SUNRISE RESOURCES plc

Company No. 05363956

Annual Report and Accounts
For the year ended 30 September 2021

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Chairman's Statement

Dear Shareholders,

In 2021 our attention has been firmly fixed on the development of our CS Pozzolan-Perlite Project and the valorisation of non-core projects. Progress is being made on both fronts.

For most of the year we have been working with an existing cement manufacturer and ready-mix concrete company (CRMC) on a programme of commercial scale testwork. This started with a jointly funded test mining programme and the delivery of a 500-ton bulk sample to the CRMC's cement plant for test grinding.

The CS bulk sample material was successfully ground to the target size direct from run-of-mine ore without the need for crushing. This offers the potential of minimal site infrastructure and lower costs if this can be applied more widely. The objective was to assess the suitability of using the CRMC's surplus cement milling facility for grinding the CS natural pozzolan. The use of this surplus facility will allow for a low capital cost, low risk start up to production. The ground pozzolan produced by the CRMC was then tested on a commercial scale with excellent results confirming the Company's own extensive laboratory test work results and our CS material as a high quality natural pozzolan.

The CRMC is an internationally recognised company and has a substantial ready-mix concrete business. The ready-mix business is a captive customer for its cement products and can use CS natural pozzolan as a replacement for the large volumes of coal power fly ash it has traditionally used. The US supply of coal fly ash is now declining with the continuing closure of US coal-fired power plants. The COP26 Conference in 2021 has heralded the closure of the coal industry and a new urgency to find materials that can replace fly ash in concrete.

Commercial discussions with the CRMC have progressed to the point where the CRMC now has the support of its Board to enter into a joint development of the CS Project. I met with the President of the CRMC last week and detailed financial terms are being discussed. A second major building materials producer has also been testing our materials during this year although discussions are at an earlier stage.

We acknowledge that progress may appear slow, and this has been frustrating for shareholders as well as management, but the cement and concrete industries are conservative and have traditionally been slow to change and adopt new technologies and materials. Nevertheless, your Board believes that the value of the CS Project has only been enhanced during the year and change is now inevitable.

Our negotiations are taking place against a background of fundamental industrial change driven by climate targets and the inexorable drive to reduce carbon emissions. Concrete is the second most used material in the world after water and one of the hardest to decarbonise as the production of traditional Portland cement is responsible for 7-8% of global carbon emissions.

California is at the forefront of this change and cement producers in California are under pressure, not only from new State legislation mandating carbon neutrality by 2045 and carbon caps but also from their customers who are themselves under pressure to build greener structures with lower embodied carbon. At the same time, the market outlook for cement and concrete demand in the USA is very positive and enhanced by the recent signing into law in the US of the $1trillion Infrastructure Bill.

We continue to advance the testing of the perlite from our CS Project where market developments have also been favourable as outlined in the Operating Review on page 7. Our potential customers' testwork was delayed due to the low availability of furnace capacity and the results muddied by poor sizing of the raw material supplied, but they have been sufficiently encouraged to move forward with additional testing and additional raw material was mined during the year for this purpose.

As we advance the CS Project we have this year also been looking to the future and your Board has ambitions to build on its experience at the CS Project to expand its pozzolan business. The Company's specific opportunity for the CS Project is for use in the concrete markets in southern California and southern Nevada, but similar opportunities for the supply of natural pozzolan exist in all of the major population centres in the western USA and the Company has been researching opportunities in these additional markets.

As a result of this ongoing research, we have staked additional claims covering a deposit of natural pozzolan near the historic settlement of Hazen in northern Nevada, which is rail-linked to the markets of Reno and northern California. It is early days, but initial testing results are positive. The Company is also evaluating markets for the CS Pozzolan and Hazen Pozzolan as a lightweight aggregate which has a high demand and high value in lightweight concrete and facing bricks in earthquake prone California.

In a separate development the Company, whilst researching pozzolan opportunities, has identified an opportunity for the rare industrial mineral sepiolite near Pioche in Nevada. Sepiolite is a clay used as a viscosity modifier in a number of materials, as well as an absorbent. Claims have been staked and positive initial tests by a European industrial minerals producer led to a successful joint field evaluation last week.

During the year we continued with our strategy to divest non-core projects and reached agreement with Power Metal Resources to sell our Garfield and Stonewall projects for cash, shares, warrants and a royalty interest. We also leased our Jackson Wash claims to Kinross Gold (the fifth largest gold miner globally) which is exploring for gold

Chairman's Statement continued

on adjacent claims and we also granted Kinross an option to purchase these claims whilst retaining royalty rights.

Also, in line with strategy to carry out drilling programmes on projects where this might encourage potential joint venture partners, we drilled our Baker's Gold Project in Western Australia, intersecting high-grade gold mineralisation that warrants follow up. We also received the high-grade silver assay results from last years' drilling at the Clayton Silver Project and are responding to a number of joint venture enquiries.

In 2021, despite the US COVID-19 related travel ban, we have been able to continue business largely as usual and now the US recently opened up to travel from the UK and we are hoping for a more normalised business in 2022.

For our next Annual General Meeting we will be returning to our usual venue, Arundel House, 6 Temple Place, London. WC2R 2PG, in London, on Thursday 27 January 2022. The Notice of AGM is set out on page 54. Further detailed instructions on proxy voting are on pages 57 and 58. In order to protect the health of our staff and shareholders certain COVID-19 protocols may be in place at the meeting. Please see the notes on page 55. For those who do not wish to attend, we are encouraging shareholders to appoint the Chairman as their proxy (online at www.signalshares.com or by requesting and submitting a hard copy Form of Proxy).

I look forward to reporting further progress in 2022 and wish all our shareholders a Merry Christmas and a Happy New Year.

Patrick Cheetham
Executive Chairman
10 December 2021

Strategic Report

The Directors of the Company and its subsidiary undertakings (which together comprise "the Group") present their Strategic Report for the year ended 30 September 2021.

The **principal activity** of the Company is the acquisition, exploration and development of mineral projects, primarily in the western USA.

Our **strategy** is to develop the CS Pozzolan-Perlite Project through to profitable production in order that the Company's activities become self-funding and to unlock the value inherent in its portfolio of mineral projects through sale, joint venture or other arrangements.

The Company's **Business Model** is to acquire 100% ownership of mineral assets at minimal expense. This usually involves staking claims as was the case for the CS and NewPerl Projects or applying for exploration licences from the relevant authority, as was the case in Australia. In other cases, rights are negotiated with existing project owners for initially low periodic payments that rise over time as confidence in the project value increases and this was the case for the Bay State Silver Project.

The Group currently operates with a low-cost base to maximise the funds that can be spent on value adding exploration and development activities. The Company's administration costs are reduced via a cost sharing Management Services Agreement with Tertiary Minerals plc.

The Strategic Plan is on track although the timeframe for first commercial production from the CS Project has moved out due to delays in customer trials and protracted offtake negotiations.

Further details of our progress on the CS Project are given in the Operating Review set out on pages 7 to 13.

The Company's activities are financed by periodic capital raisings, through private share placings. For more advanced projects such as the CS Project the Board will seek to secure additional funding from a range of sources, for example debt funding, pre-financing through off-take agreements and other joint arrangements.

Over the past few years, the Company has established a valuable portfolio of drill-ready precious metal, base metal and industrial mineral projects. Our strategy remains to valorise those projects through sale or other arrangements seeking, wherever possible, free-carried exposure to increases in value and production from the projects. Examples during the year include the sale of our interests in the Garfield and Stonewall Projects as detailed on page 12. This strategy allows for drill testing of drill ready targets in order to add further value prior to offering these projects for joint venture or sale. This process was initiated with a drill programme at the Clayton Silver-Gold Project last year and continued with drill testing of the Baker's Gold Project in Australia in 2021 as set out on page 12.

Organisation Overview

The Group's business is directed by the Board and is managed by the Executive Chairman. The Company has a Management Services Agreement with Tertiary Minerals plc ("Tertiary") which was the original parent of the Company. Under this cost sharing agreement Tertiary provides all of the Company's administration and technical services, including the technical and management services of the Executive Chairman, at cost. Day-to-day activities are managed from Tertiary's offices in Macclesfield in the United Kingdom, but the Group operates in two other countries and the corporate structure of the Group reflects the historical pattern of project acquisition by the Group and the need, where appropriate, for fiscal and other reasons, to have incorporated entities in particular territories.

The Group's exploration activity in Nevada, USA, is undertaken through two local subsidiaries, SR Minerals Inc. and Westgold Inc.

In Australia the Company operates through an Australian subsidiary, Sunrise Minerals Australia Pty Ltd.

The Board of Directors comprises two independent non-executive directors and the Executive Chairman. Their profiles are provided on page 21. The Executive Chairman is also Executive Chairman of Tertiary, but otherwise the Board is independent of Tertiary. Tertiary is not a significant shareholder (as defined under the AIM Rules) in the Company.

Financial & Performance Review

The Group is not yet producing minerals and so has no income other than a small amount of bank interest. Consequently, the Group is not expected to report profits until it disposes of or is able to profitably develop or otherwise turn to account its exploration and development projects.

The financial statements for the Group are set out in detail on pages 31 to 53. The Group reports a loss of £335,252 for the year (2020: £302,902) after administration costs of £318,630 (2020: £298,980) and after crediting interest receivable of £61 (2020: £261). The loss includes expensed pre-licence and reconnaissance exploration costs of £17,320 (2020: £4,183), impairment of exploration assets of £30,021 (2020: £Nil) and gain on sale of exploration assets of £30,658 (2020: £Nil). Administration costs include an amount of £19,633 (2020: £18,932) as non-cash costs for the value of certain share warrants held by employees of both Tertiary and Sunrise, calculated in accordance with IFRS 2. Cash administration costs are therefore £298,967 (2020: £280,048).

Strategic Report continued

The Financial Statements show that, at 30 September 2021, the Group had net current assets of £399,384 (2020: £1,048,356). This represents the cash position and receivables, less trade and other payables. These amounts are shown in the Consolidated and Company Statements of Financial Position on page 32 and are also components of the Net assets of the Group. Net assets also include various "intangible" assets of the Company. As the term suggests, these intangible assets are not cash assets but include some of this year's and previous years' expenditure on mineral projects where that expenditure meets the criteria in Note 1(d) of the accounting policies. The intangible assets total £2,133,137 (2020: £1,867,218) and a breakdown by project is shown in Note 2 to the financial statements on page 40.

Details of intangible assets, property, plant and equipment, investments and right of use assets are also set out in Notes 8, 9, 10 and 17 of the financial statements.

Net assets also include the market value at year end of shares in VR Resources Ltd and Power Metal Resources plc which are held as "available for sale" investments as set out in Note 8.

Impairment

Expenditures which do not meet the criteria in Note 1(d), such as pre-licence and reconnaissance costs, are expensed and added to the Company's loss. The loss reported in any year can also include expenditure for specific projects carried forward in previous reporting periods as an intangible asset but which the Board determines is "impaired" in this reporting period.

It is a consequence of the Company's business model that there will be impairments of unsuccessful exploration projects from time to time. The extent to which expenditure is carried forward as intangible assets is a measure of the extent to which the value of the Company's expenditure is preserved.

Biannual reviews are carried out by the Directors as to whether there are any indications of impairment of the Group's assets.

At the year-end, an impairment review was undertaken by the Directors to ascertain whether the carrying value of its exploration and development projects and the associated intercompany loans should be impaired under IFRS 6 and IAS 36. As a result of the year end review it was judged that the Sundance Project expenditure should be impaired and none of the Group's intercompany loans should be impaired. Projects which are held for sale or joint venture as shown in the Operating Review on page 7 have not been impaired as it is anticipated that their carrying values will be recovered through sale or through residual joint venture interests in future.

The intangible asset value of a project, shown at cost, should not be confused with the realisable or market value of a particular project which will, in the Directors' opinion, be at least equal in value and often considerably higher. Hence the Company's market capitalisation on the AIM Market is usually in excess of the net asset value of the Group.

The Company finances its activities through periodic capital raisings, via share placings and asset sales. As the Company's projects become more advanced there may be strategic opportunities to obtain funding for some projects through joint venture, production sharing, royalty and other marketing arrangements.

Key Performance Indicators

The financial statements of a mineral exploration and development company can provide a moment in time snapshot of the financial health of a company but do not provide a reliable guide to the performance of the Company or its Board.

The usual financial key performance indicators ("KPIs") are neither applicable nor appropriate to measurement of the value creation of a company which is involved in mineral exploration and development which currently has no turnover. The Directors consider that the detailed information in the Operating Review is the best guide to the Group's progress and performance during the year.

The Directors highlight the following KPIs and expect that further KPIs will be reported as the Company progresses through development:

Health & Safety	The Group has not lost any man-days through injury and there have been no Health and Safety incidents or reportable accidents during the year.
Environment	No Group company has had notice or been notified of any instance of non-compliance with environmental legislation in any of the countries in which they work.
Fundraising	No fundraising was carried out during the year ended 30 September 2021, the Company having raised funds in the previous financial year. The Company did issue equity to the value of £30,818 in settlement of outstanding fees payable to Directors and £12,825 through the exercise of warrants.

In exploring for valuable mineral deposits, we accept that not all our exploration will be successful but also that the rewards for success can be high. We therefore expect that our shareholders will be invested for the potential for capital growth taking a long-term view of management's track record in mineral discovery and development.

Fundraising

The Directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group's cash position at year end (£371,740), these projections include the proceeds of future fundraising necessary within the next 12 months to meet the Group's overheads and planned discretionary project expenditures and to maintain the Company and its subsidiaries as going concerns.

Operating Review

In 2020-2021 the Group continued to focus on advancing its CS Project in Nevada, USA towards production with positive results being received from potential customer trials. The Company has also carried out exploration on a number of its precious metals projects whilst continuing to divest non-core projects in line with its stated strategy.

The CS Project is held in the Company's 100% owned subsidiary, SR Minerals Inc. The Group's other Nevada projects are held through SR Minerals Inc. and Westgold Inc. and its Baker's Gold project in Australia is held through an Australian subsidiary, Sunrise Minerals Australia Pty Ltd.

SR MINERALS INC.

CS POZZOLAN-PERLITE PROJECT, NEVADA, USA

The CS Project is located near Tonopah, in Nevada, USA, and contains deposits of both natural pozzolan and perlite in three separate zones – the Main Zone, the Tuff Zone and the Northeast Exploration Area. Further details of the market and market developments for these two commodities are set out from page 8.

As reported last year, the Company has received the key permits needed to advance the project towards production and with these permits now in place the Company has been able to concentrate on the acquisition of bulk samples and customer trials and the refinement of its production options.

Permits

The three key permits required to operate the CS Project are the BLM Decision of Record approving and authorising the Company's Mine Plan of Operations, the Air Quality Operation Permit ("AQOP") and the Reclamation Permit.

Production Options

Since the grant of the required permits, the Company has been working on the following options for production of natural pozzolan and perlite.

Natural Pozzolan

The use of natural pozzolan in cement and concrete mixes requires that the pozzolan be ground to a fine size before use. The production options being evaluated by the Company are:

- Direct use of run-of-mine or crushed ore and by-product perlite by cement companies in their grinding facilities.
- Construction of a fixed process plant to grind the crushed natural pozzolan for sale to cement companies and ready-mix concrete companies.

