

The logo for Sunrise Resources plc features the word "SUNRISE" in a bold, black, sans-serif font. A yellow sunburst graphic is positioned behind the letter "N". A yellow diagonal line runs from the bottom left to the top right, passing through the sunburst and the letters "R", "I", and "S". Below "SUNRISE", the word "RESOURCES" is written in a smaller, black, sans-serif font, followed by "plc" in a smaller, italicized, black, sans-serif font.

SUNRISE
RESOURCES plc

Company No. 05363956

Annual Report and Accounts
For the year ended 30 September 2023

Contents

Our Performance

- 3 Chairman's Statement
- 5 Strategic Report
 - 5 Organisation Overview
 - 5 Financial & Performance Review
 - 7 Operating Review
 - 16 Risks & Uncertainties
 - 18 Section 172 (1) Statement

Our Responsibilities

- 20 Directors' Responsibilities
- 21 Directors' Report
- 23 Board of Directors
- 24 Corporate Governance
 - 24 Chairman's Overview
 - 25 Environmental, Social and Governance Statement
 - 26 Corporate Governance Statement
 - 28 Audit Committee Report
 - 29 Remuneration Committee Report
 - 30 Nomination Committee Report

Our Financials

- 31 Independent Auditor's Report
- 35 Consolidated Income Statement
- 35 Consolidated Statement of Comprehensive Income
- 36 Consolidated and Company Statements of Financial Position
- 37 Consolidated Statement of Changes in Equity
- 38 Company Statement of Changes in Equity
- 39 Consolidated and Company Statements of Cash Flows
- 40 Notes to the Financial Statements

Annual General Meeting

- 58 Notice of Annual General Meeting
- 59 Annual General Meeting – Explanatory Notes
- 60 Voting at the Annual General Meeting, Electronic Voting, Proxy Notes and Instructions
- 61 Company Information

Chairman's Statement



Dear Shareholders,

I am pleased to present your Annual Report for 2023 which covers the financial year ended 30 September 2023.

Our Operating Review, starting on page 7 of this Annual Report, describes developments on the Company's projects in 2023 and includes details of market developments

and market projections for natural pozzolan, the key supplementary cementitious material on which our CS and Hazen projects in Nevada, USA, are based.

For some time now our efforts have been focussed on finding an industry partner to help develop our mine-ready CS Project and we are currently in discussions with a number of possible partners. I appreciate that for shareholders, and indeed for the Board, the progress in finding an industry partner is disappointingly slow. Consumers of performance industrial minerals are conservative and slow to make decisions to take up new products, like natural pozzolan, to replace established products. But as I hope the review on pages 8 to 10 shows, the industry is changing and demand for pozzolan is now growing. We are in the fortunate position that we can maintain our interest in the project at low cost whilst partner discussions continue. Our CS Project is large and very high quality and can be brought into production in a relatively short time frame.

Following the Roman era of cement production and the 20th Century period when natural pozzolan was used extensively in major dam projects in the USA, we are now entering a new era for natural pozzolan which is already contributing to the decarbonisation of the cement and concrete industries globally through the production of blended cements with a lower embodied carbon content. In the USA the consumption of cementitious materials is forecast to increase at a 10% annualised rate from just over 129 million tonnes in 2021 to over 154 million tonnes by 2030. However, the production of ordinary Portland cement will largely be static as no new cement plants are likely to be built, nor clinker production expanded. The increased consumption of cement will mainly come from increased use of blended cements where ordinary Portland cement is blended with supplementary cementitious materials such as natural pozzolan. Production of natural pozzolan is forecast to increase from a level of around 1.2 million tons per annum today to nearly 6 million tonnes per annum by 2030 with 62% of the 2030 supply expected to come from California and Nevada based on known resources which includes those held by Sunrise Resources.

In addition to our large deposits of natural pozzolan, our portfolio of industrial minerals projects includes the Pioche Sepiolite Project in Nevada, a low-cost acquisition which is under option to Tolsa, the world's largest sepiolite producer. Tolsa has carried out trenching and drilling in 2023. This has defined a large body of sepiolite bearing clay but further work is required to better understand the commercial properties of the Pioche sepiolite and determine the best processing methods and range of commercial products that might be produced at Pioche. Consequently, at the end of December 2023, the Company agreed to extend Tolsa's option to purchase the Pioche project in exchange for a further option fee payment of US\$100,000 and an increase in the option exercise price from US\$1.25 million to US\$1.4 million. Sunrise will be entitled to a 3% gross revenue royalty on production of sepiolite if the option is exercised, which we believe now has an increased probability.

The prospect of royalty cash flow has also advanced at two other projects in 2023. Our 2% royalty on the Garfield Project was brought into focus earlier this year when the property operator, Golden Metal Resources, announced that a significant copper porphyry system was identified at Garfield following the results of a high-resolution soil geochemical sampling survey. The pace of exploration is also increasing around our Jacksons Wash Claims which major gold producer Kinross holds an option to purchase subject to Sunrise retaining a 2.5% royalty.

The Company holds several additional projects in Nevada and Australia. This includes the Reese Ridge Project in Nevada where field work this year resulted in the discovery of outcropping high grade zinc mineralisation. The results from 3D conductivity modelling of electromagnetic data have identified conductivity anomalies directly below the surface mineralisation which may represent a body of sulphide mineralisation of economic interest. The Project is now drill ready.

Other than this, we have not carried out significant exploration this year as we have sought to preserve funds in what remains a very difficult market for junior exploration companies. We were fortunate to have raised a total of £480,000 at the beginning of the financial year and we operate with a low cost base, sharing administration costs with Tertiary Minerals plc.

Following the end of the reporting period, in November 2023, and as a contingency measure, the Company carried out a split of its share capital and a buy-back and cancellation of deferred shares. The net result was to lower the par value of its ordinary shares to a level that is now well below market value allowing the Company to raise funds via the issue of new equity in future.

Chairman's Statement continued

Our next Annual General Meeting will be held in London on 22 February 2024. At this AGM we will be seeking approval for resolutions to allow for the issue of new shares and the disapplication of pre-emption rights as we usually do. Without the first of these resolutions the Company cannot issue new shares at all. The second resolution allows the Company to issue shares for cash other than strictly pro-rata to existing shareholders. For example, it allows for rounding of entitlements and to exclude the issue of shares to shareholders in jurisdictions where it would be illegal. Rights issues are, in any event, prohibitively expensive for small companies and these resolutions will allow the directors flexibility to issue new shares to raise funds as and when necessary, up to a limit that is rarely used.

I urge shareholders to support these resolutions as, until such time as the Company is self-funding, the Company needs to be able to issue shares to raise funds to continue as a going concern.

We look forward to welcoming shareholders at the AGM and to reporting the Company's progress in 2024.

Patrick Cheetham
Executive Chairman
23 January 2024

Strategic Report

The Directors present their Strategic Report for the year ended 30 September 2023.

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 cash flow from the Company's key projects, through joint mine developments, project sales and joint ventures as well as royalty interests, in order that the Company's activities become self-funding.

The Company's **Business Model** is to acquire 100% ownership of mineral assets at minimal expense. This is usually accomplished through the identification of exploration opportunities and low cost claim staking or applying for exploration licences from the relevant authority. This is the case for all but one of the Company's projects. 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 as is 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 ("Tertiary").

The Company's ambition is to deliver on this strategic plan and details of the Company's projects and developments during the reporting period are given in the Operating Review, on pages 7 to 15.

Until the Company becomes profitable and self-funding, its operations are financed by periodic capital raisings, through private share placings, the issue of other financial instruments and through project sales and joint ventures. Where possible the Board will seek to secure additional funding from a range of sources, for example debt funding, pre-financing through offtake 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.

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 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 23. 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 and payments from project transactions. Consequently, the Group is not expected to report profits until it disposes of or is able to profitably develop or otherwise realise the value of its exploration and development projects.

The financial statements for the Group are set out in detail on pages 35 to 57. The Group reports a loss of £391,291 for the year (2022: £478,223) after administration costs of £425,419 (2022: £291,860). The loss includes expensed pre-licence and reconnaissance exploration costs of £3,753 (2022: £5,638), and other income of £36,881 (2022: £13,474) being an option fee paid by Tolsa USA, Inc. in connection with the Pioche Project and a lease payment made by Kinross Gold U.S.A., Inc. in connection with the Jacksons Wash Project. Administration costs include a charge of £5,319 (2022: £1,087) relating to the value of certain share warrants held by employees of Tertiary and by third parties calculated in accordance with IFRS 2.

