but a higher wet density compared to commercial reference products. The fine Flux Calcined Diatomite filler produced in testwork had lower brightness than commercial reference products.

The flux calcination testwork was of a very preliminary nature. For production of flux calcined products further testwork will be required on samples with lesser amounts of interfering minerals and a higher proportion of intact diatoms as might be produced by selective mining within the deposit (as is normal commercial practice).

Phthalate extraction tests on the coarse Flux Calcined Diatomite returned similar, very low values for all deleterious elements tested.

Conclusion.

Based on the promising results obtained for filter applications and the optimizing possibilities for filler applications ANZAPLAN has recommended further mapping and testing of the County Line Diatomite Deposit by trenching and drilling.

In addition to providing further information on the character and variability of the diatomite raw material on the Company's claims, the recommended programme will provide valuable data for future Mineral Resource evaluation. There is currently no code-compliant Mineral Resource defined for the project.

About Sunrise Resources plc

Sunrise Resources plc is a diversified mineral exploration and development company. The Company has diamond exploration interests in Western Australia and Finland and holds a white barite project in South-West Ireland.

The Company holds applications for two gold exploration projects in Western Australia and has an active project programme to generate new exploration projects in Australia and Nevada, USA.

In early 2014 the Company staked claims over the Strike Copper Project and the County Line Diatomite Project in Nevada, USA.

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

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