Pozzolan can be crushed, if necessary, using the same mobile plant used for perlite crushing and so the first of these options has the lowest capital and operating cost but a fewer number of potential customers who would need to have their own pozzolan grinding capacity. Different grinding technologies, plant capital and operating costs are being evaluated for the second option of a stand-alone perlite grinding plant.

Perlite

- Production of coarse horticultural grade perlite using mobile crushing and screening equipment and use of undersized perlite as natural pozzolan; and
- Construction of a fixed perlite processing plant to produce a range of raw perlite products in coarse, medium and fine grades.

The Company is currently evaluating the first of these two options because production can start quickly at a relatively low capital cost as the mobile plant is available from the quarry industry and can be bought, rented or leased, subject to availability. Estimates of capital and rental costs have been obtained and have been factored into the Company's financial planning and forecasting. The Company's Class II AQOP, which primarily applies to an on-site process plant, is based on the first of these options.

The Company has permission to construct the onsite fixed perlite processing plant set out in the second option and as referenced in Phase II of the Plan of Operations, this has already been designed and costed. However, it may be preferable to construct this at a more suitable, rail-linked site elsewhere in Nevada.

Most recently, the Company has been evaluating the production of a lightweight aggregate from the CS Project but this work is still at an early stage.

Bulk Sampling and Customer Trials

Natural Pozzolan

Towards the end of 2020, a 500-ton sample of natural pozzolan was mined in collaboration with a large cement and ready-mix company (CRMC). This collaboration took place following a series of successful bench-scale laboratory tests carried out by the CRMC.

The CRMC's test grind objective was to assess the suitability of its surplus cement milling facility for grinding the CS natural pozzolan and to then test the ground product in some commercial scale concrete pours.

The test grind was successfully completed, and this led to commercial concrete trials made using the ground pozzolan in partial substitution for Portland cement.

Concrete mixes are tailored to achieve target strengths appropriate to the demands placed on the structures being manufactured and a target strength is set at a specified number of days after pouring.

In the case of the concrete pours reported to date the specified (target) strength was 3,000 psi at 28 days. In both cases the concrete exceeded this target strength after just 7 days curing. This result was consistent with previous laboratory testing of the CS natural pozzolan by both the Company and the CRMC.

After 7 days curing, the concrete made using CS natural pozzolan achieved 105% and 113% of the target strengths respectively in the two separate tests. This was an excellent result as the often specified seven-day target commonly corresponds to approximately 70 percent of the target compressive strengths.

The CRMC's manager of mining completed a due diligence field visit to the CS Project and discussions are at an advanced stage for a joint development of the CS Project, although there is no guarantee that a suitable commercial arrangement will result.

Perlite

In late 2020, the Company contracted a company in Nevada to supply and operate a mobile crushing and screening plant to process a 100-ton bulk sample of raw perlite from the Project. The plant comprised a crusher, high frequency screens and associated conveyors and was a basic version of the plant that is proposed for the initial production facility.

The perlite bulk sample was crushed and screened into two separate size-grades of horticultural raw perlite. The Company's testing and analysis shows that during the crushing and screening process carried out by the Company's contractor the screens operated inefficiently resulting in over-crushing of the perlite and the inclusion of too much fine perlite in the products. This has adversely affected the quality of the raw perlite produced. The production of a coarser particle size product can be resolved with small adjustments to the crushing and screening process, but in this case only 100 tons of material was available for processing and there was insufficient opportunity to optimise the crusher and screen settings.

The processed perlite was sent to a number of potential customers for expansion of the raw perlite in their commercial facilities. Different customers who expand perlite for end-use horticultural markets do so in different types of furnaces and consequently will achieve different production rates and yields of expanded perlite using the same ore source and so must test the material in their production furnaces prior to committing to offtake agreements.

The sizing issues meant that two customers reported poor expansion results despite one of these customers having obtained good results previously with material from the same location. Another described their test as promising but inconclusive due to the feed material product being too fine grained but otherwise the expanded perlite was described as have a good, low, bulk density and a good colour. In the last expansion trial to be completed so far the potential customer advised that they were able to produce expanded horticultural perlite at very low target densities with good production rates and a good-looking product. They also advised that, assuming the previously mentioned sizing issues were resolved as expected, the CS raw perlite would be a premium product, very good for the US market and that they would be happy to start receiving a regular supply. One more set of test results is still awaited.

During the year a further 200-ton bulk sample of perlite was extracted for further processing and testing.

Markets & Market Developments

Natural Pozzolan

Natural pozzolan is one of a range of materials that can partially replace ordinary Portland cement in cement and concrete mixes (usually up to 35%) and which collectively are known as Supplementary Cementitious Materials ("SCMs"). SCMs both improve the long-term strength and resistance of concrete compared to concrete made using only Portland cement. These performance characteristics have resulted in many State transport infrastructure regulators mandating the use of SCMs in concrete used in public works.

Natural pozzolans include some glassy volcanic tuffs, tephra and perlite such as those of interest on the CS Project and were widely used in major dam construction projects in the western USA. However, for more than 40 years coal-fired power station fly ash has been the most widely used SCM but supplies of fly ash are now constrained and declining rapidly. This is due to the closure of a large number of coal-fired power stations with many more closures planned.

These closures are being driven by two factors – economics and climate change. In the US, power generation economics favour cleaner and cheaper natural gas and, more recently, renewable energy options from solar and wind.

The Company is targeting the concrete markets in southern California and southern Nevada. These States are literally at the end of the line when it comes to rail supplies of the remaining coal fly ash produced in the continental interior.

In many ways 2021 has been a seminal year for the cement and concrete industries. The COP26 climate conference has sounded the death knell for coal and, with it fly ash supply, with most countries around the world prepared to phase out coal altogether and leading coal consumers China and India agreeing to phase down coal usage over time.

The production of Portland cement is responsible for 7-8% of the global man-made carbon dioxide emissions with nearly one tonne of carbon dioxide (CO_2) generated for each tonne of cement produced. It is not then surprising that the cement and concrete industries are targeted for emission reductions.

California already has a Carbon Cap and Trade scheme to limit carbon emissions and in September 2021 Governor Gavin Newsom signed legislation that directly targets greenhouse gas emissions associated with the cement industry. This Cement Decarbonization legislation is the first law of its kind in the US and is focused on achieving net-zero emissions from the industry by the end of 2045. Experts believe this will pave the way for similar Federal legislation in the US. 2021 also saw the publication by The US Portland Cement Association of its road map to carbon neutrality. A key component for this road map is the reduction in the quantity of cement used in cement and concrete mixes through the use of SCMs such as natural pozzolan.

Cement and concrete producers are also under pressure from their specifiers and customers to supply concrete with lower embodied carbon and it is expected that the California Department of Transport may soon mandate the use of greener concrete mixes in their infrastructure contracts. Both State and Federal infrastructure contracts are set to increase now President Biden has signed the US$1 trillion Infrastructure Bill into law.

All of these developments favour increased use of natural pozzolan. Established fly ash distributors are already looking to supplement or replace their SCM offerings with natural pozzolan and, similarly, their customers, cement and ready-mix concrete companies, are looking to source supplies of natural pozzolan independently of their fly ash suppliers.

The price of natural pozzolan varies from market to market and is fixed by negotiation but is expected to follow the price of fly ash for now, typically $100/ton delivered.

For more information on natural pozzolan see:
https://pozzolan.org/

Perlite

Perlite is a glassy raw material which, when heated in a furnace, pops like popcorn and expands by up to 20 times in volume into a white or pale coloured low-density material.

Expanded perlite is used in:

- Various industrial and household applications such as insulation, paint texturing, plaster and concrete fillers, building materials fillers, formed insulation, field conditioners (soil porosity enhancement) and fire proofing.
- Filter aids (in competition with diatomite).
- Insulating industrial cryogenic storage vessels.
- Potting medium in gardening and horticulture to aid water retention and aeration of the soil.

According to the United States Geological Survey ("USGS"), 845,000 tons of raw perlite was mined in the USA in 2020, up 34% on 2019 with most material used internally. USGS statistics show the price of raw perlite fell 4.7% in 2020 whilst the price of imports, primarily from Greece rose 12.9%. China is the world's largest producer with most of its production consumed internally.

The consumers of raw perlite are split between independent expanders and downstream integrated mining-perlite expanding companies. In 2020-2021 the supply of perlite to the independent expander sector has been severely disrupted due to two major market developments.

Firstly, Cornerstone Minerals, the Oregon-based and largest US independent mine producer of horticultural grade perlite was purchased by multi-national industrial minerals company Imerys. Imerys has reportedly ceased supplying perlite to the many independent expanders who bought on spot, focusing instead on existing contracts and its 100% owned expansion plants.

Secondly, downstream integrated miner-expander Dicaperl has reportedly cut supply to all independent expanders retaining the raw perlite for its own use. Whilst perlite can be and is imported from Greece, it does not expand as well as the traditional Oregon material and supply is reportedly unpredictable.

These recent developments provide an opportunity for a new supplier of raw perlite which the Company is looking to exploit.

For more information on perlite see:
https://www.perlite.org/library/

NEWPERL PERLITE PROJECT, NEVADA

This project is located approximately 85km from the CS Project in Nevada, USA.

The NewPerl Project contains a number of areas where surface samples have shown excellent expandability results for horticultural grades of perlite. Subject to further testing, this could be suitable for feed into the CS Project in the future.

Drill testing of the NewPerl Project has been deferred in order to focus resources on the CS Project although the Company has a drill permit in place.

JACKSON WASH PERLITE PROJECT, NEVADA

In October 2021, the Company entered into a lease/option agreement with Kinross Gold U.S.A Inc. granting Kinross a Lease and Option to purchase the Company's 25 Jackson Wash mining claims in Nevada, USA. The Company retains the right to mine perlite on the project claims during the lease/option period.

The Jackson Wash Project is located 16km from the NewPerl Project in Nevada and is also a target for horticultural grade perlite with the potential to be suitable as a future feed for the CS Project.

In addition to hosting large surface occurrences of perlite, the project claims are located adjacent to the historic Montezuma silver, gold and mercury mining centre being explored by Kinross. Kinross produces more than 2 million ounces per year gold (equivalent).

The terns of the lease/option agreement are given in Note 22 to the Financial Statements on page 53.

HAZEN POZZOLAN PROJECT, NEVADA.

During the year the Company applied for claims to cover a deposit of pumice near Hazen in Nevada and is now testing this material as a natural pozzolan. Initial tests results have shown 7 and 28-day strength results very similar to the CS natural pozzolan and the material is very lightweight and so it will also be evaluated for its potential as a lightweight aggregate for use in lightweight concrete blocks and facing stones.

The deposit is very well located, being just 9 miles from a rail siding with good road and rail connections to Reno and to the cement and ready-mix markets of northern California, and so can be more readily targeted at these markets than the CS Project.

Further work is required to determine the extent of the deposit and access to the property. As this project is at an early stage, costs have been expensed in the reporting period.

PIOCHE SEPIOLITE PROJECT, NEVADA

Whilst researching new opportunities for natural pozzolan, attention was drawn to an occurrence of the mineral sepiolite. Sepiolite is used commercially as a viscosity modifier and is rare in commercial sized deposits.

Claims have been staked and initial tests by a European mineral producer were positive. A recent joint field visit indicated the potential for an extensive deposit of sepiolite; further samples were collected and additional tests will now be carried out in Europe.

As this project is at an early stage, costs have been expensed in the reporting period.

OTHER SR MINERALS INC. PROJECTS

SR Minerals Inc. continues to hold mining claims at a number of additional projects in Nevada including the **Bay State Silver Project,** the **County Line Diatomite Project** and the **Ridge Limestone Project**. These projects are available for sale or joint venture.

SR Minerals Inc. holds a royalty interest in the **Junction Copper-Gold-Silver Project** held by VR Resources Ltd although it is understood that no work is currently planned for this Project.

SR Minerals Inc. also holds a royalty on the **Garfield Copper-Gold Project** as a result of the recent sale of this project, further details of which are given on page 12.

WESTGOLD INC.

The Company's Westgold subsidiary holds interests in three projects in Nevada – **Clayton, Newark** and **Stonewall**.

CLAYTON SILVER-GOLD PROJECT, NEVADA

The property lies at the south end of the Clayton Valley, a major centre of lithium brine production, in the Walker Lane Mineral Belt. It is some 19 miles southeast of the producing Mineral Ridge Gold Mine, 19 miles southwest of the major historic mining centre of Goldfield, where a number of large gold-silver deposits are currently under development. The property also lies 40 miles southwest of the famous silver deposits at Tonopah which produced over 138 million ounces of silver and 1.5 million ounces of gold from 1900-1921.

Previous Exploration

The mineralisation at the Clayton Project was discovered in the 1980s when surface samples assayed up 5.4 grammes/tonne (g/t) gold and 265 grammes/tonne silver. Fifteen drill holes were drilled by Freeport-McMoRan Gold Co ("Freeport") in 1987 within an area of about 500m x 350m. A number of these holes intersected significant silver mineralisation within a zone of extensive brecciation and silicification believed to represent the upper levels of an epithermal system. In 1989 Coeur Exploration drilled a further 6 shallow RC holes (CL-16 to 21) in the central part of the project area. Wide intervals of low-grade silver mineralisation were intersected.

Sunrise Resources Drilling

In November 2020, the Company completed a vertical diamond core drill hole, 20CLDD001, to a depth of 104.7m to twin and further evaluate silver mineralisation reported in Freeport Hole CL-15.

Drilling conditions were difficult due to heavy faulting and extensive zones of swelling clays in the fractured and hydrothermally altered rock. Whilst these geological conditions can be favourable indications for mineralisation, core recovery was very poor as a result.

Massive quartz vein and quartz breccia were intersected in the target zone from 82.30m to 90.22m downhole (true thickness unknown) containing fine grained disseminated sulphides including a mineral logged as the silver sulphide mineral acanthite. Within this 7.92m interval there were two intervals with no core recovery having an aggregate thickness of 1.98m.

The fire-assay weighted average grade of the core recovered in this 7.92m down-hole interval, comprising 5.94m of recovered core, was 303 g/t silver (8.84 troy ounces/ton) and 0.2g/t gold. When analysed by geochemical methods the equivalent grade was 4% higher at 316 g/t silver (9.23 ounces/ton).

No information is available for the interval where no core was recovered but, as it is internal to the mineralised zone and includes 1.37m of missing core adjacent to the highest-grade sample recovered, the Company believes that in-situ material that was not recovered is also likely to be silver bearing.

When compared to the analytical results from the 1980s drill hole, CL-15, hole twinned by hole 20CLDD001 shows an 84% increase in silver grade. Corresponding gold grades were 50% lower, but the economic value of the mineralisation is overwhelmingly from the silver content in both drill holes.

These results, and the Company's geological logging, support Freeport's mineralogical evaluation of drill samples and the results of screen gold and silver analyses which were interpreted by Freeport to indicate that silver occurs in association with fine grained sulphide minerals that may have preferentially been lost from the drill samples into the drill fluids and that the historically reported silver grades are likely to be understated.