Strategic Report continued

The Financial Statements show that, at 30 September 2023, the Group had net current assets of £212,009 (2022: £155,776). 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 36 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 £2,409,311 (2022: £2,503,812) and a breakdown by project is shown in Note 2 to the financial statements starting on page 43.

Details of intangible assets, investments and right of use assets are also set out in Notes 9, 8 and 17 respectively.

Net assets also include the market value at the 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

Expenditure which does not meet the criteria for continued capitalisation set out in Note 1(n), 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.

An impairment review of the carrying values of exploration and development projects (and in the Company, the associated intercompany loans) as at 30 September 2023 was undertaken by the Directors under IFRS 6 and IAS 36. As a result of the year-end review it was judged that no projects or intercompany loan should be impaired. Further information on the judgements made can be found in the Operating Review starting on page 7. Projects which are held for sale or joint venture 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 issue of share capital placings and other arrangements, and, occasionally, 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”) relating to financial performance are neither applicable nor appropriate to measure the value creation of a company which is involved in mineral exploration and development which currently has no turnover. The applicable KPIs are predominantly qualitative rather than quantitative and relate to the success, or otherwise, of exploration and mineral discovery on the Group’s projects which is extensively covered in the Operating Review of the Strategic Report.

The Company does seek to reduce overhead costs, where practicable, but is reporting higher administration costs this financial year of £425,419 (2022: 291,860). This is in part due to legal costs associated with agreements, increases in audit fees and nominated advisor and broker fees, together with foreign exchange variances during the year.

In exploring for valuable mineral deposits, we accept that not all our exploration will be successful but also that success can be rewarding. 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 include the proceeds of future fundraising necessary within the next 12 months to meet the Group’s overheads and planned discretionary project expenditure. The successful raising of finance is required based on projections to enable the Group and Company to meet their liabilities as they fall due and continue to operate on a going concern basis.

Operating Review

Sunrise Resources plc is a mineral exploration and development company with operations in Nevada, USA, and Western Australia.

The Company's projects in Nevada are held through two 100% owned subsidiary companies, SR Minerals Inc., which holds the Company's industrial minerals and certain longer established projects, and Westgold Inc. which holds the company's interest in more recently acquired projects in Nevada. The Company's Baker's Gold Project in Australia is held through an Australian subsidiary, Sunrise Minerals Australia Pty Ltd.

Industrial Minerals Projects

CS POZZOLAN-PERLITE PROJECT, NEVADA

The Company's CS Pozzolan-Perlite Project in Esmeralda County, Nevada, USA, covers large deposits of natural pozzolan and perlite and is planned as the Company's first mine development project.

Large deposits of both industrial minerals have been defined by mapping, trenching, drilling and bulk sampling with 14.5 million tons of pozzolan and 1.3 million tons of perlite included in the mine plan. An additional area, the Northeast Zone, presents a large additional target for natural pozzolan so far defined only by one drill hole and surface sampling.

The value of the market for pozzolan is substantially higher than that for perlite and the deposits of natural pozzolan at the CS Project are far larger than the deposits of perlite. In addition, perlite is itself a natural pozzolan. Consequently, the Company is focused on the production of natural pozzolan for the time being.

For some time now the Company has been in discussions with various groups with the objective of securing investment and material offtake agreements for the development of the project. These discussions usually involve extensive testing of the material, both in its own right and as a blend with proprietary cements and/or cement blends. Currently, the Company is in talks and with a number of groups including cement producers and a producer of natural pozzolan.

The CS Project is "mine ready" with the key operating permits already in place. The Company is able to maintain this mine-ready status at low cost and with no time constraints as to when mining must start, save for periodic renewals of the air quality permit and payment of annual claim fees.

What is Natural Pozzolan?

Natural pozzolan is a naturally occurring Supplementary Cementitious Material ("SCM") that is used to partially replace and reduce the use of ordinary Portland cement, a major source of the greenhouse gas CO₂ in cement mixes, concrete and mortars.

Natural pozzolan also takes the place of coal fly ash pozzolans, the supply of which is rapidly declining in the western world due to the continued closure of coal-fired power stations.

The natural pozzolan on the Company's projects in Nevada is a pozzolanic volcanic glass that needs only to be ground to be used as a SCM.

Further details on how the cement and concrete industries are using natural pozzolan in CO₂ net zero strategies and in sustainable development can be found on pages 8 to 10.

What is Perlite?

Perlite is a glassy raw material which expands on heating 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 material fillers, formed insulation and fire-proofing. It also has application as filter aids, insulating industrial cryogenic storage vessels and as a potting medium in gardening and horticulture to aid water retention and aeration of the soil. In recent years, especially during the Covid lockdown period, one of the largest areas of growing demand was for large-scale hydroponic farming resultant of the legalisation of cannabis in many US states.

According to the United States Geological Survey ("USGS"), production of raw perlite in the USA was steady in 2022, at around 880,000 tons with a modest 5% rise in demand being met by an increase in imports rather than an increase in domestic production. Demand for perlite for use in horticulture has weakened, as some growers substitute perlite with cheaper wood fibre, and there has been a levelling off in demand from the cannabis growing market post-Covid.

Strategic Report continued

The Role Of Natural Pozzolan In CO₂ Net-Zero Strategies

The development of the Company's natural pozzolan projects are taking place against a background of fundamental change in the cement and concrete industries; a change which is being driven by climate change targets to achieve net zero CO₂ emissions.

After water, concrete is the most used substance on Earth. Whilst 14 billion cubic metres of concrete were poured globally in 2020, this is forecast to increase to 20 billion cubic metres annually by 2050 with continuing global urbanisation and population growth. This activity is currently responsible for 8% of the world's man-made emissions, half of which comes from the burning of fuel and the other half by direct release of CO₂ from burning limestone in the cement clinker stage of production of ordinary Portland cement ("OPC").

Net zero CO₂ targets are therefore a major challenge for the cement and concrete industries but one they must meet. In the US, as elsewhere around the world, these targets are enshrined in State legislation, industry-body commitments and are increasingly driven by cement and concrete customers and specifiers. In addition, one of the Implementation Priorities in US President Biden's November 2021 Executive Order "Implementation of the US\$1.2 trillion Infrastructure Investment and Jobs Act" is "building infrastructure that is resilient and that helps combat the crisis of climate change". This will result in priority being given to greener and more sustainable building materials in contracts awarded under the Infrastructure Bill.

Another significant development which advances the potential of natural pozzolan was the enactment of The Inflation Reduction Act of 2022. This Act includes a US\$5.8 billion package of grants, rebates and loans for decarbonisation of heavy industries like steel and cement. A key element for the transition of large cement companies to a lower carbon footprint is to incorporate SCMs into their cement formulations. The packages introduced by The Inflation Reduction Act of 2022 specifically provide funding for manufacturers that install equipment capable of slashing greenhouse gas emissions.

Southern California is a major target market for the Company's CS Project and California has the largest economy of all the US States. In September 2021, in the first law of its kind in the US, California's Carbon Cap-and-Trade scheme was signed into legislation and directly targets greenhouse gas emissions associated with the cement industry. This Cement Decarbonization legislation is focused on achieving net zero emissions from the industry by the end of 2045. It works by putting a periodically declining limit on carbon emissions for a given entity, allows those entities to trade unused allowances but imposes fines on any entity exceeding its allowance. 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 production of blended cements whereby OPC is diluted with either limestone (1L cement) or natural pozzolan (1P cement) or both in a ternary blend (1T cement) either by inter-grinding with OPC clinker stage or by blending ground limestone or natural pozzolan with ground OPC.

A clear trend is emerging where cement companies are moving towards the production of blended cements in distinct steps, concentrating initially on the production of 1L cement where circa 10% limestone is blended with OPC. This is an easy win for the cement companies as limestone is always available locally as the main source of cement clinker. However, this does not add anything to the durability of concrete as natural pozzolan does.

The next evolutionary step being adopted by the industry is the production of 1T cements where both limestone and an SCM such as natural pozzolan (or fly-ash or blends of fly-ash and natural pozzolan) can be used to dilute OPC by up to 50% and improve the sustainability of concrete made with blended cements.

Due to their high carbon emissions, cement plants have difficulty expanding their OPC production and it is unlikely that any new OPC cement plants will be built in the foreseeable future. The production of blended cements not only provides for more durable and sustainable concrete with lower embodied carbon, but it also allows a cement company to sell more cement per ton of OPC clinker capacity. The production of clinker is often the volume limiting step to cement production.