The presence of primary silver and other sulphide minerals in the mineralised intersection support a belief that the higher grades are primary, rather than the result of supergene enrichment, and so have depth potential.

The Clayton Project is available for joint venture although the Company will consider follow up drilling as resources become available.

NEWARK GOLD PROJECT, NEVADA

The Newark Gold Project is located at the southern end of the Battle Mountain-Eureka (Cortez) gold trend. It lies 40 km south of, and along the same structural zone as, the past-producing Alligator Ridge Mine, 13 km southwest of the past producing Illipah Gold Mine and 20 km east of the Pan Gold Mine.

The Newark Project was originally targeted for Carlin-style gold mineralisation by Freeport in the 1980s following the discovery of gold anomalous values in silicified rocks in a favourable structural and stratigraphic setting. Carlin-style deposits can be both large (e.g. Goldstrike which contains 39 million ounces gold at a grade of 3.3 g/t) and high-grade (e.g. Barrick's recent Goldrush discovery which contains 8.6 million ounces gold at a grade of 10.6 g/t).

Freeport drilled a total of 16 holes. Significantly, hole NWK8 intersected 47m of low-level gold (average 0.14 ppm gold) in jasperoid from 75m to the end of the hole at 122m. Drilling is warranted to test this gold bearing jasperoid and to deepen the hole through to about 400m depth to test the underlying Joana Limestone which can be a significant host for Carlin-style gold mineralisation.

The Company will consider a joint venture partner for this project and has obtained a permit for an initial drilling programme at Newark and has lodged the required reclamation bond.

SUNDANCE GOLD PROJECT

The Project is located approximately 90 miles southeast of Reno. The area was targeted following the Company's discovery of anomalous gold in surface samples containing up to 0.4 grammes/tonne gold in clay altered and quartz veined volcanic rocks. The Company completed an initial soil sampling programme and anomalous gold-in-soil values were returned on most sample lines with values up to 168 ppb gold and a 60m width >100 ppb gold on one particular sample traverse.

At present, due to commitments on its other projects, the Company is not planning any further work on the Sundance Project.

Strategic Report continued

MYRTLE GOLD PROJECT

The Company's work at and around the Sundance Project highlighted an area some few miles to the southwest where surface sampling returned encouraging gold and silver values. A number of mining claims were staked as a result around a small historic mine known as the Myrtle Mine.

GARFIELD COPPER-GOLD PROJECT AND STONEWALL GOLD PROJECT, NEVADA

During the reporting period the Company sold its exploration rights at Garfield and Stonewall Properties in Nevada, USA to AIM-listed Power Metal Resources plc ("PMR"). The consideration received was £20,000 cash, and the issue of 2.25 million new Ordinary Shares in PMR, plus 2.25 million warrants, each warrant entitling the holder to subscribe for one new Ordinary Share in PMR at a price of 3.75 pence per share.

The Company retains a 2% Net Smelter Return Royalty in respect of the two properties, half of which can be purchased by PMR for US$1million for each property.

The profit on disposal recognised in the Consolidated Income Statement £30,658, arises from the fair value of consideration received £74,000 (market value of shares, £54,000 and cash £20,000) less the carrying value of the exploration assets, accumulated costs of £43,342.

The warrants and royalties received are contingent assets and their likely realisation is considered to be unpredictable at present. They have not been assigned a valuation on this basis.

Nevertheless, the Garfield and Stonewall Projects are considered to be prospective for sediment hosted skarn and porphyry-style copper-gold mineralisation at the Garfield Project and epithermal-style gold-silver mineralisation at the Stonewall Project.

SUNRISE MINERALS AUSTRALIA PTY LTD

BAKER'S GOLD PROJECT

The Baker's Gold Project is located 25km southeast of Meekatharra in the Murchison Goldfield of Western Australia. It lies on the eastern limb of the Meekatharra Greenstone Belt which has yielded over 5.5 million ounces of gold and contains a number of present and past producing gold mines.

The Baker's Project area licence has seen various rounds of historical exploration including separate programmes of wide-spaced percussion drilling.

The Company carried out mapping and sampling and three rounds of soil sampling at Baker's between 2014 and 2018 generating a number of gold-in-soil anomalies which, together with historical exploration results, defined three drill testing targets.

At the end of 2020, the Company commissioned Yugunga-Nya Heritage Pty Ltd to undertake an archaeological and ethnographic survey for a follow up drilling programme. During the archaeological and ethnographic survey, the whole of the Baker's Project survey area was assessed. No archaeological sites were identified within the three proposed drill areas and no ethnographic sites were mentioned by Yugunga-Nya representatives as being within project tenements.

The survey cleared the way for the proposed drill programme to proceed, which included an initial five reverse circulation drill holes to test three separate gold targets which include old mine workings, areas of gold nugget production and a gold-in-soil geochemical anomaly. Five holes were drilled for a total of 589m using the reverse circulation percussion method.

The Dicky Lee Target

This is an area of small-scale open pit mining with pit dimensions of approximately 60m by 40m and depths of up to 10m. The pit was excavated in the 1980s following the discovery of specimen quality gold-quartz nuggets, by metal detectorists both at surface and in-situ. The gold at Dicky Lee occurs in a quartz vein stockwork in dolerite.

The Company had previously carried out mapping and sampling of the pit area and only two historical drill holes have tested the pit area, and both intersected wide intervals of low-grade gold mineralisation (69m grading 0.2g/t gold and 80m grading 0.2 g/t gold including 1m grading 5.7 g/t gold from 5m down hole).

One hole was drilled at the Dicky Lee pit, 21SBRC001, in 2021 to follow up on historical drill results This hole was drilled to a depth of 196m and intersected a number of narrow low-grade gold mineralisation with a best intersection of 1m grading 2.19 g/t Au.

The DLR4 Target

The DLR4 target lies some 750m southwest of the Dicky Lee pit and is named after the number of a shallow historic drill hole DLR4 which was completed by Australian Consolidated Minerals in 1987. This hole averaged 0.55 g/t gold over the 22m interval from 2m down hole depth to the end of hole at 24m and the final 2m sample assayed 1.17 g/t gold. No follow up drilling was carried out.

Project-wide and follow-up soil sampling carried out by the Company defined a 500m long zone of gold-in-soil anomalies centred on hole DLR4. Quartz float can be observed at surface and appears to be the target for the historical drilling.

Three holes, 21SBRC002, 3 and 5, were drilled at 50m spacing in a fence configuration across the soil anomaly with the most north-easterly hole in the traverse, 21SBRC002 encountering high-grade gold mineralisation proximal to historical hole DLR4. A 2m interval from 64m down hole (approximately 50m below surface) graded 11.5 g/t gold and included a 1m interval grading 20.40 g/t gold. A 7-metre zone with low-grade gold values was intersected immediately below.

As a check to eliminate any possible nugget effect, the pulp rejects from the high-grade interval were re-submitted for analysis by 1kg cyanide leach. In this method, a 1kg sample is leached with a cyanide solution to extract the cyanide soluble gold. The leach residue (tail) was then assayed by 50g fire assay to allow determination of the total gold content. These re-analysis results indicate that gold was previously under-reported, and the high-grade intersection reporting as 2m grading 14.4 g/t gold from 64m downhole including 1m grading 26.5 g/t gold.

The results also show that 95% of the gold in the sample is cyanide soluble, a favourable metallurgical indication.

The Company believes the DLR4 Target to be highly prospective being currently open along strike and at depth. Further drilling is justified to determine the orientation and extent of the newly discovered high-grade mineralisation.

Third Target

The Third Target was a narrow zone of prospector scale working where sampling by the Company had returned high gold values. This target was speculative and tested by a single drill hole, 21SBRC004, but no significant results were returned.

Strategic Report continued

Risks & Uncertainties

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible.

The principal risks and uncertainties facing the Group at this stage in its development and in the foreseeable future are detailed below together with risk mitigation strategies employed by the Board.

RISK	MITIGATION STRATEGIES
Exploration Risk The Group's business is mineral exploration and development which are speculative activities. There is no certainty that the Group will be successful in the definition of economic mineral deposits, or that it will proceed to the development of any of its projects or otherwise realise their value.	The directors bring many years of combined mining and exploration experience and an established track record in mineral discovery. The Company targets advanced and drill-ready exploration projects in order to avoid higher risk grass roots exploration.
Resource/Reserve Risk All mineral projects have risk associated with defined grade and continuity. Mineral Resources and Reserves are always subject to uncertainties in the underlying assumptions which include the quality of the underlying data, geological interpretations, technical assumptions and price forecasts.	Mineral Resources and Reserves are estimated by independent specialists on behalf of the Group and reported in accordance with accepted industry standards and codes. The directors are realistic in the use of metal and mineral price forecasts and impose rigorous practices in the QA/QC programmes that support its independent estimates.
Development and Marketing Risk Delays in permitting, financing, mine commissioning and marketing a project and its products may result in delays to the Group meeting production targets.	To reduce development risk the directors will ensure that its permitting, financial evaluation and financing and market mechanisms are robust and thorough and will seek to position the Company as a low-cost producer.
Commodity Price Risk Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.	The Company consistently reviews commodity prices and trends for its key projects throughout the development cycle.
Mining and Processing Technical Risk Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, groundwater conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable.	From the earliest stages of exploration, the directors look to use consultants and contractors who are leaders in their field and in future will seek to strengthen executive management and the Board with additional technical and financial skills as the Company transitions from exploration to production.
Environmental and Social Governance (ESG) Risk Exploration and development of a project can be adversely affected by environmental and social legislation and the unforeseen results of environmental and social impact studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.	The development of industrial minerals projects such as the CS Project carry a lower level of environmental and social liability than gold or base metal projects due to low levels of toxic contaminants in the ore and processing chemicals. The Company has adopted an Environmental Policy and avoids the acquisition of projects where liability for legacy environmental issues might fall upon the Company. The Environmental Policy will be updated in future to account for planned mining activities.

RISK	MITIGATION STRATEGIES
Political Risk All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.	The Company's strategy restricts its activities to stable, democratic and mining friendly jurisdictions. The Company has adopted a strong Anti-corruption Policy and a Code of Conduct and these are strictly enforced.
Partner Risk Whilst there has been no past evidence of this, the Group can be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments.	The Board's policy is to maintain control of certain key projects so that it can control the pace of exploration and development and reduce partner risk. For projects where other parties are responsible for critical payments and expenditures the Company's agreements legislate that such payments and expenditures are met.
Financing & Liquidity Risk The Company has an ongoing requirement to fund its activities through the equity markets and in future to obtain finance for project development. There is no certainty such funds will be available when needed.	The Company maintains a good network of contacts in the capital markets that has historically met its financing requirements. The Company's low overheads and cost-effective exploration strategies help reduce its funding requirements and currently the outstanding directors' fees are settled in shares. Nevertheless, further equity issues will be required over the next 12 months.
Financial Instruments Details of risks associated with the Group's Financial Instruments are given in Note 19 to the financial statements on page 51.	The directors are responsible for the Group's systems of internal financial control. Although no systems of internal financial control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control. The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

COVID-19

The Company has applied all government guidelines in its day-to-day operations and administration. The restrictions on international travel have impacted the ability of the Company to meet with potential customers in the US and the ability to supervise local operations. Fortunately, this has not caused any material delays or setbacks in the advancement of corporate objectives. Management and staff have carried out their duties diligently and efficiently in the circumstances of the "work-from-home" rules and social distancing.

The Company is pleased to report that, to date, there have been no cases of Coronavirus amongst its staff.

Forward-Looking Statements

This Annual Report may contain certain statements and expressions of belief, expectation or opinion which are forward-looking statements, and which relate, inter alia, to the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's directors. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements.

Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. This requires a director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, clients, joint arrangement partners and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Company's directors give careful consideration to these factors in discharging their duties. The stakeholders we consider are our shareholders, employees, suppliers (including consultants and contractors), our joint arrangement partners, the regulatory bodies that we engage with and those that live in the societies and geographical areas in which we operate. The directors recognise that building strong, responsible and sustainable relationships with our stakeholders will help us to deliver our strategy in line with our long-term objectives.

Having regard to:

The likely consequences of any decision in the long-term:

The Company's Aims and Business Model are set out at the head of this Strategic Report on page 5 and in the Chairman's Statement on page 3. The Company's mineral exploration and development business is, by its very nature, long-term and so the decisions of the Board always consider the likely long-term consequences and take into consideration, for example, trends in metal and minerals supply and demand, the long-term political stability of the countries in which the Company operate and the potential impact of its decisions on its stakeholders and the environment. As the Company aims to transition the CS Project into production other projects also become important to the long-term future of the Company and this has framed the Board's decision to allocate a portion of capital to the testing of some of the Company's precious metal projects and to acquiring new projects. The Board's approach to general strategy and long-term risk management are set out in the Corporate Governance Statement (Principle 1) on page 23 and the section on Risks and Uncertainties starting on page 14.

The interests of the Company's employees:

The Company has no employees. It relies on the employees of Tertiary Minerals plc through a services agreement with Tertiary Minerals plc, but all of these employees have daily access to the Executive Chairman and their views are considered in the Board's decision making. Further details on the Board's employment policies, health and safety policy and employee engagement are given in the Corporate Governance Statement (Principle 8) on page 24.

The need to foster the Company's business relationships with its stakeholders:

The sustainability of the Company's business long-term is dependent on maintaining strong relationships with its stakeholders. The factors governing the Company's decision making and the details of stakeholder engagement are set out in the Corporate Governance Statement (Principles 2, 3, 8 and 10) starting on page 23.

Having regard to the impact of the Company's operations on the community and the environment:

The Company requires a "social licence" to operate sustainably in the mining industry and so the Board makes careful consideration of any potential impacts of its activities on the local community and the environment. The Board strives to maintain good relations with the local communities in which it operates and with local businesses. For example, in permitting the CS Project for production the Board has carried our extensive work and consultation with regulators and the local community representatives to evaluate the benefits and impacts of its CS Project. Further discussion of these activities and Board considerations can be found in the Operating Review starting on page 7 and in the Corporate Governance Statement (Principle 3) on page 23.

The desirability of the Company maintaining a reputation for high standards of business contact:

The Board recognises that its reputation is key to its long-term success and depends on maintaining high standards of corporate governance. It has adopted the QCA Code of Corporate Governance and sets out in detail how it has complied with the 10 key principles of the QCA Code in the Corporate Governance Statement starting on page 23. This contains details of various Company policies designed to maintain high standards of business conduct such as the Share Dealing Policy, Health and Safety Policy and Anti-Bribery Policy and Code of Conduct.

The need to act fairly between Members of the Company:

The Board ensures that it takes decisions in the interests of the members (shareholders) as a whole and aims to keep shareholders fully informed of significant developments, ensuring that all shareholders receive Company news at the same time. The Executive Chairman devotes time to answering genuine shareholder queries, no individual or group of shareholders is given preferential treatment. Further information is provided in the Corporate Governance Statement (Principles 2 and 10).

This Strategic Report was approved by the Board of Directors on 10 December 2021 and signed on its behalf.

Patrick Cheetham
Executive Chairman

Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires directors to prepare financial statements for a company for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with applicable law and International Accounting Standards in conformity with the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare the financial statements in accordance with the AIM Rules of the London Stock Exchange for companies trading securities on the AIM market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable law and International Accounting Standards in conformity with the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and financial statements are prepared in accordance with applicable law in the United Kingdom.

Website Publication

The maintenance and integrity of the Sunrise Resources plc website is the responsibility of the directors. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Directors' Report

The directors are pleased to submit their Annual Report and audited financial statements for the year ended 30 September 2021.

The Strategic Report starting on page 5 contains details of the principal activities of the Company and includes the Operating Review which provides detailed information on the development of the Group's business during the year and indications of likely future developments and events that have occurred after the financial year end.

Going Concern

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, specific project financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group's cash position at the year-end of £371,740 (2020: £1,089,417) these projections include the proceeds of future fundraising necessary within the next 12 months to meet the Group's overheads and planned discretionary project expenditures and to maintain the Company and its subsidiaries as going concerns. 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 Group and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their 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.

Dividend

The directors do not recommend the payment of any dividend.

Financial Instruments and Other Risks

The business of mineral exploration and evaluation has inherent risks. Details of the Group's financial instruments and risk management objectives and of the Group's exposure to risk associated with its financial instruments are given in Note 19 to the financial statements.

Details of risks and uncertainties that affect the Group's business are given in the Strategic Report on pages 5 to 17.

Directors

The directors holding office in the period were:

Mr P L Cheetham – Chairman of the Board and Chairman of the Nomination Committee.

Mr R D Murphy – Chair of the Remuneration Committee and a member of the Nomination and Audit Committees.

Mr J Cole – Chair of the Audit Committee and member of the Nomination and Remuneration Committees (Appointed 27 May 2021)

Mr D J Swan – Previous Chair of the Audit Committee and member of the Nomination and Remuneration Committees (Retired 27 May 2021)

Attendance at Board and Committee Meetings

The Board retains control of the Group with day-to-day operational control delegated to the Executive Chairman. The full Board meets four times a year and on any other occasions it considers necessary.

	Board Meetings		Nomination Committee		Audit Committee		Remuneration Committee	
Director	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
P L Cheetham	12	12	1	1	2	2	0	0
R D Murphy	12		1		2		0	
*J Cole	1		0		0		0	
** D J Swan	11		1		1		0	

*Appointed 27 May 2021 and so only eligible to attend 1 meeting during the reporting period
**Retired 27 May 2021

The directors' shareholdings are shown in Note 16 to the financial statements.

Events After The Report Date

There were no events to report occurring after the reporting period.

Directors' Report continued

Shareholders

As at the date of this report the following interests of 3% or more in the issued share capital of the Company appeared in the share register.

As at 10 December 2021	Number of shares	% of share capital
Interactive Investor Services Nominees Limited SMKTISAS	397,811,800	10.75
Interactive Investor Services Nominees Limited SMKTNOMS	312,041,563	8.43
Pershing Nominees Limited BICLT	284,029,545	7.67
Hargreaves Lansdown (Nominees) Limited 15942	247,184,245	6.68
Barclays Direct Investing Nominees Limited CLIENT1	225,222,350	6.08
Hargreaves Lansdown (Nominees) Limited VRA	213,357,929	5.76
Euroclear Nominees Limited EOC01	182,765,338	4.94
Interactive Investor Services Nominees Limited TDWHSIPP	170,607,382	4.61
Hargreaves Lansdown (Nominees) Limited HLNOM	147,434,313	3.98
JIM Nominees Limited JARVIS	119,380,611	3.22
HSDL Nominees Limited	117,135,839	3.16

Disclosure of Audit Information

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

A resolution to reappoint Crowe U.K. LLP as Auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Charitable and Political Donations

During the year, the Group made no charitable or political donations.

Annual General Meeting

Notice of the Company's Annual General Meeting convened for Thursday 27 January 2022 at 10.00 a.m. is set out on page 54 of this report. Explanatory Notes giving further information about the proposed resolutions are set out on page 55.

Conflicts of Interest

The Companies Act 2006 permits directors of public companies to authorise directors' conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The Company's Articles contain such a provision. Procedures are in place in order to avoid any conflict of interest between the Company and Tertiary Minerals plc. Tertiary provides corporate and project management services to Sunrise.

Approved by the Board on 10 December 2021 and signed on its behalf.

Patrick Cheetham
Executive Chairman

Board of Directors

The Directors and Officers of the Company during the financial year were:

Patrick Cheetham

Executive Chairman

Key Strengths:

- Founding director
- Mining geologist with 39 years' experience in mineral exploration
- 34 years in public company management

Appointed: March 2005

Committee Memberships: Chairman of the Nomination Committee

External Commitments: Executive Chairman of Tertiary Minerals plc

James Cole

Non-Executive Director

Key Strengths:

- Chartered Accountant with strong commercial background and track record of success in fundraising, mergers, disposals and acquisitions in resource sector
- Previously Finance Director for the Goal Group Limited. Formerly Chief Financial Officer Cominco Resources Ltd, AIM/TSX traded European Minerals Corporation plc and TSX/OSE traded Crew Gold Corporation.

Appointed: May 2021

Committee Memberships: Chairman of the Audit Committee and a Member of the Remuneration and Nomination Committees

External Commitments: Not applicable.

David Swan

Senior Non-Executive Director (Retired)

Key Strengths:

- Chartered Accountant with career focus in natural resources industry
- Previous executive director of several public listed mining companies

Appointed: May 2012 **Retired:** May 2021

Previous Committee Memberships: Chairman of the Audit Committee and a Member of the Remuneration and Nomination Committees

Roger Murphy

Non-Executive Director

Key Strengths:

- Career focus in capital raising for mining and oil & gas companies
- Former MD, Investment Banking, of Dundee Securities Europe Ltd
- Geologist

Appointed: May 2016

Committee Memberships: Chairman of the Remuneration Committee and Member of Audit and Nomination Committees

External Commitments: Partner and non-executive Director of Madini Minerals, Executive Director of Zamare Minerals Ltd, Sarn Helen Gold Limited and TREO Minerals Ltd.

Rod Venables

Company Secretary

Key Strengths:

- Qualified company/commercial solicitor
- Director and Head of Company Secretarial Services at City Group PLC
- Experienced in both Corporate Finance and Corporate Broking

Appointed: July 2019

External Commitments: Company Secretary for Tertiary Minerals plc and other clients of City Group PLC

Corporate Governance

Chairman's Overview

There is no prescribed corporate governance code for AIM companies and the London Stock Exchange prefers to give companies the flexibility to choose from a range of codes which suit their specific stage of development, sector and size.

The Board considers the corporate governance code published by the Quoted Companies Alliance to be the most suitable code for the Company. Accordingly, the Company has adopted the principles set out in the QCA Corporate Governance Code (the "QCA Code") and applies these principles wherever possible, and where appropriate given its size and available resources. The Company's Corporate Governance Statement was reviewed and amended by the Board on 10 December 2021. The Company has set out on its website and in its Corporate Governance Statement, set out on pages 23 to 26, the 10 principles of the QCA Code and details of the Company's compliance.

Patrick Cheetham, in his capacity as Chairman, has overall responsibility for the corporate governance of the Company and the Board is responsible for delivering on our well-defined business strategy having due regard for the associated risks and opportunities.

The Company's corporate governance arrangements now in place are designed to deliver a corporate culture that understands and meets shareholder and stakeholder needs and expectations whilst delivering long-term value for shareholders.

The Board recognises that its principal activity, mineral exploration and development, has potential to impact on the local environment and consequently has adopted an Environmental Policy to ensure that the Group's activities have minimal environmental impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same. The Group's activities, carried out in accordance with the Environmental Policy, have had only minimal environmental impact at present and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with affected parties.

The Board recognises the benefits that social media engagement can have in helping the Company reach out to shareholders and other stakeholders, but it also recognises that misuse or abuse of social media can bring the Company into disrepute. To facilitate the responsible use of social media the Company has adopted a Social Media Policy applicable to all officers and employees of the Company.

The Board has also adopted a Share Dealing Code for dealings in shares of the Company by directors and employees and an Anti-corruption Policy and Code of Conduct applicable to employees, suppliers and contractors.

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the terms agreed with suppliers. The amount shown in the Consolidated and Company Statements of Financial Position in respect of trade payables at the end of the financial year represents 4 days of average daily purchases (2020: 5 days). This amount is calculated by dividing the creditor balance at the year end by the average daily Group spend in the year.

The Board recognises it has a responsibility to provide strategic leadership and direction in the development of the Group's health and safety strategy in order to protect all of its employees and other stakeholders. The Company has developed a Health and Safety Policy to clearly define roles and responsibilities and in order to identify and manage risk.

Your Board currently comprises three directors of which two are non-executive and considered by the Board to be independent of management. We believe that this balance provides an appropriate level of independent oversight. The Board has the ability to seek independent advice although none was deemed necessary in the year under review. The Board is aware of the need to refresh its membership from time to time and to match its skill set to those required for the development of its mineral interests and will consider appointing additional independent non-executive directors in the future.

Patrick Cheetham
Executive Chairman

Corporate Governance Statement

The QCA Code sets out ten principles which should be applied. The principles are set out below with an explanation of how the Company applies each principle, and the reasons for any aspect of non-compliance.

Principle One: Establish a strategy and business model which promote long-term value for shareholders.

The Company has a clearly defined strategy and business model that has been adopted by the Board and is set out in the Strategic Report starting on page 5. Details of the challenges to the execution of the Company's strategy and business model and how those will be addressed can be found in Risks and Uncertainties in the Strategic Report set out on pages 14 to 15.

Principle Two: Seek to understand and meet shareholder needs and expectations.

The Board is committed to maintaining good communication with its shareholders and investors. The Chairman and members of the Board from time to time meet with shareholders and investors directly or through arrangements with the Company's brokers to understand their investment requirements and expectations and to address their enquiries and concerns.

All shareholders are normally encouraged to attend the Company's Annual General Meetings where they can meet and directly communicate with the Board. After the close of business at the Annual General Meeting, the Chairman makes an up-to-date corporate presentation and opens the floor to questions from shareholders.

Shareholders are also welcome to contact the Company via email at info@sunriseresourcesplc.com with any specific queries.

The Company also provides regulatory, financial and business news updates through the Regulatory News Service (RNS) and various media channels such as Twitter. Shareholders also have access to information through the Company's website, www.sunriseresourcesplc.com, which is updated on a regular basis and which includes the latest corporate presentation on the Group. Contact details are also provided on the website.

Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The Board takes regular account of the significance of social, environmental and ethical matters affecting the business of the Group. At this stage in the Group's development, the Board has not adopted a specific written policy on Corporate Social Responsibility as it has a limited pool of stakeholders other than its shareholders. Rather, the Board seeks to protect the interests of the Group's stakeholders through individual policies and through ethical and transparent actions. The Company engages positively with local communities, regulatory authorities, suppliers and other stakeholders in its project locations and encourages feedback through this engagement. Through this process the Company identifies the key resources and fosters the relationships on which the business relies.

Principle Four: Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. The principal risks and uncertainties facing the Group at this stage in its development and in the foreseeable future are detailed in Risks and Uncertainties in the Strategic Report set out on pages 14 to 15, together with risk mitigation strategies employed by the Board.

Principle Five: Maintain the board as a well-functioning, balanced team led by the chair.

The Board's role is to agree the Group's long-term direction and strategy and monitor achievement of its business objectives. The Board meets formally four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives regular and timely reports for consideration on all significant strategic, operational and financial matters. Relevant information for consideration by the Board is circulated in advance of its meetings.

The Board met twelve times during the year to consider such matters. Further details are provided in the Directors' Report on page 19. The Board is supported by the Audit, Remuneration and Nomination Committees, details of which, together with attendance records, can also be found on page 19.

The Board currently consists of the Executive Chairman (Patrick Cheetham), and two non-executive directors (Roger Murphy and James Cole). The current Board's preference is that independent non-executive directors comprise the majority of Board members. Patrick Cheetham is currently the Chairman and Chief Executive. Patrick Cheetham has a service contract as Chairman of the Company and his services as Chief Executive are provided to the Company, at cost, through a Management Services Agreement with Tertiary Minerals plc ("Tertiary"), in which he is a shareholder and where he is also employed as Chairman. In 2021, Patrick Cheetham dedicated over 51% of his working time to the Company and this is expected to increase significantly in 2022 due to reduced responsibilities in Tertiary. The combined role of Chairman and Chief Executive results in cost savings and is considered acceptable whilst there is a majority of independent directors on the Board and having regard to the fact that the Company is not yet revenue generating.

The non-executive directors have committed the time necessary to fulfil their roles during the year. The attendance record of the directors at Board and Board Committee meetings are detailed in the Directors' Report on page 19.

The current non-executive directors are considered independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

Principle Six: Ensure that between them the directors have the necessary up to date experience, skills and capabilities.

The Board considers the current balance of sector, financial and public market skills and experience of its directors are relevant to the Company's business and are appropriate for the current size and stage of development of the Company and the Board considers that it has the skills and experience necessary to execute the Company's strategy and business plan and discharge its duties effectively.

The directors maintain their skills through membership of various professional bodies, attendance at mining conferences and through their various external appointments. Details of the current Board of Directors' biographies are set out on page 21.

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. All directors are able to take independent professional advice, if required, in relation to their duties and at the Company's expense.

Principle Seven: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.

The ultimate measure of the effectiveness of the Board is the Company's progress against the long-term strategy and aims of the business. This progress is reviewed in Board meetings held at least four times a year. The Executive Chairman's performance is regularly reviewed by the rest of the Board.

The Nomination Committee, currently consisting of the Executive Chairman and the two non-executive directors, meets once a year to lead the formal process of rigorous and transparent procedures for Board appointments. During this meeting the Nomination Committee reviews the structure, size and composition of the Board; succession planning; leadership; key strategic and commercial issues; conflicts of interest; time required from non-executive directors to execute their duties effectively; overall effectiveness of the Board and its own terms of reference. A new non-executive director, James Cole, was appointed during the year.

Under the Articles of Association, new directors appointed to the Board must stand for election at the first Annual General Meeting of the Company following their appointment. Under the Articles of Association, existing directors retire by rotation and may offer themselves for re-election.

Principle Eight: Promote a corporate culture that is based on ethical values and behaviours.

The Board recognises and strives to promote a corporate culture based on strong ethical and moral values. The Group is currently managed via a service agreement with Tertiary. It has no employees but encourages Tertiary's employees to understand all aspects of the Group's business and Tertiary seeks to remunerate its employees fairly, being flexible where practicable. In future, the Group will give full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. The Board takes account of Tertiary's employees' interests when making decisions, and suggestions from those employees aimed at improving the Group's performance are welcomed.

The corporate culture of the Company is promoted to Tertiary's employees, suppliers and contractors and is underpinned by the implementation and regular review, enforcement and documentation of various policies: Health and Safety Policy; Environmental Policy; Share Dealing Policy; Anti-Corruption Policy & Code of Conduct; Privacy and Cookies Policy and Social Media Policy. These procedures enable the Board to determine that ethical values are recognised and respected.

The Board recognises that its principal activity, mineral exploration and development, has potential to impact on local environments and consequently has adopted an Environmental Policy to ensure that, wherever they take place, the Group's activities have minimal environmental impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same. The Group's activities carried out in accordance with the Environmental Policy have had only minimal environmental impact and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with affected parties.