This is an important consideration particularly as cement companies are currently operating at full clinker capacity. It does, however, require investment in additional grinding capacity.

The Role Of Natural Pozzolan In Sustainable Development

In addition to building greener structures, a key part of sustainability in the concrete industry is the building of more durable structures with longer life.

Whereas "Roman concrete" structures made with natural pozzolan have survived for millennia, some concrete structures from parts of the 20th century made with OPC are susceptible to "concrete cancer". This is due to the reaction of alkalis in OPC with "reactive" silica in concrete aggregates and results in expansion, cracking and spalling of the concrete (Alkali Silica Reaction or "ASR").

As high-quality aggregate supplies for concrete become scarcer, the concrete industry is having to use more reactive aggregates that can severely impact the quality of the resulting concrete.

The use of high quality SCMs such as natural pozzolan will mitigate ASR by tying up and immobilising the alkalis in cement, preventing their reaction with silica in the aggregates. So much so that the use of pozzolans is often mandated by State Departments of Transport for public infrastructure construction work to ensure more sustainable structures.

Sustainability, and ASR mitigation in particular, is therefore a significant factor in choosing the use of natural pozzolan in net zero CO₂ strategies.

Of all the strategies being adopted by the cement and concrete industries, only the use of SCMs can mitigate ASR and so we expect to see natural pozzolan used in conjunction with other CO₂ reduction strategies.

Pozzolan Market Study

During the year the Company released the findings of a market study commissioned by the Company with Cement Distribution Consultants of Amsterdam (“CDC”) to evaluate market opportunities and market growth predictions for cement and the use of SCMs, including natural pozzolan, in the USA, and California and Nevada in particular which are being targeted by the Company with its CS and Hazen natural pozzolan projects in Nevada.

The market study provides the Company with a detailed breakdown of cement markets, county by county in California and for the two main population centres in Nevada (Reno-northern Nevada and Las Vegas-Henderson). It also details the production profiles of all cement producers and ready-mix companies in these two states and details movements of cement within and between different US states.

Moreover, the report is helping the Company to identify a wider range of potential partners for the development of its natural pozzolan projects in Nevada.

Cement Markets

California’s cement production of around 10.7 million tons per annum (“mtpa”) is located almost entirely in southern California. CalPortland Cement (“CPC”, a subsidiary of Japan’s Taiheiyo Cement Corporation) is the largest cement producer in California with an installed capacity of 4.5 mtpa. Cemex is second with 3.1 mtpa and Mitsubishi is the third largest with a capacity of 1.4 mtpa. A fourth cement plant, Tehatchapi, has a capacity of 0.9 mtpa and is owned by Unacem of Peru which operates in the US through Drake Cement. The California plants are believed to be working at high-capacity utilisation.

Only CalPortland’s Redding plant, with a capacity of about 0.6 mtpa, supplies northern California directly following the closure, on environmental grounds, of Heidelberg Cement’s Permanente plant at Cupertino near San José in northern California.

The cement market in Nevada is much smaller than in California. Nevada’s cement consumption in 2022 was 1.7 million tons (“mt”). Of this volume about 0.7 mt is produced in Nevada’s only cement plant at Fernley by Nevada Cement (Eagle Materials) and the rest is supplied from California, Arizona and Utah. Nevada Cement has a rail terminal in Sacramento, supplied from its Fernley cement plant, and it has recently purchased a ship import terminal in Sacramento.

The California cement market is strongly influenced by the overall cement market in the wider Southwest US as the combined states of Nevada, Arizona, Utah, New Mexico and Colorado have a structural cement deficit which is compensated from the cement plants in southern California.

When cement consumption is low in the region, the region is largely self-sufficient with only small inflows from the large cement plants in southern California. These plants then supply a significant part of their production by rail to the northern California market. In these periods (e.g. during and after the 2008 – 2011 financial crisis) there are no cement imports into California.

When cement consumption in the southwest US grows, an overall deficit builds and this is then filled by the cement plants in southern California which direct their output more to the region and reduce the supply (by rail) to northern California. The corresponding shortage in northern California is then resolved by imports from Asia via the ship terminals. The ship terminals are mainly owned by the cement producers. When cement demand in the southwest US grows further the cement plants in southern California direct more cement to the region and when they cannot fully supply the southern California market anymore the local cement terminals in the port of Los Angeles, Long Beach open up. Here, also, the import terminals are owned by the cement producers.

Ready-Mix Companies

Most cement and SCM’s are destined, with sand and gravel aggregates, for the production of concrete in pre-cast concrete structures or for use by the ready-mix industry.

In California and Nevada, the production and sale of concrete is dominated by the major cement producers which are vertically integrated. Nevertheless, there are a significant number of large independent ready-mix companies owned by non-cement producing materials (aggregate) companies, some of which are showing interest in adding natural pozzolan to their mix of products.

Strategic Report continued

Natural Pozzolan

All of the cement producers in southern California have shown interest in natural pozzolan as an SCM and CPC is currently permitting a deposit of natural pozzolan near to their Mohave cement plant in southern California. In northern Nevada, Nevada Cement is producing natural pozzolan from a third-party quarry near Reno.

Production of natural pozzolan is currently taking place at dedicated grinding plants in Utah (Geofortis) and Arizona (Kirkland Mining & Drake Cement) where the market is either internal or with the ready-mix companies and with fly ash suppliers producing blended fly ash/natural pozzolan products.

Market Forecasts

CDC has provided the Company with forecasts to 2030 of consumption and production of cement and the three main volumetrically important SCMs – fly ash, ground granulated blast furnace slag (“GGBS”) and natural pozzolan. This data has been provided independently from the market study commissioned by the Company. The forecasts are detailed and cover every state in the USA. CDC has also provided 2021 figures for comparison which is taken as a baseline year when use of natural pozzolan was in its infancy.

Tables 1, 2 and 3 show the 2030 forecasts and 2021 comparisons for the US as a whole, and for California and Nevada separately.

Considering the US as a whole, Table 1 shows that:

- the consumption of cementitious materials (including ordinary Portland cement) is forecast to increase at an annualised rate of 10% from just over 129 million tonnes to over 154 million tonnes by 2030.
- the production of ordinary Portland cement will reduce, albeit marginally, as no new cement plants will be built and no existing plants will be expanded so cement clinker production will be relatively steady.
- the increased consumption of cement will come entirely from increased use of the main SCMs through the production of blended cements or by blending SCMs and cement at the ready-mix or casting plants or at various cement terminals.
- fly ash production will reduce from over 24.3 mtpa in 2021 to 15.7 mtpa in 2023 but consumption will increase and be met from overseas imports and/or reclamation of historically ponded fly ash.

- US consumption and production of GGBS will increase marginally, constrained by domestic and international availability, and changing iron and steel making technologies.
- **US consumption and production of natural pozzolan will increase from a very low base to nearly 6 mtpa by 2030.**

Whilst looking at the US as a whole is instructive, when those same statistics are considered on a state-by-state basis there are substantial regional differences. These differences arise due to the availability of different SCMs in different states, transport costs and state-to-state infrastructure etc., as well as varying state legislation on mandating SCM use and decarbonisation of the cement industry.

Of primary interest to Sunrise are the target markets in California and Nevada.

Tables 2 and 3 show comparable statistics for California and Nevada respectively for 2021 and 2030. The tables show that:

- production of cement will increase in both states through increased use of SCMs in line with predicted national trends.
- consumption of fly ash will increase only marginally and the production of fly ash in Nevada will cease. This reflects the lack of fly ash production and ponded fly ash in California and Nevada.
- production of natural pozzolan will increase substantially in both states based on known resources of volcanic natural pozzolan which include the Company’s Hazen and CS Projects in Nevada.
- California and Nevada together are expected to produce 62% of all SCMs consumed in the US.

The Company’s natural pozzolan projects are well placed to benefit from these structural changes in the cement and concrete industries and the forecast increase in the market for natural pozzolan.