Principle Nine: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Board has overall responsibility for all aspects of the business. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making, and that the non-executive directors are properly briefed on all operational and financial matters. The Chairman has overall responsibility for corporate governance matters in the Group and chairs the Nomination Committee. The Chairman has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group. The Company

Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. Key operational and financial decisions are reserved for the Board through quarterly project reviews, annual budgets, and quarterly budget and cash-flow forecasts and on an ad hoc basis where required.

The two non-executive directors are responsible for bringing independent and objective judgment to Board decisions. The Board has established Audit, Remuneration and Nomination Committees with formally delegated duties and responsibilities. James Cole currently chairs the Audit Committee, Roger Murphy chairs the Remuneration Committee and Patrick Cheetham chairs the Nomination Committee.

This Corporate Governance statement will be reviewed at least annually to ensure that the Company's corporate governance framework evolves in line with the Company's strategy and business plan.

Principle Ten: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company regularly communicates with, and encourages feedback from, its shareholders who are its key stakeholder group. The Company's website is regularly updated and users, including all stakeholders, can register to be alerted via email when material announcements are made. The Company's contact details are on the website should stakeholders wish to make enquiries of management.

The Group's financial reports for at least the past five years can be found here: https://www.sunriseresourcesplc.com/financial-reports and contains past Notices of Annual General Meetings.

The results of voting on all resolutions in general meetings are posted to the Company's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent votes.

Audit Committee Report

The Audit Committee is a sub-committee of the Board, comprised of the independent non-executive directors and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the auditors taking account of any non-audit services provided by them. James Cole is Chair of the Audit Committee.

The specific objectives of the Committee are to:

(a) maintain adequate quality and effective scope of the external audit of the Group including its branches where applicable and review the independence and objectivity of the auditors.

(b) ensure that the Board of Directors has adequate knowledge of issues discussed with external auditors.

(c) ensure the financial information and reports issued by the Company to AIM, shareholders and other recipients are accurate and contain proper disclosure at all times.

(d) maintain the integrity of the Group's administrative operating and accounting controls and internal control principles.

(e) ensure proper accounting policies are adhered to by the Group.

The Committee has unlimited access to the external auditors, to senior management of the Group and to any external party deemed necessary for the proper discharge of its duties. The Committee may consult independent experts where it considers necessary to perform it duties.

The Audit Committee reviews the financial controls of the Company on a regular basis and is satisfied that the Group's financial controls and reporting procedures are robust and sufficient to ordinarily prevent fraud and ensure that senior management, the Committee and the Board are fully aware of the Company's financial position at all times.

The Audit Committee met twice in the last financial year, on 11 December 2020 and 24 May 2021. Significant reporting issues considered during the year included the following:

1. Impairments

The Committee has reviewed the carrying values of the Group projects and the Group inter-company loans and carried out impairment reviews. The project carrying values are assessed against the IFRS 6 criteria set out in Note 1(k) on page 38. Loans to Group undertakings are assessed for impairment under IFRS 9.

As a result of the year-end review it was judged that the Sundance Project expenditure should be impaired and that none of the Group's inter-company loans should be impaired. Further details are provided on pages 38 and 39.

2. Going Concern

The Committee also considered the Going Concern basis on which the accounts have been prepared (see Note 1(b) on page 36). The directors are satisfied that the Going Concern basis is appropriate for the preparation of the financial statements.

James Cole
Chair – Audit Committee

Corporate Governance continued

Remuneration Committee Report

The Remuneration Committee is a sub-committee of the Board and comprises the independent non-executive directors, Mr Cole having been appointed as a member of the Remuneration Committee on 27 May 2021. Mr Murphy is Chairman of the Remuneration Committee.

The primary objective of the Committee is to review the performance of the executive directors and review the basis of their service agreements and make recommendations to the Board regarding the scale and structure of their remuneration.

However, the Company does not currently remunerate any of the directors other than in their capacity as directors. Whilst the Chairman of the Board, Patrick Cheetham, does have an executive role, his technical and managerial services are provided under a general service agreement with Tertiary Minerals plc and his remuneration is fixed by Tertiary Minerals plc. Nonetheless, it is the role of the Remuneration Committee to ensure that the executive director is appropriately incentivised and rewarded for his services to the Company and this will be considered as part of the Committee's review of any Long-Term Incentive Plan.

The Remuneration Committee has not met during the financial year under review.

Roger Murphy
Chair – Remuneration Committee

Nomination Committee Report

The Nomination Committee comprises the Chairman and the independent non-executive directors. Patrick Cheetham is Chair of the Nomination Committee.

The Nomination Committee meets at least once per year to lead the formal process of rigorous and transparent procedures for Board appointments and to make recommendations to the Board in accordance with best practice and other applicable rules and regulations, insofar as they are appropriate to the Group at this stage in its development.

The Committee is required to:

(a) Review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes.

(b) Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

(c) Keep under review the leadership needs of the organisation to compete effectively in the marketplace.

(d) Review annually the time required from non-executive directors.

(e) Arrange periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Committee carries out its duties for the Parent Company, major subsidiary undertakings and the Group as a whole and met once during the period under review, on 27 May 2021 to consider and recommend to the Board the appointment of Mr. Cole to the Board. Mr. Cole was subsequently appointed to the Board and to the Nomination Committee.

The Committee is satisfied that the current Board has a depth of experience and level and range of skills appropriate to the Company at this stage in its development. It is however recognised that the Company is likely to need additional expertise as it moves forward into commercial production and so the composition of the Board will be kept under careful review to ensure that the Board can deliver long-term growth in shareholder value.

Patrick Cheetham
Chair – Nomination Committee

Independent Auditor's Report

to the Members of Sunrise Resources plc for the year ended 30 September 2021

Opinion

We have audited the financial statements of Sunrise Resources plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 September 2021, which comprise:

- the Group income statement and statement of comprehensive income for the year ended 30 September 2021;
- the Group and Parent Company statements of financial position as at 30 September 2021;
- the Group and Parent Company statements of cash flows for the year then ended;
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and International Accounting Standards in conformity with the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with applicable law and International Accounting Standards in conformity with the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with applicable law and International Accounting Standards in conformity with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 1(b) in the financial statements, which indicates that the Group's future projections of positive monthly net cashflows for the foreseeable future, rely upon cash inflows from successful fundraising at a certain point in time within the next 12 months. The Group is reliant upon this fundraising in order to adequately finance overheads, meet its liabilities as they fall due and maintain planned discretionary project expenditure necessary to realise the value inherent in exploration projects. Therefore as stated in Note 1(b), these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group (and Company) to continue as a going concern. In considering the longer term financial outlook of the Group, the continued viability of the most significant exploration and evaluation assets as set out in note 1 (k) is critical to this assessment. The risks and audit responses are detailed in the Key Audit Matters below. Our opinion is not modified in respect of these matters.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate, but there is a material uncertainty in relation to this matter. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included;

Consideration based on historical experience of the accuracy of forecasting in previous periods by management; review of forecast expenditure, consideration of management assumptions and the probability of achieving forecast expenditure; assessment of the key uncertainties and the impact upon our reporting.

The key observation from our assessment was the reliance of the Group upon successful raising of finance to fund projected expenditure and continue as a going concern for the foreseeable future. This represents a material uncertainty.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Independent Auditor's Report continued

to the Members of Sunrise Resources plc for the year ended 30 September 2020

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £65,000, based on combined asset measures (2% of total assets and 3% of net assets), with a lower level of materiality for the consolidated Income Statement, £24,000, based on 8% of the expected loss.

Materiality for the Company was based upon the same criteria and determined at £65,000, with £20,000 applied to the Income Statement.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality was set at £46,000 for the Group and Company.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £3,250 (5% of materiality). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group and its subsidiaries are accounted for from one central operating location, the Group's registered office. Our audit was conducted from the main operating location and all group companies were within the scope of our audit testing.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We determined that going concern should be considered a key audit matter and this is described above in the section "Material uncertainty relating to going concern."

The other key matters and responses are summarised below. This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Potential impairment of capitalised exploration and evaluation costs. The Group has intangible assets, comprising exploration and evaluation project costs, the most significant of which are the CS Pozzolan, Bay State and County Line projects within SR Minerals Inc. and Bakers project held in Sunrise Minerals Australia Pty Ltd. Together, the CS, Bay State and County Line projects constitute a significant proportion (81%) of the capitalised exploration costs in Sunrise Group. Both Bay State and County Line projects have seen minimal expenditure in recent years as the Group focuses on the CS Project. There is a risk that the criteria set out in IFRS 6 associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate and that capitalised costs to date exceed recoverable amount for the sites. The directors are required to assess whether there are any indicators of impairment of these assets. Any assessment of value in use requires that accumulated costs be assessed against the likelihood that such costs will be recoverable against future exploitation or sale. This requires management to use their sector experience, apply their specialist expertise and form a conclusive judgement as whether or not, on the balance of evidence, further exploration is justified to determine if an economically viable mining operation can be established in future.	In respect of all material intangible assets our audit work included, but was not restricted to: ● Substantive testing on expenditure capitalised in the year to ensure it was permitted under accounting standards; ● Reviewing progress on exploration and evaluation activities at each of the licence areas to assess whether there was evidence which would indicate a potential impairment trigger; ● Reviewing approved budget forecasts and minutes of board meetings to confirm the intention to continue exploration work on the licences; and ● Review and challenge of the directors' assessment of whether there are any indicators of impairment to capitalised costs and discussion around any key judgemental areas.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Potential impairment of investments in subsidiaries and recoverability of loans to subsidiaries in the Company financial statements. The carrying values of investments in and recoverability of loans to subsidiaries, SR Minerals Inc., Sunrise Materials Australia Pty Ltd and Westgold Inc., are dependent upon the future cash flows associated with the recovery of the exploration and evaluation assets held by the subsidiaries. In the event of impairment in the underlying exploration and evaluation assets, there is a potential impact upon the realisation of investments and recoverability of loans in the accounts of Sunrise Resources plc (the Company) and this assessment would also be required by the directors.	In conjunction with our work associated with the potential impairment of the exploration and evaluation assets held within subsidiaries, critical review of the directors' assessment of potential impairment of investments in subsidiaries and recoverability of loans to subsidiaries in the accounts of Sunrise Resources plc (the Company).

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error and discussed these between audit team members. We then designed and performed audit procedures in response to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations which have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journal entries and reviewing accounting estimates for evidence of management bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Weekes
(Senior Statutory Auditor)
For and on behalf of Crowe U.K. LLP
Statutory Auditor
Manchester, United Kingdom
10 December 2021

Consolidated Income Statement

for the year ended 30 September 2021

	Notes	**2021** **£**	2020 £
Pre-licence exploration costs		**17,320**	4,183
Impairment of deferred exploration assets		**30,021**	–
Administration costs		**318,630**	298,980
Operating loss		**(365,971)**	(303,163)
Gain on sale of exploration assets	9	**30,658**	–
Interest receivable		**61**	261
Loss before income tax	3	**(335,252)**	(302,902)
Income tax	7	**–**	–
Loss for the year attributable to equity holders of the parent		**(335,252)**	(302,902)
Loss per share - basic and diluted (pence)	6	**(0.009)**	(0.009)

All amounts relate to continuing activities.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2021

	2021 **£**	2020 £
Loss for the year	**(335,252)**	(302,902)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(86,770)**	(75,659)
	(86,770)	(75,659)
Items that will not be reclassified to the income statement:		
Changes in the fair value of equity investments	**(9,651)**	(1,660)
	(96,421)	(77,319)
Total comprehensive loss for the year attributable to equity holders of the parent	**(431,673)**	(380,221)

Consolidated and Company Statements of Financial Position

at 30 September 2021

Company Registration Number: 05363956

	Notes	**Group 2021 £**	**Company 2021 £**	Group 2020 £	Company 2020 £
Non-current assets					
Intangible assets	9	**2,133,137**	**–**	1,867,218	–
Right of use assets	17	**13,423**	**–**	18,431	–
Investment in subsidiaries	8	**–**	**2,753,586**	–	2,269,548
Other investments	8	**63,503**	**45,675**	19,765	–
		2,210,063	**2,799,261**	1,905,414	2,269,548
Current assets					
Receivables	11	**130,805**	**22,701**	51,980	26,670
Cash and cash equivalents	12	**371,740**	**337,817**	1,089,417	1,065,480
		502,545	**360,518**	1,141,397	1,092,150
Current liabilities					
Trade and other payables	13	**(100,861)**	**(80,357)**	(90,677)	(80,786)
Lease liabilities	17	**(2,300)**	**–**	(2,364)	–
Net current assets		**399,384**	**280,161**	1,048,356	1,011,364
Non current liabilities					
Lease liabilities	17	**(4,715)**	**–**	(7,336)	–
Reclamation	20	**(26,665)**	**–**	–	–
Net assets		**2,578,067**	**3,079,422**	2,946,434	3,280,912
Equity					
Called up share capital	14	**3,701,805**	**3,701,805**	3,677,997	3,677,997
Share premium account		**5,675,616**	**5,675,616**	5,655,781	5,655,781
Share warrant reserve	14	**40,164**	**40,164**	33,893	33,893
Fair value reserve		**33,102**	**28,662**	42,753	36,987
Foreign currency reserve	14	**(37,331)**	**1,321**	49,439	1,319
Accumulated losses		**(6,835,289)**	**(6,368,146)**	(6,513,429)	(6,125,065)
Equity attributable to owners of the parent		**2,578,067**	**3,079,422**	2,946,434	3,280,912

The Company reported a loss for the year ended 30 September 2021 of £256,473 (2020: £233,598).

These financial statements were approved and authorised for issue by the Board on 10 December 2021 and were signed on its behalf.

P L Cheetham
Executive Chairman

J Cole
Director

Consolidated Statement of Changes in Equity

Group	Share capital £	Share premium account £	Share warrant reserve £	Fair value reserve £	Foreign currency reserve £	Accumulated losses £	Total £
At 30 September 2019	**2,749,760**	**5,059,244**	**24,476**	**44,413**	**125,098**	**(6,220,042)**	**1,782,949**
Loss for the year	–	–	–	–	–	(302,902)	(302,902)
Change in fair value	–	–	–	(1,660)	–	–	(1,660)
Exchange differences	–	–	–	–	(75,659)	–	(75,659)
Total comprehensive loss for the year	**–**	**–**	**–**	**(1,660)**	**(75,659)**	**(302,902)**	**(380,221)**
Share issue	928,237	596,537	–	–	–	–	1,524,774
Share–based payments expense	–	–	18,932	–	–	–	18,932
Transfer of expired warrants	–	–	(9,515)	–	–	9,515	–
At 30 September 2020	**3,677,997**	**5,655,781**	**33,893**	**42,753**	**49,439**	**(6,513,429)**	**2,946,434**
Loss for the year	–	–	–	–	–	(335,252)	(335,252)
Change in fair value	–	–	–	(9,651)	–	–	(9,651)
Exchange differences	–	–	–	–	(86,770)	–	(86,770)
Total comprehensive loss for the year	**–**	**–**	**–**	**(9,651)**	**(86,770)**	**(335,252)**	**(431,673)**
Share issue	23,808	19,835	–	–	–	–	43,643
Share–based payments expense	–	–	19,663	–	–	–	19,663
Transfer of expired warrants	–	–	(13,392)	–	–	13,392	–
At 30 September 2021	**3,701,805**	**5,675,616**	**40,164**	**33,102**	**(37,331)**	**(6,835,289)**	**2,578,067**

Company Statement of Changes in Equity

Company	Share capital £	Share premium account £	Share warrant reserve £	Fair value reserve £	Foreign currency reserve £	Accumulated losses £	Total £
At 30 September 2019	**2,749,760**	**5,059,244**	**24,476**	**36,987**	**1,321**	**(5,900,982)**	**1,970,806**
Loss for the year	–	–	–	–	–	(233,598)	(233,598)
Change in fair value	–	–	–	–	–	–	–
Exchange differences	–	–	–	–	(2)	–	(2)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(2)**	**(233,598)**	**(233,600)**
Share issue	928,237	596,537	–	–	–	–	1,524,774
Share–based payments expense	–	–	18,932	–	–	–	18,932
Transfer of expired warrants	–	–	(9,515)	–	–	9,515	–
At 30 September 2020	**3,677,997**	**5,655,781**	**33,893**	**36,987**	**1,319**	**(6,125,065)**	**3,280,912**
Loss for the year	–	–	–	–	–	(256,473)	(256,473)
Change in fair value	–	–	–	(8,325)	–	–	(8,325)
Exchange differences	–	–	–	–	2	–	2
Total comprehensive loss for the year	**–**	**–**	**–**	**(8,325)**	**2**	**(256,473)**	**(264,796)**
Share issue	23,808	19,835	–	–	–	–	43,643
Share–based payments expense	–	–	19,663	–	–	–	19,663
Transfer of expired warrants	–	–	(13,392)	–	–	13,392	–
At 30 September 2021	**3,701,805**	**5,675,616**	**40,164**	**28,662**	**1,321**	**(6,368,146)**	**3,079,422**

Consolidated and Company Statements of Cash Flows

for the year ended 30 September 2021

	Notes	**Group 2021 £**	**Company 2021 £**	Group 2020 £	Company 2020 £
Operating activity					
Operating (loss)/profit		**(335,313)**	**(285,413)**	(303,163)	(270,642)
Depreciation/interest charge	17	**4,744**	**–**	3,700	–
Share-based payment charge		**19,663**	**19,663**	18,932	18,932
Shares issued in lieu of net wages		**30,818**	**30,818**	30,724	30,724
Shares issued via exercise of warrants		**12,825**	**12,825**	17,550	17,550
Impairment charge – deferred exploration asset	9	**30,021**	**–**	–	–
Disposal of exploration assets	9	**40,480**	**–**	–	–
Non cash addition to equity investment	8	**(45,675)**	**(45,675)**	–	–
Reclamation liability	20	**(26,665)**	**–**	–	–
(Increase)/decrease in receivables	11	**(78,825)**	**3,969**	1,761	(5,382)
(Increase)/decrease in trade and other payables	13	**10,184**	**(429)**	17,690	32,981
Net cash outflow from operating activity		**(337,743)**	**(264,242)**	(212,806)	(175,837)
Investing activity					
Interest received		**60**	**28,941**	261	37,173
Cash receipt from disposal of exploration assets		**20,000**	**–**	–	–
Lease payments	17	**(2,378)**	**–**	(12,431)	–
Development expenditures	9	**(391,061)**	**–**	(188,587)	–
Loans to subsidiaries		**–**	**(484,038)**	–	(293,167)
Net cash outflow from investing activity		**(373,379)**	**(455,097)**	(200,757)	(255,994)
Financing activity					
Issue of share capital (net of expenses)		**–**	**–**	1,476,500	1,476,500
Net cash inflow from financing activity		**(711,122)**	**(719,339)**	1,476,500	1,476,500
Net increase/(decrease) in the year		**(711,122)**	**(719,339)**	1,062,937	1,044,669
Cash and cash equivalents at start of year		**1,089,417**	**1,065,480**	27,069	20,941
Exchange differences		**6,555**	**(8,324)**	(589)	(130)
Cash and cash equivalents at 30 September	12	**371,740**	**337,817**	1,089,417	1,065,480

Notes to the Financial Statements

for the year ended 30 September 2021

Background

Sunrise Resources plc (the "Company") is a public company incorporated and domiciled in England. It is traded on the AIM Market of the London Stock Exchange – EPIC: SRES.

The Company is a holding company (together, "the Group") for one company incorporated in Australia, and two companies incorporated in Nevada, in the United States of America. The Group's financial statements are presented in Pounds Sterling (£) which is also the functional currency of the Company.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the basis of the recognition and measurement requirements of applicable law and International Accounting Standards in conformity with the Companies Act 2006.

(b) Going concern

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, specific project financing will be required.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. Given the Group's cash position at year end (£371,740), these projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's and Group's overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. 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 Group's and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their 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.

(c) Basis of consolidation

Investments, including long-term loans, in the subsidiaries are valued at the lower of cost or recoverable amount, with an ongoing review for impairment.

The Group's financial statements consolidate the financial statements of Company and its subsidiary undertakings using the acquisition method and eliminate intercompany balances and transactions.

In accordance with section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own statement of comprehensive income. The amount of the loss for the financial year recorded within the financial statements of the Company is £256,473 (2020: £233,598).

(d) Intangible assets

Exploration and evaluation

Accumulated exploration and evaluation costs incurred in relation to separate areas of interest (which may comprise more than one exploration licence or exploration licence applications) are capitalised and carried forward where:

(1) such costs are expected to be recouped through successful exploration and development of the area, or alternatively by its sale; or

(2) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the areas are continuing.

A biannual review is carried out by the directors to consider whether there are any indications of impairment in capitalised exploration and development costs. The biannual impairment reviews were conducted in April 2021 and October 2021.

Where an indication of impairment is identified, the relevant value is written off to the income statement in the period for which the impairment was identified. An impairment of exploration and development costs may be subsequently reversed in later periods should conditions allow.

Accumulated costs, where the Group does not yet have an exclusive exploration licence and in respect of areas of interest which have been abandoned, are written off to the income statement in the year in which the pre-licence expense was incurred or in which the area was abandoned.

Development

Exploration, evaluation and development costs are carried at the lower of cost and expected net recoverable amount. On reaching a mining development decision, for example, the commitment of capital to mine development, exploration and evaluation costs are reclassified as development costs and all development costs on a specific area of interest will be amortised over the useful economic life of the projects, once they become income generating and the costs can be recouped.

(e) Trade and other receivables and payables

Trade and other receivables and payables are measured at initial recognition at fair value and subsequently measured at amortised cost.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and short-term bank deposits with a maturity of three months or less.

(g) Leases

IFRS 16 requires the recognition of lease commitments as right of use assets and the recognition of a corresponding liability. Lease costs are recognised in the income statement in the form of depreciation of the right of use asset over the lease term and interest charges representing the unwind of the discount on the lease liability.

Short term leases, which fall outside the IFRS 16 requirements, having a duration of 12 months or less, are charged to the income statement on straight line basis.

(h) Deferred taxation

Deferred taxation, if applicable, is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable.

(i) Foreign currencies

The Group's consolidated financial statements are presented in Pounds Sterling (£), being the functional currency of the Company, and the currency of the primary economic environment in which the Company operates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

For consolidation purposes, the net investment in foreign operations and the assets and liabilities of overseas subsidiaries, associated undertakings and joint arrangements, that have a functional currency different from the Group's presentation currency, are translated at the closing exchange rates. Income statements of overseas subsidiaries, that have a functional currency different from the Group's presentation currency, are translated at exchange rates at the date of transaction. Exchange differences arising on opening reserves are taken to the foreign currency reserve in equity.

(j) Share warrants and share-based payments

The Company issues warrants to employees (including directors) and third parties. The fair value of the warrants is recognised as a charge measured at fair value on the date of grant and determined in accordance with IFRS 2 or IAS 39, adopting the Black–Scholes–Merton model. The fair value is recognised on a straight-line basis over the vesting period, with a corresponding adjustment to equity, based on the management's estimate of shares that will eventually vest. The expected life of the warrants is adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The details are shown in Note 15.

The Company also issues shares in order to settle certain liabilities, including payment of fees to directors. The fair value of shares issued is based on the closing mid-market price of the shares traded on the AIM market on the day prior to the date of settlement and it is expensed on the date of settlement with a corresponding increase in equity.

(k) Judgements and estimations in applying accounting policies

In the process of applying the Group's accounting policies above, management has identified the judgemental areas that have the most significant effect on the amounts recognised in the financial statements:

Intangible assets — exploration and evaluation

IFRS 6 "Exploration for and Evaluation of Mineral Resources" requires that exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed recoverable amount.

In practical terms, this requires that project carrying values are regularly monitored and assessed for recoverability whether from future exploitation of resources or realised by sale to a third party.

Where activities have not reached a stage, which permits reasonable confirmation of the existence of mineral reserves, the directors must form a judgement whether future exploration and evaluation should continue. This requires management to use their sector experience, apply their specialist expertise and form a conclusive judgement whether or not, on the balance of evidence that further exploration is justified to determine if an economically viable mining operation can be established in future. Such estimates, judgements and assumptions are likely to change as new information and evidence becomes available. If it becomes apparent, in the judgement of the directors, that recovery of capitalised expenditure is unlikely, the carrying value should be considered as impaired and treated as detailed below.

Impairment

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. The directors are required to continually monitor and review the carrying values by reference to new developments, stages in the exploration process and new circumstances. Assessment of the potential impairment of assets requires an updated judgement of the probability of adequate future cash flows from the relevant project. It includes consideration of:

(a) The period for which the entity has the right to explore in the specific area and whether this right will expire in the near future, and whether the right is expected to be renewed.

(b) Whether substantive expenditure on further exploration for and evaluation of mineral resources for the specific project is either budgeted or planned.

(c) Whether exploration for and evaluation of mineral resources on the specific project has led to the discovery of commercially viable quantities of mineral resources and whether the entity has decided to discontinue such activities on the project.

(d) Whether sufficient data exist to indicate that, although a development on the specific project is likely to proceed, the carrying amount of the exploration and evaluation asset is likely to be recovered in full from successful development of a mine or by the sale of the project.

The judgements in respect of key projects are as follows;

The CS Project in Nevada is the Group's lead project with a carrying value of £1,187,000. In the judgement of the directors, this is justified as, following the successful grant of various mining and production permits, the focus is on the mine start up and production.

Further exploration at the Bay State Project, Nevada (carrying value £411,000), is budgeted and project leases and claims are being maintained. In the judgement of the directors further evaluation and exploration is justified as, despite some drilling issues, positive drilling results have been obtained so far. In the opinion of the directors this asset is not impaired.

Although there has been no exploration during 2021 on the County Line Project, Nevada (carrying value £137,000), in the judgement of the directors further evaluation of the production potential is justified. The mining claims have been renewed for a further 12 month period and the project is not impaired.

In relation to the Bakers Project, Australia (carrying value of £144,000), exploration during the year has provided good results and further exploration has been budgeted. In the judgment of the directors exploration results to-date justify further exploration and in the opinion of the directors the project is not impaired.

Also, in relation to other projects, the exploration rights are being maintained and further exploration and/or drilling is budgeted therefore the directors have reached the conclusion that no impairments are required.

Going concern

The preparation of financial statements requires an assessment of the validity of the going concern assumption. This in turn is dependent on finance being available for the continuing working capital requirements of the Group. Based on the assumption that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts.

Share warrants and share-based payments

The estimates of costs recognised in connection with the fair value of share warrants requires that management selects an appropriate valuation model and make decisions on various inputs into the model including the volatility of its own share price, the probable life of the warrants before exercise, and behavioural consideration of warrant holders.

(l) Financial assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

(m) Reclamation costs

The Group's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. The Group records a liability for the estimated future rehabilitation costs and decommissioning of its development projects at the time a constructive obligation is determined.

When provisions for closure and environmental rehabilitation are initially recognised, the corresponding cost is capitalised as an intangible asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and environmental rehabilitation activities is recognised in mining interests and, from the commencement of commercial production, is amortised over the expected useful life of the operation to which it relates. Any change in the value of the estimated expenditure is reflected in an adjustment to the provision and asset.

(n) Standards, amendments and interpretations not yet effective

At the date of authorisation of these financial statements, there are no amended standards and interpretations issued by the IASB that impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the current accounting policies.

2. Segmental analysis

The Chief Operating Decision Maker is the Board of Directors. The Board considers the business has one reportable segment, the management of exploration projects, which is supported by a Head Office function. For the purpose of measuring segmental profits and losses the exploration segment bears only those direct costs incurred by or on behalf of those projects, no Head Office cost allocations are made to this segment. The Head Office function recognises all other costs.

2021	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Pre-licence exploration costs	**17,320**	**–**	**17,320**
Share-based payments	**–**	**19,663**	**19,663**
Impairment of exploration assets	**30,021**	**–**	**30,021**
Other expenses	**–**	**298,967**	**298,967**
Operating loss	**(47,341)**	**(318,630)**	**(365,971)**
Gain of disposal of exploration assets	**30,658**	**–**	**30,658**
Interest receivable	**–**	**61**	**61**
Loss before income tax	**(16,683)**	**(318,569)**	**(335,252)**
Income tax	**–**	**–**	**–**
Loss for the year attributable to equity holders of the parent	**(16,683)**	**(318,569)**	**(335,252)**
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Baker's Gold Project, Australia	**144,343**	**–**	**144,343**
County Line Diatomite Project, USA	**136,665**	**–**	**136,665**
Bay State Silver Project, USA	**410,686**	**–**	**410,686**
NewPerl Project/Jackson Wash Project, USA	**66,153**	**–**	**66,153**
Ridge Limestone Project, USA	**29,262**	**–**	**29,262**
CS Pozzolan-Perlite Project, USA	**1,187,489**	**–**	**1,187,489**
Clayton Gold Project, USA	**117,771**	**–**	**117,771**
Newark Silver-Gold Project, USA	**31,470**	**–**	**31,470**
Myrtle Project, USA	**9,298**	**–**	**9,298**
	2,133,137	**–**	**2,133,137**
Right of use assets	**13,423**	**–**	**13,423**
Other investments	**–**	**63,503**	**63,503**
	2,146,560	**63,503**	**2,210,063**
Current assets			
Receivables	**105,178**	**25,627**	**130,805**
Cash and cash equivalents	**–**	**371,740**	**371,740**
	105,178	**397,367**	**502,545**
Current liabilities			
Trade and other payables	**(29,973)**	**(70,888)**	**(100,861)**
Lease liabilities	**(2,300)**	**–**	**(2,300)**
Net current assets	**72,905**	**326,479**	**399,384**
Non-current liabilities			
Reclamation liabilities	**(26,665)**	**–**	**(26,665)**
Lease liabilities	**(4,715)**	**–**	**(4,715)**
Net assets	**2,188,085**	**389,982**	**2,578,067**
Other data			
Deferred exploration additions	**391,061**	**–**	**391,061**
Exchange rate adjustments to deferred exploration costs	**(80,880)**	**–**	**(80,880)**