Table 1. Total US Cement & SCM Consumption 2021 & 2030

		2021	2030
Total Cement + SCM Consumption		129,439,000	154,692,000
	Cement	109,913,000	108,284,000
	SCM (All)	19,526,000	46,408,000
Fly Ash	US Consumption	10,651,000	29,806,000
	US Production	24,338,000	15,710,000
	Imports or Reclaimed from Landfill	500,000	14,096,000
	Surplus (Landfill & Other)	14,187,000	—
Ground Granulated Blast Furnace Slag	US Consumption	8,335,000	10,875,000
	US Production	6,200,000	7,750,000
	US Imports from Overseas	2,135,000	3,125,000
Natural Pozzolan	US Consumption	540,000	5,726,000
	US Production	520,000	5,726,000
	US Imports from Overseas	20,000	—

Table 2. California Cement & SCM Consumption 2021 & 2030

		2021	2030
Total Cement + SCM Consumption		12,649,000	15,116,000
	Cement	10,741,000	10,581,000
	SCM (All)	1,908,000	4,535,000
Fly Ash	State Consumption	965,000	1,255,000
	State Production	—	—
	Imports from Other States (inc. Reclaimed)	803,000	513,000
	Imports from Overseas	162,000	742,000
Ground Granulated Blast Furnace Slag	State Consumption	653,000	852,000
	State Production	—	—
	Imports from Other States	3,000	74,000
	Imports from Overseas	650,000	778,000
Natural Pozzolan	State Consumption	290,000	2,428,000
	State Production	280,000	1,800,000
	Exports to other states	10,000	628,000
	Imports from overseas	20,000	—

Table 3. Nevada Cement & SCM Consumption 2021 & 2030

		2021	2030
Total Cement + SCM Consumption		2,037,000	2,435,000
	Cement	1,730,000	1,704,000
	SCM (All)	307,000	731,000
Fly Ash	State Consumption	267,000	339,000
	State Production	93,000	—
	Imports from Other States (inc. Reclaimed)	174,000	329,000
	Imports from Overseas	—	—
Ground Granulated Blast Furnace Slag	State Consumption	—	—
	State Production	—	—
	Imports from Other States	—	—
	Imports from Overseas	—	—
Natural Pozzolan	State Consumption	40,000	391,000
	State Production	20,000	1,100,000
	Exports to Other States	20,000	709,000
	Imports from Overseas	—	—

Strategic Report continued

HAZEN NATURAL POZZOLAN PROJECT, NEVADA

The Hazen Pozzolan Project is located in Churchill County in Northern Nevada 32km by road from the town of Fernley and 38km by road from the County town of Fallon.

The Company's mining claims were staked in June 2021 to cover a deposit of glassy pumice targeted as a natural pozzolan. Pumice is currently mined elsewhere in the US as natural pozzolan and at Hazen was mined as a lightweight aggregate from a shallow open pit some decades ago.

The Hazen pozzolan deposit is just 9km from a rail siding on the arterial east-west Union Pacific line and is therefore well positioned for rail transport to the regional markets of northern California, points east, as well as the local markets around Reno and northern Nevada. Its location is therefore complementary to the Company's CS Pozzolan-Perlite Project which is targeting different cement and concrete markets in southern California and the expanding adjacent cities of Las Vegas and Henderson in southern Nevada.

Whilst the Hazen Project is less advanced than the CS Project, the Company's laboratory testwork to date has shown that the material present in the pit is of similar high quality to the CS Project pozzolan. It exceeds the specifications of ASTM standard C618 and mitigates the deleterious alkali silica reaction that occurs when concrete is made using reactive aggregates.

The Hazen pumice has the additional property that it is lightweight and so it will also be evaluated for its potential as a lightweight aggregate for use in lightweight concrete blocks and facing stones.

Further work is required to determine the extent of the Hazen deposit although indications are that the pumice extends several hundred meters beyond the limits of the existing open pit.

At the end of 2022, the Company entered into a collaborative arrangement with an existing processor of natural pozzolan for mining and test grinding of a bulk sample of the Company's Hazen natural pozzolan deposit in northern Nevada. At its own cost the processor mined a 250-ton bulk sample of Hazen natural pozzolan and shipped the bulk sample to its process plant to be processed. This bulk sample has not yet been processed due to plant availability and the processor's own priorities.

PIOCHE SEPIOLITE PROJECT, NEVADA

The Pioche Sepiolite Project (the "Pioche Project") is located close to the historic mining town of Pioche in Lincoln County, Nevada. It lies within 4km of US Highway 93, from which it can be accessed by a network of 4WD tracks, and 47km from rail at the town of Caliente, Nevada.

The Pioche Project was originally identified whilst evaluating the area for deposits of natural pozzolan and was acquired by claim staking at low cost. High-grade sepiolite was subsequently identified in outcrop.

What is Sepiolite

Sepiolite is a non-swelling, lightweight, porous clay with outstanding sorption capacity. The largest market globally for sepiolite is for use in lightweight non-clumping pet litters, where it has superior properties compared to other clays used in this application. It is also used extensively in agriculture as a slow-release absorbent and adsorbent carrier for chemicals and pesticides, in animal feeds as a binder and carrier for nutrients and growth promoter. It is also used as a suspending agent in paints, medicines, pharmaceuticals and cosmetics, and in high temperature drilling muds.

Sepiolite is a very uncommon clay and there are very few commercial deposits in the world, and, with one exception, there are no significant sepiolite deposits known in the US, so a large potential market would exist for any new US producer of sepiolite.

The Pioche Project claims are currently under option to Spanish company, Tolsa S.A. ("Tolsa"), the world's largest producer of sepiolite. Tolsa may purchase the Pioche Project for US\$1.4 million and an ongoing payment to Sunrise of a 3% royalty. This option expires on 28 December 2024.

If the option is exercised, SR Minerals Inc. will retain a 3% royalty on all minerals and mineral materials produced and sold from the Pioche Project claims and any further claims acquired by either party in a 2-mile radius of the external boundary of the original claims (the "Mineral Products Royalty"). The Mineral Products Royalty is calculated as gross revenue less sales bonus, commissions, rebates and any other discounts provided to unrelated third parties. The Mineral Products Royalty will be payable from the commencement of commercial production for a period of 25 years and a nominal advance royalty of US\$50,000 per annum will be paid if production is not started for any reason within 5 years from 28 June 2022.

Twenty per cent of all payments, including royalties, will be payable by the Company as a success fee to an unrelated third party, a sepiolite industry specialist, who brokered the agreement with Tolsa.

During the year, Tolsa doubled the claim area for the Pioche Project and completed topographic surveys, trenching and a drilling programme. The drill programme was carried out using an auger drill mounted on a Ford F550 truck and hauled from Tolsa USA, Inc.'s Casper Wyoming mine area.

Twenty drill holes were completed for a total of 929.5 linear ft. Holes were drilled to an average depth of 47ft reflecting the shallow occurrence of sepiolite amenable to open-pit mining. The drill holes were spaced relatively evenly over an area of 2km x 1.1km, where track access allowed and where surface disturbance could be minimised. A helical drill stem was used to extract the samples and sepiolite, and samples were then cut from the materials retained on the auger drill stem on extraction from the ground. Good recovery was achieved.

The drilling, taken together with trenching, has confirmed two main levels of medium-high grade sepiolite clay and 166 samples were taken and shipped to Tolsa's laboratories in Madrid. Based on textures, appearance, colour and lithological differences, 40 samples were selected for testing for their commercial properties.

A large deposit of sepiolite bearing clay has been defined and work is ongoing to define the commercial properties of the Pioche sepiolite and determine the best processing methods and range of commercial products that might be produced at Pioche.

NEWPERL PERLITE PROJECT, NEVADA

The NewPerl Project is located approximately 85km from the CS Project in Nevada, USA, and contains a number of areas where surface samples have shown excellent test results for production of 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 scheduled for 2023 was deferred as a cost saving measure.

Gold, Silver & Base Metal Projects

REESE RIDGE PROJECT, NEVADA

The Reese Ridge Project is located on the south side of the prospective Humboldt Structural Zone, 83km south-southwest of Battle Mountain, Nevada. It also lies adjacent to the Reese River geothermal system which has been, and continues to be, explored for geothermal energy. This exploration has included use of a number of geophysical techniques common to the mineral exploration industry, including ZTEM™.

The Reese Ridge Project has evolved from the Company's Reese River industrial limestone project and was first suggested as an interesting target when prospecting by the Company yielded an unremarkable limestone sample containing a few spots of the lead sulphide mineral galena which was submitted for analysis and returned a value of 15.9% zinc (with 0.3% lead and 17ppm silver). The high zinc content was unexpected, unexplained and given a low priority.

Since then, various Company prospecting campaigns have focused on a broader area containing numerous conspicuous iron-rich gossans of generally limited extent but which attracted the Company's attention, and that of early prospectors, and were found to contain exotic geochemistry and consistently anomalous zinc, lead and silver with values up to 6.8% zinc, 3.3% lead and 51g/t silver. Forty-three samples taken from these gossans and old workings averaged 0.86% zinc.