2020	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Pre-licence exploration costs	4,183	–	4,183
Share-based payments	–	18,932	18,932
Other expenses	–	280,048	280,048
Operating loss	(4,183)	(298,980)	(303,163)
Interest receivable	–	261	261
Loss before income tax	(4,183)	(298,719)	(302,902)
Income tax	–	–	–
Loss for the year attributable to equity holders of the parent	(4,183)	(298,719)	(302,902)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Baker's Gold Project, Australia	70,451	–	70,451
County Line Diatomite Project, USA	139,396	–	139,396
Garfield Silver-Gold-Copper Project, USA	28,158	–	28,158
Bay State Silver Project, USA	410,965	–	410,965
NewPerl Project/Jackson Wash Project, USA	62,160	–	62,160
Ridge Limestone Project, USA	25,378	–	25,378
CS Pozzolan-Perlite Project, USA	1,066,685	–	1,066,685
Clayton Gold Project, USA	20,087	–	20,087
Newark Silver-Gold Project, USA	29,768	–	29,768
Stonewall Gold Project, USA	14,170	–	14,170
	1,867,218	–	1,867,218
Right of use assets	18,431	–	18,431
Other investments	–	19,765	19,765
	1,885,649	19,765	1,905,414
Current assets			
Receivables	22,909	29,071	51,980
Cash and cash equivalents	–	1,089,417	1,089,417
	22,909	1,118,488	1,141,397
Current liabilities			
Trade and other payables	(20,541)	(70,136)	(90,677)
Lease liabilities	(2,364)	–	(2,364)
Net current assets	4	1,048,352	1,048,356
Non-current liabilities			
Lease liabilities	(7,336)	–	(7,336)
Net assets	1,878,317	1,068,117	2,946,434
Other data			
Deferred exploration additions	188,587	–	188,587
Exchange rate adjustments to deferred exploration costs	(74,419)	–	(74,419)

3. Loss before income tax

The operating loss is stated after charging:	**2021 £**	2020 £
Fees payable to the Company's auditor for:		
The audit of the Company's annual accounts	**8,200**	7,619
Other Services:		
Interim review of accounts	**1,050**	1,020
Corporation tax fees	**767**	740
Corporation tax review fees	**–**	–

4. Directors' emoluments

Remuneration in respect of directors was as follows:	**2021 £**	2020 £
P L Cheetham (salary)	**16,000**	16,000
D J Swan (salary)	**10,540**	16,000
J Cole (salary)	**5,524**	–
R D Murphy (salary)	**16,000**	16,000
	48,063	48,000

In the year ended 30 September 2021 the cost of Employer's National Insurance Contributions for directors was £Nil (2020: £50.34).

In the year ended 30 September 2021 the value of non-cash share-based payments in respect of share warrants issued to the directors was £17,979 (2020: £3,600).

Patrick Cheetham is also a director of Tertiary Minerals plc and under the terms of the Management Services Agreement (see Note 5) a total of £68,174, including Employers National Insurance Contributions, was charged to the Company for his services during the year (2020: £80,121). These services are provided at cost.

The directors are also the key management personnel. If all benefits are taken into account, the total key management personnel compensation would be £66,337 (2020: £51,995).

5. Staff costs

Staff costs for the Group and the Company, including directors, were as follows:	**2021 £**	2020 £
Wages and salaries	**48,063**	48,000
Social security costs	**–**	50
Pension	**295**	345
Share-based payments	**17,979**	3,733
	66,337	52,128

The average monthly number of employees employed by the Group and the Company during the year was as follows:	**2021 Number**	2020 Number
Directors	**3**	3
Other Officers	**0**	0
	3	3

The Company does not employ any staff directly apart from the directors. The services of technical and administrative staff are provided by Tertiary Minerals plc as part of the Management Services Agreement between the two companies (see Note 16).

The Company issues share warrants to employees of Tertiary Minerals plc from time to time and these non-cash share-based payments resulted in a charge within the financial statements of £1,686 (2020: £729).

Company secretarial services are provided by Rod Venables through City Group plc.

6. Loss per share

Loss per share has been calculated using the loss for the year attributable to equity holders of the Company and the weighted average number of shares in issue during the year.

	2021	2020
Loss (£)	**(335,252)**	(302,902)
Weighted average shares in issue (No.)	**3,693,084,489**	3,237,733,688
Basic and diluted loss per share (pence)	**(0.009)**	(0.009)

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 anti-dilutive.

7. Income tax

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2020: £Nil).

The tax credit for the period is lower than the credit resulting from the loss before tax at the standard rate of corporation tax in the UK – 19% (2020: 19%). The differences are explained below.

Tax reconciliation	**2021** **£**	2020 £
Loss before income tax	**(335,252)**	(302,902)
Tax at 19% (2020: 19%)	**(63,698)**	(57,551)
Pre-trading expenditure no longer deductible for tax purposes	**50,650**	44,764
Administration expenditure not deductible for tax purposes	**19,851**	19,372
Tax effect at 19% (2020: 19%)	**13,395**	12,186
Tax credit for the period	**(50,303)**	(45,365)
Tax recognised on loss	**–**	–
Total losses carried forward for tax purposes	**(3,774,180)**	(3,509,429)

Factors that may affect future tax charges

The Group has total losses carried forward of £3,774,180 (2020: £3,509,429). This amount would be charged to tax, thereby reducing tax liability, if sufficient profits were made in the future capped to £5m per annum allowance. The deferred tax asset has not been recognised as the future recovery is uncertain given the exploration status of the Group. The carried forward tax loss is adjusted each year for amounts that can no longer be carried forward.

8. Investments

Subsidiary undertakings

Company	Country of incorporation /registration	Date of incorporation /registration	Type and percentage of shares held at 30 September 2021	Principal activity
Sunrise Minerals Australia Pty Ltd	Australia	7 October 2009	100% of ordinary shares	Mineral exploration
SR Minerals Inc.	Nevada, USA	12 January 2014	100% of ordinary shares	Mineral exploration
Westgold Inc.	Nevada, USA	13 April 2016	100% of ordinary shares	Mineral exploration

The registered office of Sunrise Minerals Australia Pty Ltd is Level 4, 35-37 Havelock Street West, Perth, WA 6005.

The registered office of SR Minerals Inc. and Westgold Inc. is 241 Ridge Street, Suite 210, Reno, NV 89501.

Investment in subsidiary undertakings	**Company 2021 £**	Company 2020 £
Ordinary Shares – Sunrise Minerals Australia Pty Ltd	**61**	61
Loan – Sunrise Minerals Australia Pty Ltd	**850,747**	759,530
Less – provision for impairment	**(546,541)**	(546,541)
Ordinary Shares – SR Minerals Inc.	**1**	1
Loan – SR Minerals Inc.	**2,216,053**	1,937,253
Ordinary Shares – Westgold Inc.	**1**	1
Loan – Westgold Inc.	**233,264**	119,243
At 30 September	**2,753,586**	2,269,548

Investments in share capital of subsidiary undertakings

The directors consider that the carrying value of the Company's investments in shares of subsidiary undertakings totalling £63 is not material and therefore does not require an impairment review.

Loans to Group undertakings

Amounts owed by subsidiary undertakings are unsecured and payable in cash. Loan interest is charged to US subsidiaries on intercompany loans with Parent Company.

A review of the recoverability of loans to subsidiary undertakings, totalling £2,753,586 has been carried out in accordance with IFRS 9. As a result, the directors have concluded that no potential credit losses arose in the year. The assessment has been based upon a review of the underlying exploration assets held by the subsidiary undertakings.

Other investments – listed investments

Company	Country of incorporation /registration	Type and percentage of shares held at 30 September 2021	Principal activity
VR Resources Ltd	Canada	0.12% of ordinary shares	Mineral exploration
Power Metal Resources plc	United Kingdom	0.18% of ordinary shares	Mineral exploration

Investment designated at fair value through OCI	**Group 2021 £**	**Company 2021 £**	Group 2020 £	Company 2020 £
Value at start of year	**19,765**	**–**	22,078	–
Additions	**54,000**	**54,000**	–	–
Disposals	**–**	**–**	–	–
Movement in valuation	**(10,262)**	**(8,325)**	(2,313)	–
At 30 September	**63,503**	**45,675**	19,765	–

The fair value of each investment is equal to the market value of its shares at 30 September 2021, based on the closing mid-market price of shares on its equity exchange market.

These are level one inputs for the purpose of the IFRS 13 fair value hierarchy.

9. Intangible assets

Deferred exploration expenditure	**Group 2021 £**	**Company 2021 £**	Group 2020 £	Company 2020 £
Cost				
At start of year	**4,565,673**	**2,203,594**	4,377,086	2,203,594
Reclamation	**26,239**	**–**	–	–
Additions	**391,061**	**–**	188,587	–
At 30 September	**4,982,973**	**2,203,594**	4,565,673	2,203,594
Disposals				
At start of year	**(2,698,455)**	**(2,203,594)**	(2,624,036)	(2,203,594)
Impairment losses during the year	**(30,021)**	**–**	–	–
Disposals during the year	**(40,480)**	**–**	–	–
Foreign currency exchange adjustments	**(80,880)**	**–**	(74,419)	–
At 30 September	**(2,849,836)**	**(2,203,594)**	(2,698,455)	(2,203,594)
Carrying amounts				
At 30 September	**2,133,137**	**–**	1,867,218	–
At start of year	**1,867,218**	**–**	1,753,050	–

During the year the directors carried out an impairment review with reference to IFRS 6.20 (a) which resulted in no impairment being required. Refer to accounting policy 1(d) and 1(j) for a description of the considerations used in the impairment review.

10. Property, plant and equipment

The Group has the use of tangible assets held by Tertiary Minerals plc as part of the Management Services Agreement between the two companies.

Notes to the Financial Statements continued

for the year ended 30 September 2021

11. Receivables

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Prepayments	**13,677**	**11,037**	18,350	16,272
Accrued income	**–**	**–**	–	–
Other receivables	**117,128**	**11,664**	33,630	10,398
At 30 September	**130,805**	**22,701**	51,980	26,670

12. Cash and cash equivalents

Cash at bank and in hand	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
At 30 September	**371,740**	**337,817**	1,089,417	1,065,480

13. Trade and other payables

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Amounts owed to Tertiary Minerals plc	**44,147**	**44,147**	43,717	43,717
Trade creditors	**6,070**	**2,841**	3,753	2,647
Accruals	**26,434**	**9,159**	19,404	10,619
Net pay due in shares	**18,147**	**18,147**	16,254	16,254
Social security and taxes	**6,063**	**6,063**	7,549	7,549
At 30 September	**100,861**	**80,357**	90,677	80,786

14. Issued capital and reserves

	2021 Number	2021 £	2020 Number	2020 £
Allotted, called up and fully paid				
Ordinary shares of 0.1p each				
Balance at start of year	**3,677,996,870**	**3,677,997**	2,749,760,308	2,749,760
Shares issued in the year	**23,807,817**	**23,808**	928,236,562	928,237
Balance at 30 September	**3,701,804,687**	**3,701,805**	3,677,996,870	3,677,997

During the year to 30 September 2021 the following share issues took place:

An issue of 6,772,459 0.1p ordinary shares at 0.24p per share to three directors, for a total consideration of £16,254, in satisfaction of directors' fees (30 October 2020).

An issue of 9,090,909 0.1p ordinary shares at 0.1p per share, via exercise of warrants for a total of £10,000 (18 January 2021).

An issue of 500,000 0.1p ordinary shares at 0.16p per share, via exercise of warrants for a total of £800 (27 January 2021).

An issue of 750,000 0.1p ordinary shares at 0.16p per share, via exercise of warrants for a total of £1,200 (3 February 2021).

An issue of 750,000 0.1p ordinary shares at 0.11p per share, via exercise of warrants for a total of £825 (15 February 2021).

An issue of 5,944,449 0.1p ordinary shares at 0.245p per share to three directors, for a total consideration of £14,564, in satisfaction of directors' fees (27 May 2021).

During the year to 30 September 2020 a total of 928,236,562 0.1p ordinary shares were issued, at an average price of 0.17p per share, for a total consideration of £1,598,274 net of expenses.

Nature and purpose of reserves

Foreign currency reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the Parent's functional currency, being Sterling, are recognised directly in the foreign currency reserve.

Share warrant reserve

The share warrant reserve is used to recognise the value of equity-settled share warrants provided to employees, including key management personnel, as part of their remuneration, and to third parties in connection with fundraising. Refer to Note 15 for further details.

15. Share warrants granted

Warrants not exercised or expired at 30 September 2021

Issue date	Exercise price	Number	Exercisable	Expiry dates
01/02/17	0.135p	3,250,000	Any time before expiry	01/02/22
31/01/18	0.160p	3,250,000	Any time before expiry	31/01/23
21/02/19	0.160p	4,000,000	Any time before expiry	21/02/24
21/02/19	0.110p	4,000,000	Any time before expiry	21/02/24
06/08/20	0.195p	35,000,000	*Any time from 05/08/21	05/08/25
Total		49,500,000		

*Of these 15,000,000 warrants cannot be exercised before the Company makes the first sustainable sales of perlite/pozzolan product from the CS Project.

Share warrants are issued for nil consideration and are exercisable as disclosed above. They are exchangeable on a one for one basis for each ordinary share of 0.1p at the exercise price on the date of conversion.

Share warrant movements:

	2021		2020	
	Number of share warrants	**Weighted average exercise price (Pence)**	Number of share warrants	Weighted average exercise price (Pence)
Outstanding at start of year	**92,948,052**	**0.18**	27,875,000	0.18
Granted during the year	**–**	**–**	74,448,052	0.19
Forfeited during the year	**–**	**–**	–	–
Exercised during the year	**(11,090,909)**	**0.12**	–	–
Expired during the year	**(32,357,143)**	**0.20**	(9,375,000)	0.28
Outstanding at end of year	**49,500,000**	**0.18**	92,948,052	0.18
Exercisable at end of year	**49,500,000**	**0.18**	57,948,052	0.17

The share warrants outstanding at 30 September 2021 had a weighted average exercise price of 0.18p (2020: 0.18p), a weighted average fair value of 0.064p (2020: 0.056p) and a weighted average remaining contractual life of 3.22 years.

In the year ended 30 September 2021 no warrants were granted.

In the year ended 30 September 2020 warrants were granted on 1 November 2019, 19 February 2020 and 24 August 2020 to Peterhouse Capital Limited as part of fundraising with an aggregate estimated fair value of £14,469.

In the year ended 30 September 2020 warrants were granted on 6 August 2020 to non-executive director of the Company, a director and employees of Tertiary Minerals plc with an aggregate estimated fair value of £23,153. Note 5 explains the value recognised in the reporting period in respect of Tertiary Minerals plc.

In the year to 30 September 2021 the Company recognised expenses of £19,664 (2020: £18,932) related to issuing of share warrants in connection with equity-settled share-based payment transactions. The fair value is charged to administrative expenses and where there is a vesting period it is charged on a straight-line basis over the vesting period, together with a corresponding increase in equity, based on the management's estimate of shares that will eventually vest.

The fair values of warrants are estimated using a Black-Scholes-Merton Pricing Model and charged to administrative expenses on a straight-line basis over the vesting period, together with a corresponding increase in equity, based on the management's estimate of shares that will eventually vest.