In May 2023, the original high-grade zinc sample site was revisited and two further samples were collected and analysed with the following results:

- Sample No 52303: 13.6% zinc, 12.8% lead, 146ppm silver.
- Sample No.52304: 29.6% zinc, 0.3% lead, 7ppm silver.

Sample 52303 contained visible galena and so the high lead content was to be expected. However, the very high zinc values in both samples were again a surprise as the samples were otherwise inconspicuous. It is believed that the zinc in these samples is present as secondary zinc oxide, carbonate or silicate minerals. These minerals are difficult to identify in the field in an area where the rocks are significantly altered and do not have the stand-out character of iron rich gossans and are easily overlooked.

Whilst the widespread high visibility iron rich gossans at Reese Ridge are part of the same mineralising system, they were likely a red herring to the early prospectors and to our own earlier follow up sampling campaigns, given that less visually distinctive samples are now confirmed to contain very high zinc levels.

The geological setting and geological features of the target are consistent with a Carbonate Replacement Deposit ("CRD") style of mineralisation. These can be large and high grade. A relevant example is the Hermosa Project in the neighbouring State of Arizona which was acquired by South32 in a US\$1.3 billion takeover and which includes the Taylor Deposit (138 million tonne Mineral Resource with a zinc equivalent grade of 8.61%) now under development.

During the year, the Company sourced the data from a 2010 ZTEM electromagnetic geophysical survey carried out to explore for geothermal energy and commissioned leading Canadian geophysical company, Geotech Ltd ("Geotech"), to carry out further processing and 2D and 3D inversions on the ZTEM data.

Strategic Report continued

3D inversion produces a 3D model that “maps” the conductivity of the earth at and below surface. The newly developed 3D model has confirmed an annular zone of low resistivity (high conductivity) below the surface mineralisation that extends from near surface to a depth of nearly 1,000m. This annular zone surrounds a core of high resistivity which the Company interprets as a granitic intrusion. This would be consistent with a CRD model for mineralisation. In other work at the Reese Ridge Project, the Company has received results from a petrological report on thin section examination of mineralised surface samples. This has indicated that the zinc mineralisation at surface is largely contained in secondary minerals, the result of weathering or alteration, but remnants of zinc sulphide (sphalerite) and lead sulphide (galena) were identified consistent with sulphide mineralisation at depth and a possible source for the low resistivity anomaly. A review of chemical analyses from the surface mineralisation has identified anomalously high levels of the metal gallium in the high-grade zinc samples – up to 68ppm gallium.

Gallium is an essential mineral in the production of semi-conductors and is increasingly used in the production of solar panels. It is also used in high frequency computer chips. It is extracted from some zinc ores and approximately 80% of the world's gallium is produced in China. China has, in the recent past, placed restrictions on the export of gallium and gallium compounds in response to the US's restrictions on the exports of high-end computer chips to China.

The Company is now planning a follow-up exploration programme to include drill testing.

JACKSON WASH GOLD & PERLITE PROJECT, NEVADA

The Jackson Wash Project is located 16km from the NewPerl Project in Nevada and was acquired as a target for horticultural grade perlite. However, the project area is also prospective for gold and silver.

The claims are currently leased to global gold producer Kinross Gold U.S.A., Inc. (“Kinross”) which also holds an option to purchase the claims at any time before 6 October 2030 for US\$500,000 and the grant to Sunrise of a 2.5% Net Smelter Return Royalty.

For Kinross, the Company's Jackson's Wash Project claims form part of a larger project area centred on the historic Montezuma silver, gold and mercury mining centre. This is an active exploration area for Kinross which has recently advised the Company that it is currently planning to increase its exploration activity in the wider project area.

The Company retains the right to mine perlite on its project claims during the lease/option period.

CLAYTON SILVER-GOLD PROJECT, NEVADA

The property lies in the Walker Lane Mineral Belt. It is some 30km southeast of the producing Mineral Ridge Gold Mine and 30km southwest of the major historic mining centre of Goldfield, where a number of large gold-silver deposits are currently under development.

The mineralisation at the Clayton Project was discovered in the 1980s when drilling programmes were conducted by Freeport-McMoRan Gold and Coeur Exploration. Wide intervals of low-grade silver mineralisation were intersected and it was postulated that gold-silver values were under-reporting due to loss of fines from the reverse circulation drilling method.

This historical drilling loss of silver was corroborated by the Company when a twin diamond drill hole delivered an 84% increase in the silver grade compared to an original Freeport hole.

The Clayton Project is available for joint venture although the Company will consider follow up drilling as resources become available. No exploration was conducted at the Clayton Project in the reporting period.

NEWARK GOLD PROJECT, NEVADA

The Newark Gold Project is located at the southern end of the Battle Mountain-Eureka (Cortez) gold trend. It lies 40km south of, and along the same structural zone as, the past-producing Alligator Ridge Mine, 13km southwest of the past producing Illipah Gold Mine and 20km 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 anomalous gold 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 21 million ounces gold at a grade of 6.9 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 partnership for this project. No exploration was conducted at the Newark Project in the reporting period.

BAKER'S GOLD PROJECT

The Baker's Gold Project is located 25km southeast of Meekatharra in the Murchison Goldfield of Western Australia.

Since acquiring the Project, the Company has carried out soil sampling and a preliminary programme of drilling with significant mineralisation being intersected in drill hole 21SBRC002 (2m interval from 64m down hole grading 14.4 g/t gold including 1m grading 26.5 g/t gold).

The Company has applied for a mining lease and a prospecting licence to cover this mineralisation and is working towards the grant of one or other of the licences.

No work was carried out in 2023 and costs incurred in connection with the Baker's Gold Project continue to be impaired pending the rationalisation of the Company's tenement applications.

Royalty Interests

GARFIELD PROJECT, NEVADA

Sunrise Resources retains a 2% Net Smelter Return Royalty at the Garfield Project following its sale to Golden Metal Resources plc ("GMR").

The Garfield Project is located in the prolific Walker Lane Mineral Belt in Nevada, USA, and is an active exploration project for GMR. In September 2023, GMR advised that exploration work "has confirmed the potential for large scale porphyry and skarn type copper mineralised bodies" with copper mineralisation now defined in two zones, named the Power Line Zone and High-Grade Zone, following the completion of a soil geochemical sampling programme.

The Power Line Zone is a northeast-southwest trending copper-in-soil anomaly which extends for over 1,500m in length (remains open towards the southwest), located in the west of the project area. The Power Line Zone connects the original Garfield showing discovered by Sunrise with a previously isolated zone located towards the southwest, where limited historical rock sampling results returned up to 2.6% copper and 0.54g/t gold.

At the High-Grade Zone, a circa 1.5km by 0.8km copper-in-soil anomaly, which remains open towards north, south and east, is located in the southeast of the Project area and approximately 1km southeast of the Power Line Zone. Limited historical rock sampling completed near what is now the western end of the High-Grade Zone returned up to 5.53% copper, which highlights the potential of this large, newly defined copper mineralised system.

GMR reports that it will be conducting priority follow up exploration at Garfield, with focus on the High-Grade Zone.

Sunrise's 2% Net Smelter Royalty interests covers all of the Power Line Zone and the majority of the High Grade Zone.

STONEWALL GOLD PROJECT, NEVADA

Westgold Inc. holds a 2% Net Smelter Return Royalty from GMR in the Stonewall Project, also a key project for GMR.

Stonewall is prospective for epithermal-style gold-silver mineralisation.

JUNCTION PROJECT, NEVADA

Until recently, the Company held a royalty interest in a number of claims sold in 2017 to Canadian company, VR Resources Limited ("VRR"). VRR allowed these claims to lapse during the year after its drilling programmes failed to live up to earlier expectations.

Other 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.

An agreement was reached with the underlying owners of the Bay State Silver Project claims in 2021 to reduce the annual lease payments to a nominal amount for the next three years.

Health and Safety

The Group has maintained strict compliance with its Health and Safety Policy and is pleased to report there have been **no lost time accidents** during the year.

Environment

No Group company has had or been notified of any instance of non-compliance with environmental legislation in any of the countries in which they work.

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
<p>Exploration Risk</p> <p>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.</p>	<p>The directors bring many years of combined mining and exploration experience and an established track record in mineral discovery.</p> <p>The Company maintains a portfolio of exploration projects, including projects at the drill stage, in order to spread the risk associated with mineral exploration.</p>
<p>Resource/Reserve Risk</p> <p>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.</p>	<p>When relevant, 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.</p>
<p>Development and Marketing Risk</p> <p>Delays in permitting, financing, mine commissioning and marketing a project and its products may result in delays to the Group meeting production targets.</p>	<p>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.</p>
<p>Commodity Price Risk</p> <p>Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.</p>	<p>The Company consistently reviews commodity prices and trends for its key projects throughout the development cycle.</p>
<p>Mining and Processing Technical Risk</p> <p>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.</p>	<p>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.</p>
<p>Environmental and Social Governance (ESG) Risk</p> <p>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.</p>	<p>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.</p> <p>The Company has adopted an Environmental, Social and Governance Policy (the "ESG Policy") and avoids the acquisition of projects where liability for legacy environmental issues might fall upon the Company.</p> <p>The ESG Policy will be updated in future to reflect the status of the Company's projects.</p>

RISK	MITIGATION STRATEGIES
<p>Political Risk</p> <p>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.</p>	<p>The Company's strategy restricts its activities to stable, democratic and mining friendly jurisdictions.</p> <p>The Company has adopted a Bribery & Anti-Corruption Policy and a Code of Conduct and these are strictly enforced.</p>
<p>Partner Risk</p> <p>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.</p>	<p>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.</p> <p>For projects where other parties are responsible for critical payments and expenditures the Company's agreements legislate that such payments and expenditures are promptly met.</p>
<p>Financing & Liquidity Risk</p> <p>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.</p>	<p>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.</p>
<p>Financial Instruments</p> <p>Details of risks associated with the Group's Financial Instruments are given in Note 19 to the financial statements on page 55.</p>	<p>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.</p> <p>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 controls.</p> <p>The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.</p>
<p>Exchange Rate Risk</p> <p>The value of the Company's assets held in overseas subsidiaries will vary with exchange rate fluctuations, especially in the US Dollar/Pound Sterling exchange rate.</p> <p>As much of the Company's exploration costs are incurred in US Dollars, the Company's budget costs will be subject to exchange rate variations when actually incurred.</p>	<p>The Company's project expenditures are discretionary and subject to constant review and changing priorities. The Company does not speculate on exchange rates or hedge its foreign currency exposures but will consider doing so once expenditures become more predictable and locked in.</p>

Strategic Report continued

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 26 and the section on Risks and Uncertainties starting on page 16.

The interests of the Company's employees:

Other than the Board, the Company has no employees. It relies on the employees of Tertiary Minerals plc who are engaged through a services agreement, 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) starting on page 27.

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 26.

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 out 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 Environmental, Social and Governance ("ESG") Statement starting on page 25 and in the Corporate Governance Statement (Principle 3) on page 26.

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

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 26. This contains details of various Company policies designed to maintain high standards of business conduct such as the Share Dealing Policy; the ESG Policy; the Health and Safety Policy, the Social Media Policy and the Bribery & Anti-Corruption 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 23 January 2024 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 UK adopted International Accounting Standards. 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 whose securities are traded 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 UK adopted International Accounting Standards, 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 2023.

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 £177,967 (2022: £96,126) these projections include the estimated 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 the directors 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 16 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.

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.

Director	Board Meetings		Nomination Committee		Audit Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
P L Cheetham	15		1		3		2	
R D Murphy	15	15	1	1	3	3	3	3
J Cole	15		1		3		3	

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

Events After The Balance Sheet Date

(i) Capital Restructure

At a General Meeting on 22 November 2023, the shareholders approved the sub-division of the Company's ordinary share capital, whereby each existing Ordinary Share with a nominal value of 0.1p was subdivided into 1 new Ordinary Share of 0.001p and 1 Deferred Share of 0.099p each, and the subsequent buy back and cancellation of the Deferred Shares. The Sub-Division was completed on 23 November 2023. The Deferred Shares had no significant rights attached to them and carried no right to vote or to participate in distribution of surplus assets and were not admitted to trading on the AIM market of the London Stock Exchange plc. The Deferred Shares effectively carried no value and the Buy Back and Cancellation of the Deferred Shares was completed on 29 November 2023. The Buy Back of the Deferred Shares was funded by an issue of 10,000 ordinary shares at a price of 0.07 pence per share made specifically for that purpose.

Directors' Report continued

(ii) Pioche Project

By an agreement dated 27 December 2023, the Company agreed with Tolsa USA, Inc. to extend the term of the Option Agreement to 28 December 2024 in exchange for a payment of a further option fee of US\$100,000 by 15 January 2023 and an increase in the Option Exercise Price from US\$1.25 million to US\$1.4 million.

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 23 January 2024	Number of shares	% of share capital
Interactive Investor Services Nominees Limited SMKTISAS	426,799,948	10.42%
Interactive Investor Services Nominees Limited SMKTNOMS	420,159,497	10.26%
Barclays Direct Investing Nominees Limited CLIENT1	349,014,635	8.52%
Hargreaves Lansdown (Nominees) Limited 15942	334,431,899	8.17%
Smith & Williamson Nominees Limited	292,784,545	7.15%
Hargreaves Lansdown (Nominees) Limited VRA	247,952,429	6.05%
Interactive Investor Services Nominees Limited TDWHSIPP	179,712,466	4.38%
HSDL Nominees Limited	155,189,251	3.79%
Hargreaves Lansdown (Nominees) Limited HLNOM	144,541,872	3.53%
HSDL Nominees Limited MAXI	124,862,685	3.05%

Details of directors' interests in shares and warrants are given in Note 16 to the Financial Statements on page 53.

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 22 February 2024 at 10.00 a.m. is set out on page 58 of this report. Explanatory Notes giving further information about the proposed resolutions are set out on page 59.

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 23 January 2024 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 Experience:

- Founding director
- Mining geologist with more than 40 years' experience in mineral exploration
- More than 35 years in public company management

Appointed: March 2005

Committee Memberships: Chairman of the Nomination Committee

External Commitments: Executive Chairman of Tertiary Minerals plc



Roger Murphy

Senior Non-Executive Director

Key Experience:

- 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.



James Cole

Non-Executive Director

Key Experience:

- 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: Provides independent financial consultancy to a number of companies.



Rod Venables

Company Secretary

Key Experience:

- 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 by the Board on 23 January 2024. The Company has set out on its website and in its Corporate Governance Statement, on pages 26 to 28, the 10 principles of the QCA Code and details of the Company's compliance. The Code was updated post year-end and the 2023 QCA Code is designed to apply to companies whose financial years start on or after 1 April 2024.

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 communities and consequently has adopted an Environmental, Social and Governance ("ESG") Policy to ensure that the Group's activities have minimal environmental and social 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 ESG Policy, have had only minimal environmental and social 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.

The Board has also adopted a Share Dealing Code for dealings in shares of the Company by directors and employees and a Bribery & 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 39 days of average daily purchases (2022: 23 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. 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

Environmental, Social and Governance Statement

Sunrise Resources plc and its subsidiaries (“the Company”) practice responsible exploration as reflected in this Environmental, Social and Governance (“ESG”) policy statement and as demonstrated by our actions. By doing so we reduce project risk, avoid adverse environmental and social impacts, optimising benefits for all stakeholders while adding value to our projects.

Our business associates, consultants and contractors (“Associated Parties”) perform much of our primary activities at our projects and therefore we require that all Associated Parties working on our behalf or for our subsidiaries accept and adhere to the principles set out in this policy. We encourage input from those with local knowledge and we review this policy on a regular basis.

Our ESG policy is guided by the Prospectors & Developers Association of Canada’s (PDAC) Framework for Responsible Exploration (known as e3 Plus) which encourages mineral exploration companies to support and improve social, environmental and health and safety performance across all exploration activities around the world.

Adopting Responsible Governance and Management

The Company is committed to environmentally and socially responsible mineral exploration and has developed and implemented policies and procedures for corporate governance and ethics as set out from page 24. We ensure that all staff and key Associated Parties are familiar with these and have appropriate levels of knowledge of these policies and procedures.

The Company employs persons and engages contractors with the required experience and qualifications relevant to their specific tasks and, where necessary, seeks the advice of specialists to improve the understanding and management of social, environmental, human rights and security, health and safety, and in the application of traditional knowledge.

The Company’s Corporate Governance Statement and Bribery & Anti-Corruption policy and Code of Conduct can be viewed on our website here: <https://www.sunriseresourcesplc.com/corporate-governance>.

Applying Ethical Business Practices

As well as our shareholders and staff, our stakeholders include local communities and local leadership, local, regional and national government and regulatory authorities, suppliers, contractors and consultants, our local business partners and other interested parties. Our corporate culture and policies require honesty, integrity, transparency and accountability in all aspects of our work and when interacting with all stakeholders.