The inputs into the Black-Scholes-Merton Pricing Model were as follows:	**2021**	2020
Weighted average share price	**–**	0.20p
Weighted average exercise price	**–**	0.19p
Expected volatility	**–**	70%
Expected life	**–**	2.4 years
Risk-free rate	**–**	0.12%
Expected dividend yield	**–**	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

In the year ended 30 September 2021 the following share warrants were exercised:

On 18 January 2021 9,090,909 warrants at an exercise price of 0.11p were exercised for a consideration of £10,000.

On 27 January 2021 500,000 warrants at an exercise price of 0.16p were exercised for a consideration of £800.

On 3 February 2021 750,000 warrants at an exercise price of 0.16p were exercised for a consideration of £1,200.

On 15 February 2021 750,000 warrants at an exercise price of 0.11p were exercised for a consideration of £825.

16. Related party transactions

Key management personnel

The directors holding office at the year end and their warrants held in the share capital of the Company are:

	At 30 September 2021				At 30 September 2020	
	Shares number	**Share warrants number**	**Warrant exercise price**	**Warrant expiry date**	Shares number	Share warrants number
P L Cheetham*	**234,293,916**	**30,000,000**	**0.195p**	**05/08/25**	231,047,657	30,000,000
D J Swan** – resigned	**32,759,580**	**2,000,000**	**0.160p**	**21/02/24**	29,281,338	2,000,000
J Cole	**–**	**–**	**–**	**–**	–	–
R D Murphy	**54,942,230**	**2,000,000**	**0.160p**	**21/02/24**	48,949,823	4,000,000
		2,000,000	**0.195p**	**05/08/25**		

*Includes 5,500,000 shares held by K E Cheetham, wife of P L Cheetham
**D J Swan ceased to be a director of the Company on 27 May 2021

Tertiary Minerals plc

Sunrise Resources plc is treated as an investment in the consolidated accounts of Tertiary Minerals plc, which held 0.59% of the issued share capital on 30 September 2021 (2020: 0.6%).

Tertiary Minerals plc provides management services to Sunrise Resources plc and consequently during the year the Group incurred costs of £165,058 (2020: £175,750) recharged at cost from Tertiary Minerals being overheads of £19,700 (2020: £20,369), costs paid on behalf of the Group of £4,644 (2020: £1,175), Tertiary staff salary costs of £72,540 (2020: £74,085) and Tertiary directors' salary costs of £68,174 (2020: £80,121).

At the balance sheet date an amount of £44,147 (2020: £43,717) was due to Tertiary Minerals plc.

Patrick Cheetham, the Executive Chairman of the Company, is also a director of Tertiary Minerals plc.

At 30 September 2021 and at the date of this report Donald McAlister, a director of Tertiary Minerals plc, held 550,000 shares in the Company.

17. Leases

Right of use assets	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Cost				
At start of year	**21,970**	**–**	–	–
Additions	**–**	**–**	21,970	–
Disposals	**–**	**–**	–	–
Foreign currency exchange adjustments	**(960)**	**–**	–	–
At 30 September	**21,010**	**–**	21,970	–
Depreciation				
At start of year	**(3,539)**	**–**	–	–
Charge for the year	**(4,202)**	**–**	(3,539)	–
Disposals	**–**	**–**	–	–
Foreign currency exchange adjustments	**154**	**–**	–	–
At 30 September	**(7,587)**	**–**	(3,539)	–
Carrying amounts				
At 30 September	**13,423**	**–**	18,431	–
At start of year	**18,431**	**–**	–	–

Lease liabilities	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Cost				
At start of year	**9,700**	**–**	–	–
Additions	**–**	**–**	21,970	–
Lease payments	**(2,378)**	**–**	(12,431)	–
Interest charge	**117**	**–**	161	–
Foreign currency exchange adjustments	**(424)**	**–**	–	–
At 30 September	**7,015**	**–**	9,700	–

	Minimum lease payments £	Interest £	Present value £
No later than one year	**2,378**	**(78)**	**2,300**
Later than one year and no later than 5 years	**4,755**	**(40)**	**4,715**
Later than five years	**–**	**–**	**–**
Total lease liabilities			**7,015**
Current liabilities			**2,300**
Non-current liabilities			**4,715**

The right of use assets and related lease liabilities are for the lease of water rights for use in conjunction with the CS Project in Nevada, USA. Total cash flow outflow amount is £4,319.

18. Capital management

The Group's capital requirements are dictated by its project and overhead funding requirements from time to time. Capital requirements are reviewed by the Board on a regular basis.

The Group manages its capital to ensure that entities within the Group will be able to continue as going concerns, to increase the value of the assets of the business and to provide an adequate return to shareholders in the future when exploration assets are taken into production.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure the possibilities open to the Group in future include issuing new shares, consolidating shares, returning capital to shareholders, taking on debt and selling assets.

19. Financial instruments

At 30 September 2021, the Group's and Company's financial assets consisted of receivables due within one year, other investments and cash and cash equivalents. At the same date, the Group and Company had no financial liabilities other than trade and other payables due within one year and had no agreed borrowing facilities as at this date. There is no material difference between the carrying and fair values of the Group's and Company's financial assets and liabilities.

The carrying amounts for each category of financial instrument held at 30 September 2021, as defined in IFRS 9, are as follows:

	Group 2021 £	**Company 2021 £**	Group 2020 £	Company 2020 £
Financial assets at amortised cost	**488,868**	**349,481**	1,123,277	1,065,480
Financial assets at fair value through other comprehensive income	**63,503**	**45,675**	19,765	–
Financial Liabilities at amortised cost	**110,331**	**56,146**	76,574	56,983

Risk management

The principal risks faced by the Group and Company resulting from financial instruments are liquidity risk, foreign currency risk and, to a lesser extent, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks as summarised below. The policies have remained unchanged from previous periods as the risks are assessed not to have changed.

Liquidity risk

The Group holds cash balances in Sterling, US Dollars, Australian Dollars and others to provide funding for exploration and evaluation activity, whilst the Company holds cash balances in Sterling, US Dollars, Australian Dollars and small amounts in other currencies.

The Company is dependent on equity fundraising through private placings which the directors regard as the most cost-effective method of fundraising. The directors monitor cash flow in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

Currency risk

The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise as, in the opinion of the directors, the cost of hedging against fluctuations would be greater than the related benefit from doing so. Fluctuations in the exchange rate are not expected to have a material effect on reported loss or equity.

Bank balances were held in the following denominations:	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
United Kingdom Sterling	**328,133**	**328,133**	1,064,927	1,064,927
Australian Dollar	**19,544**	**9,568**	9,588	369
United States Dollar	**23,986**	**39**	14,823	105
Other	**77**	**77**	79	79

Interest rate risk

The Company finances operations through equity fundraising and therefore does not carry borrowings.

Fluctuating interest rates have the potential to affect the loss and equity of the Group and the Company insofar as they affect the interest paid on financial instruments held for the benefit of the Group. The directors do not consider the effects to be material to the reported loss or equity of the Group or the Company presented in the financial statements.

Credit risk

The Company has exposure to credit risk through receivables such as VAT refunds, invoices issued to related parties and its joint arrangements for management charges. The amounts outstanding from time to time are not material other than for VAT refunds which are considered by the directors to be low risk.

The Company has exposure to credit risk in respect of its cash deposits with NatWest bank and this exposure is considered by the directors to be low risk.

20. Provision for other liabilities and charges

Group	2021 £	2020 £
Reclamation Liability		
At start of year	**–**	–
Additions	**26,665**	–
At 30 September	**26,665**	–

The Group makes provision for future reclamation costs relating to exploration projects. Provisions are calculated based upon internal estimates and expected costs based upon past experience and expert guidance where appropriate.

21. Contingent Assets

The Company has the following contingent assets:

Power Metal Resources plc

2.25 million warrants and 2% Net Smelter Return Royalty, received as part of the consideration for the disposal of Stonewall and Garfield exploration projects in June 2021.

VR Resources

3% Net Smelter Return Royalty received as part of the consideration for the sale of the Junction Gold-Copper exploration project to in August 2017.

No values have been assigned to these contingent assets on the basis that realisation is uncertain and considered to be unpredictable.

22. Events after the balance sheet date

Lease Option agreement with Kinross

In October 2021, the Company entered into a lease/option agreement with Kinross Gold U.S.A Inc. granting Kinross a Lease and Option to purchase the Company's 25 Jackson Wash mining claims in Nevada, USA. Under the terms of the Agreement Kinross has been granted:

- a 9-year mining lease over the Claims; and
- an option (the "Option") to purchase the Claims at any time during the term of the Lease for US$500,000 and the grant to the Company of a 2.5% Net Smelter Royalty.

Kinross will make the following payments to the Company until the Lease expires or is terminated or the Option is exercised:

- US$5,000 annually in advance in years 1-3;
- US$10,000 annually in advance in years 4-6; and
- US$15,000 annually in advance in years 7-9.

Kinross has paid a US$10,000 signing bonus, the year 1 lease payment and reimbursed 2021 claim filing fees of US$4,437 (total payment of US$19,437).

All of the above-mentioned payments will be considered as advance payments of the Royalty, should the Royalty become payable. Kinross may purchase 60% of the Royalty (1.5% of the 2.5% royalty) for a total of US$1.5 million in increments of US$500,000 per 0.5%.

Notice of Annual General Meeting

Sunrise Resources plc
Company No. 05363956

Notice is hereby given that the Annual General Meeting of **Sunrise Resources plc** will be held at Arundel House, 6 Temple Place, London WC2R 2PG on Thursday 27 January 2022 at 10.00 a.m. for the following purposes:

Ordinary Business

1. To receive the Accounts and Reports of the Directors and of the Auditor for the year ended 30 September 2021.
2. To elect Mr J Cole who, having been appointed to the Board since the last AGM, is subject to election in accordance with the Articles of Association.
3. To reappoint Crowe U.K. LLP as Auditor of the Company and to authorise the directors to fix their remuneration.

Special Business

Ordinary Resolution

4. That, in accordance with section 551 of the Companies Act 2006 (the "2006 Act"), the directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £2,000,000 (consisting of 2,000,000,000 ordinary shares of 0.1p each) provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

   This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the 2006 Act.

Special Resolution

5. That subject to the passing of resolution 4, the directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 4 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

   a) the allotment of equity securities in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £2,000,000 (consisting of 2,000,000,000 ordinary shares of 0.1 pence each).

   The power granted by this resolution will expire on the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

   This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at a general meeting of the Company. The attention of members is drawn to the notes on page 55 regarding attendance restrictions.

By order of the Board

R G Venables
Company Secretary
10 December 2021

Registered Office:
Sunrise House
Hulley Road
Macclesfield
Cheshire
SK10 2LP
United Kingdom

COVID-19: Attendees, please see information in the Explanatory Notes on page 55.

Annual General Meeting – Explanatory Notes

The Annual General Meeting of Sunrise Resources plc will be held at Arundel House, 6 Temple Place, London WC2R 2PG on Thursday 27 January 2022 at 10.00 a.m.

The Directors consider that the proposed resolutions contained in the Notice of AGM are in the best interests of the Company and shareholders as a whole and unanimously recommend that you vote in favour of them, as they intend to do in respect of their own shareholdings.

The business of the meeting is as follows:

Ordinary Business

Resolution 1

The Board is required to present to the meeting for approval the Accounts and the Reports of the Directors and the Auditor for the year ended 30 September 2021 which can be found on pages 5 to 35.

Resolution 2

Mr J Cole will be retiring as a director of the Company in accordance with the Articles of Association having been appointed as a Non-Executive Director on 27 May 2021. Mr Cole offers himself for election and the Board recommend that he be elected.

Mr Cole's biographical details can be found on page 21.

Resolution 3

The Company's Auditor Crowe U.K. LLP is offering itself for reappointment and if elected will hold office until the conclusion of the next Annual General Meeting at which accounts are laid before shareholders. This resolution will also give the directors authority to fix the remuneration of the Auditor.

Special Business

Resolution 4

This resolution is to give the directors authority to issue shares. The last such authority was put in place by a meeting of shareholders held on 28 January 2021, but it will expire at the coming Annual General Meeting.

Section 551 of the Companies Act 2006 requires that directors be authorised by shareholders before any share capital can be issued.

At this stage in its development the Company relies on raising funds through the issue of shares from the equity markets from time to time and unless this resolution is put in place the Company will not be in a position to continue to raise funds to continue its activities.

If given, this authority will expire at the conclusion of the Annual General Meeting in 2023.

Resolution 5

This resolution will be proposed as a Special Resolution in the event that Resolution 4 is passed by shareholders. Resolution 5 is proposed to give the directors authority to exclude certain categories of shareholders in a rights issue where their inclusion would be impractical or illegal and also to issue shares other than by way of rights issues which are, for regulatory reasons, complex, expensive, time consuming and impractical for a company the size of Sunrise Resources plc.

A similar authority granted at last year's Annual General Meeting is due to expire at the coming Annual General Meeting. The resolution will, if passed, authorise directors to allot shares or grant rights over shares of the Company where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings – for example through a share placing.

If given, this authority will expire at the conclusion of the Annual General Meeting in 2023.

COVID-19

We are keen to welcome shareholders in person to our 2022 Annual General Meeting, particularly given the constraints we faced in 2021 due to the COVID-19 pandemic. At present, it is possible to allow shareholders to attend the AGM and therefore we are proposing to welcome shareholders, within safety constraints and in accordance with any applicable government guidelines in place at that time.

Annual General Meeting – Explanatory Notes continued

COVID-19 continued

However, shareholders should inform us by registering their attendance in advance of the AGM by emailing: info@sunriseresourcesplc.com in order that we have an idea of numbers attending. This will enable us to better manage attendee safety by having sufficiently large meeting facilities.

Given the constantly evolving nature of the COVID-19 situation, should circumstances change before the time of the AGM we want to ensure that we are able to adapt arrangements within safety constraints and in accordance with government guidelines. Should we have to change arrangements, we will issue a further communication via the Regulatory Information Service. As such, we strongly recommend shareholders monitor such communications, which can also be found on the Company's website.

Shareholders wishing to appoint a proxy are encouraged to appoint the Chair as their proxy with their voting instructions.

Voting at the Annual General Meeting, Electronic Voting, Proxy Notes and Instructions

The following notes explain your general rights as a shareholder and your right to attend and vote at the Annual General Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company **at close of trading on Tuesday 25 January 2021.** Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 15 minutes prior to the commencement of the Meeting at **10.00 a.m. (UK time) on Thursday 27 January 2022** so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. Shareholders can vote:
   - by logging on to www.signalshares.com and following the instructions to appoint one or more proxies and direct your votes.
   - by hard copy Form of Proxy. You may request a hard copy Form of Proxy directly from the Registrars, Link Group, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
   - by attending the meeting and voting in person (please see COVID-19 information in the Explanatory Notes on page 55).

   In order for a proxy appointment to be valid a form of proxy must be completed. In each case the Form of Proxy must be received by the Registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL **by 10.00 a.m. on Tuesday 25 January 2022.**
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) **by 10.00 a.m. on Tuesday 25 January 2022.** For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Voting at the Annual General Meeting, Electronic Voting, Proxy Notes and Instructions continued

11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Company Information

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