The Company takes all necessary steps to ensure that activities in the field minimise or mitigate any adverse impacts on both the environment and on local communities.

Commitment to Project Due Diligence and Risk Assessment

We make sure we are informed of the laws, regulations, treaties and standards that are applicable with respect to our activities. We ensure that Associated Parties are informed and prepared before going into the field in order to minimise the risk of miscommunication, unnecessary costs and conflict, and to understand the potential for creating opportunities with local communities where possible.

Engaging Host Communities and Other Affected and Interested Parties

Sunrise is committed to engaging 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 develops and fosters the relationships on which our business relies for success.

Respecting Human Rights

The exploration activities of Sunrise are carried out in line with applicable laws on human rights in its home jurisdiction and those of the countries in which it works. The Company does not engage in activities that have adverse human rights impacts.

Protecting the Environment

We are committed to ensuring that environmental standards are met or exceeded in the course of our exploration activities. Applicable laws and local guidelines in all project jurisdictions are followed diligently and exploration programmes are only carried out once relevant permits and approvals have been secured from the appropriate regulatory bodies.

In Nevada, USA, most of our exploration is carried out on Federally owned land administered by the Bureau of Land Management (“BLM”) which requires the submission of financial bonds for reclamation of exploration activities and which holds the Company to account. Provisions are made in the financial statements for reclamation costs in accordance with calculations set by the BLM. When operating on private lands the Company applies the same rigorous standards for reclamation.

In Australia, field exploration activity requires prior approval from the Department of Mines, Industry Regulation and Safety which imposes environmental reclamation obligations on any such approvals.

Where our activities create ground disturbance, we ensure that full rehabilitation is carried out in accordance with regulations and we take care to minimise the impact of our activities on local flora and fauna, choosing less impactful exploration methods where possible.

Corporate Governance continued

Safeguarding the Health and Safety of Workers and the Local Population

Company activities are carried out in accordance with its Health and Safety Policy which adheres to all applicable laws. It ensures that its Associated Parties are made aware of and follow these policies where relevant.

Corporate Governance Statement

The Board of Sunrise Resources plc comprises three members. Nevertheless, there are Audit, Remuneration and Nomination Committees to ensure proper governance in compliance with the QCA Code. 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 16 to 17.

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 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 X, formerly 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. The Board has adopted an Environmental, Social and Governance ("ESG") Policy, which can be found on the Company website and an ESG Statement can be found in this Annual Report on pages 25 to 26. 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 16 to 17, 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.

Further details on the Board's meetings are provided in the Directors' Report on page 21. The Board is supported by the Audit, Remuneration and Nomination Committees, details of which, together with attendance records, can also be found on page 21.

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 2023, Patrick Cheetham dedicated over 46% of his working time to the Company. 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 21.

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 23.

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 formally 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; the overall effectiveness of the Board; and the Committee's own terms of reference.

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 outside the non-executive directors, 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: the Health and Safety Policy; the Environmental, Social and Governance ("ESG") Policy; the Share Dealing Policy; the Bribery & 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.

Corporate Governance continued

The Board recognises that its principal activity, mineral exploration and development, has potential to impact on local environments and communities, and as such an ESG Policy was developed with this in mind and this replaces the previous to ensure that, wherever they take place, the Group's activities have minimal environmental and social 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 ESG Policy have had only minimal environmental and social 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 its external auditor.
- 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 its 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 three times in the last financial year, on 9 December 2022, 31 May 2023 and 9 August 2023. Significant reporting issues considered during the year included the following:

1. Impairments

The Committee has reviewed the carrying values of the Group projects as at 30 September 2023, and recoverability of loans from the Parent Company to subsidiary undertakings and carried out impairment reviews. The project carrying values are assessed against the IFRS 6 criteria set out in Note 1(n) on page 42. Loans to subsidiary undertakings are assessed for impairment under IFRS 9.

As a result of this, it was judged that no projects or intercompany loans should be impaired. Further details are provided on pages 42 and 43.

2. Going Concern

The Committee also considered the Going Concern basis on which the accounts have been prepared (see Note 1(b) on page 40). The directors are satisfied that the Going Concern basis is appropriate for the preparation of the financial statements.

James Cole

Chair – Audit Committee

Remuneration Committee Report

The Remuneration Committee is a sub-committee of the Board and comprises the independent non-executive directors. Roger Murphy is Chair 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 is considered as part of the Committee's review of any Long-Term Incentive Plan.

The Remuneration Committee met three times during the financial year under review, on 7 November 2022, 22 March 2023 and 9 August 2023.

Roger Murphy

Chair – Remuneration Committee

Corporate Governance continued

Nomination Committee Report

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

The primary objective of the Nomination Committee is to lead the formal process of reviewing and making recommendations as to Board appointments and other Board changes and to make appropriate recommendations to the Board.

The Committee is required, amongst other things, to:

- a) Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to Board appointments and any Board 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 and non-executive directors. Performance evaluation should be used to assess whether the executive directors and non-executive directors are spending enough time in fulfilling their duties.
- e) Arrange periodic reviews of the Committee's 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.
- f) Ensure that prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that may result in a conflict of interest.

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 3 May 2023 to review the Terms of Reference for the Committee and to consider their continuing suitability.

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 2023

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 2023, which comprise:

- the Group income statement and statement of comprehensive income for the year ended 30 September 2023;
- the Group and Parent Company statements of financial position as at 30 September 2023;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group and Parent Company statements of cash flows 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 the Parent Company financial statements is applicable law and UK adopted International Accounting Standards.

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 2023 and of the Group's loss for the period then ended;
- the Group's and the Parent Company's financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 as applied to listed companies, 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 include the proceeds of future fundraising necessary within the next 12 months to meet overheads and planned discretionary project expenditure and to maintain the Company and the 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 and the 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 the directors believe that the going concern basis is appropriate for the preparation of the financial statements. 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(n) is critical to this assessment.

Therefore as stated in Note 1(b), a material uncertainty exists that may cast significant doubt on the ability of the Group (and the Company) to continue as a going concern. 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. 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 surrounding the raising of finance and the impact upon our reporting.

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.

Based on our professional judgement, we determined overall materiality for the Group financial statements to be £62,000, representing 2.3% of Group net assets. For the Company's financial statements materiality of £60,000, representing 2.0% of the Company's gross assets. Assets based criteria were considered to be appropriate because there is no external revenue and the objectives of the business model is to build asset values with a view to future realisation.

Independent Auditor's Report continued

to the Members of Sunrise Resources plc for the year ended 30 September 2023

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 £43,000 for the Group and £42,000 for the Company.

We agreed with the Audit Committee to report all identified errors in excess of £3,000 based on 5% of Group 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

All of the Group operations are managed from and accounted for in one central UK location, the Group's registered office. Our audit was conducted from the main operating location and all subsidiaries were within the scope of our audit testing for the purposes of the Group audit.

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
<p>Potential impairment of capitalised exploration and evaluation expenditure</p> <p>Intangible assets (Note 9), comprise</p> <p>Deferred exploration and evaluation project expenditure, the most significant of which are the exploration projects located in USA.</p> <p>Exploration costs may only be capitalised and deferred if they meet the IFRS criteria of an asset and represent valid project costs.</p> <p>A regular assessment is required for 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.</p> <p>Impairment indicators within IFRS 6 need to be met to confirm viability, an objective set of criteria for continued deferral.</p>	<p>In respect of all material exploration and evaluation assets our audit work included:</p> <ul style="list-style-type: none"> ● Substantive testing of expenditure capitalised in the year to ensure that 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; ● Reviewing the 6 monthly Board assessment of projects for indications of impairment and inspecting documentary evidence of the review; ● Challenging the directors' assessment of whether there are any indicators of impairment and discussing any key judgemental areas.

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Potential impairment of investments in subsidiaries and recoverability of loans to subsidiaries in the Company financial statements.</p> <p>The carrying values of investments in and recoverability of loans to subsidiaries, SR Minerals Inc., Westgold Inc. and Sunrise Minerals Australia Pty Ltd (Note 8), are dependent upon the future cash flows associated with the recovery of the exploration and evaluation assets held by the subsidiaries.</p> <p>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.</p>	<ul style="list-style-type: none"> ● Challenging the directors' assessment of whether there are any indicators of impairment. ● Reviewing independent evidence of possible impairment of carrying values by examining the net assets of subsidiaries and recoverability of loans to subsidiaries. ● Obtaining further supporting evidence for recoverability in the form of representations from the Board.

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 strategic report and the directors' 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.

Independent Auditor's Report continued

to the Members of Sunrise Resources plc for the year ended 30 September 2023

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 20, 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 the 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 and, where relevant, specific legal compliance required for exploration activities in territories where the Group operates.

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
23 January 2024

Consolidated Income Statement

for the year ended 30 September 2023

	Notes	2023 £	2022 £
Pre-licence exploration costs		3,753	5,638
Impairment of deferred exploration expenditure		—	194,247
Administration costs		425,419	291,860
Other income	22	(36,881)	(13,474)
Operating loss		(392,291)	(478,271)
Interest receivable		1,000	48
Loss before taxation	3	(391,291)	(478,223)
Tax on loss	7	—	—
Loss for the year attributable to equity holders of the parent		(391,291)	(478,223)
Loss per share – basic and diluted (pence)	6	(0.010)	(0.013)

All amounts relate to continuing activities.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2023

	2023 £	2022 £
Loss for the year	(391,291)	(478,223)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	(215,389)	441,434
Items that will not be reclassified to the income statement:		
Changes in the fair value of equity investments	(7,466)	(22,962)
	(222,855)	418,472
Total comprehensive loss for the year attributable to equity holders of the parent	(614,146)	(59,751)

Consolidated and Company Statements of Financial Position

at 30 September 2023

Company Registration Number: 05363956

	Notes	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Non-current assets					
Intangible assets	9	2,409,311	—	2,503,812	—
Right of use assets	17	5,536	—	11,147	—
Investment in subsidiaries	8	—	2,754,113	—	2,609,413
Other investments	8	11,192	5,625	20,075	11,250
		2,426,039	2,759,738	2,535,034	2,620,663
Current assets					
Receivables	11	145,459	30,369	167,425	49,164
Cash and cash equivalents	12	177,967	160,711	96,126	73,644
		323,426	191,080	263,551	122,808
Current liabilities					
Trade and other payables	13	(108,773)	(95,104)	(104,936)	(90,061)
Lease liabilities	17	(2,644)	—	(2,839)	—
Convertible Loan Note	23	(300,000)	(300,000)	—	—
		(411,417)	(395,104)	(107,775)	(90,061)
Net current (liabilities)/assets		(87,991)	(204,024)	155,776	32,747
Non current liabilities					
Lease liabilities	17	—	—	(2,874)	—
Provisions for liabilities	20	(29,525)	—	(32,079)	—
		(29,525)	—	(34,953)	—
Net assets		2,308,523	2,555,714	2,655,857	2,653,410
Equity					
Called up share capital	14	4,095,052	4,095,052	3,833,559	3,833,559
Share premium account		5,680,316	5,680,316	5,680,316	5,680,316
Share warrant reserve	14	42,815	42,815	40,101	40,101
Fair value reserve		2,674	11,874	10,140	17,500
Foreign currency reserve	14	188,714	1,321	404,103	1,321
Accumulated losses		(7,701,048)	(7,275,664)	(7,312,362)	(6,919,387)
Equity attributable to owners of the parent		2,308,523	2,555,714	2,655,857	2,653,410

The Company reported a loss for the year ended 30 September 2023 of £358,882 (2022: £552,391).

These financial statements were approved and authorised for issue by the Board on 23 January 2024 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 2021	3,701,805	5,675,616	40,164	33,102	(37,331)	(6,835,289)	2,578,067
Loss for the year	—	—	—	—	—	(478,223)	(478,223)
Change in fair value	—	—	—	(22,962)	—	—	(22,962)
Exchange differences	—	—	—	—	441,434	—	441,434
Total comprehensive loss for the year	—	—	—	(22,962)	441,434	(478,223)	(59,751)
Share issue	131,754	4,700	—	—	—	—	136,454
Share-based payments expense	—	—	1,087	—	—	—	1,087
Transfer of expired warrants	—	—	(1,150)	—	—	1,150	—
At 30 September 2022	3,833,559	5,680,316	40,101	10,140	404,103	(7,312,362)	2,655,857
Loss for the year	—	—	—	—	—	(391,291)	(391,291)
Change in fair value	—	—	—	(7,466)	—	—	(7,466)
Exchange differences	—	—	—	—	(215,389)	—	(215,389)
Total comprehensive loss for the year	—	—	—	(7,466)	(215,389)	(391,291)	(614,146)
Share issue	261,493	—	—	—	—	—	261,493
Share-based payments expense	—	—	5,319	—	—	—	5,319
Transfer of expired warrants	—	—	(2,605)	—	—	2,605	—
At 30 September 2023	4,095,052	5,680,316	42,815	2,674	188,714	(7,701,048)	2,308,523

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 2021	3,701,805	5,675,616	40,164	28,662	1,321	(6,368,146)	3,079,422
Loss for the year	—	—	—	—	—	(552,391)	(552,391)
Change in fair value	—	—	—	(11,162)	—	—	(11,162)
Exchange differences	—	—	—	—	—	—	—
Total comprehensive loss for the year	—	—	—	(11,162)	—	(552,391)	(563,553)
Share issue	131,754	4,700	—	—	—	—	136,454
Share-based payments expense	—	—	1,087	—	—	—	1,087
Transfer of expired warrants	—	—	(1,150)	—	—	1,150	—
At 30 September 2022	3,833,559	5,680,316	40,101	17,500	1,321	(6,919,387)	2,653,410
Loss for the year	—	—	—	—	—	(358,882)	(358,882)
Change in fair value	—	—	—	(5,626)	—	—	(5,626)
Exchange differences	—	—	—	—	—	—	—
Total comprehensive loss for the year	—	—	—	(5,626)	—	(358,882)	(364,508)
Share issue	261,493	—	—	—	—	—	261,493
Share-based payments expense	—	—	5,319	—	—	—	5,319
Transfer of expired warrants	—	—	(2,605)	—	—	2,605	—
At 30 September 2023	4,095,052	5,680,316	42,815	11,874	1,321	(7,275,664)	2,555,714

Consolidated and Company Statements of Cash Flows

for the year ended 30 September 2023

	Notes	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Operating activity					
Operating (loss)/profit before interest		(392,291)	(392,050)	(478,271)	(570,441)
Depreciation/interest charge	17, 20	4,944	—	5,595	—
Share-based payment charge		5,319	5,319	1,087	1,087
Shares issued in lieu of net wages		15,520	15,520	31,279	31,279
Fees paid by issues of shares (redemption fees)		42,857	42,857	—	—
Impairment charge – deferred exploration expenditure	9	—	—	194,247	—
Increase/(decrease) in provision for impairment of loans to subsidiaries	8	—	—	—	318,100
(Increase)/decrease in receivables	11	(21,966)	(18,795)	(36,620)	(26,463)
Increase/(decrease) in trade and other payables	13	3,837	5,043	4,075	(9,704)
Net cash outflow from operating activity		(384,637)	(384,963)	(278,608)	(256,142)
Investing activity					
Interest received		1,000	31,892	48	18,003
Cash receipt from disposal of exploration assets		—	—	—	—
Cash receipt from disposal of equity investments	8	—	—	23,263	23,263
Development expenditures	9	(124,761)	—	(137,490)	—
Loans to subsidiaries		—	(144,700)	—	(173,926)
Net cash outflow from investing activity		(123,761)	(112,808)	(114,179)	(132,660)
Financing activity					
Issue of share capital (net of expenses)		118,636	118,636	104,500	104,500
Lease payments	17	(2,623)	—	(2,874)	—
Shares issued via exercise of warrants		—	—	675	675
Convertible loan note		400,000	400,000	—	—
Net cash inflow from financing activity		516,013	518,636	102,301	105,175
Net increase/(decrease) in the year		50,472	63,722	(290,486)	(283,627)
Cash and cash equivalents at start of year		96,801	74,319	371,740	337,817
Exchange differences		30,694	22,670	14,872	19,454
Cash and cash equivalents at 30 September	12	177,967	160,711	96,126	73,644

Notes to the Financial Statements

for the year ended 30 September 2023

Background

Sunrise Resources plc (the "Company") is a public company incorporated and domiciled in England. Its shares are 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 UK adopted International Accounting Standards.

(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 (£177,967), 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 the directors believe that the going concern basis is appropriate for the preparation of the financial statements. 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(n) is critical to this assessment.

(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 the 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 £358,882 (2022: £552,391).

(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. Full impairment reviews were carried out in order to assess the carrying values of each

project as at 31 March 2023 and 30 September 2023. This involved consideration of changes in circumstances and evidence including exploration results, changes in tenure of mineral rights, economic circumstances such as market prices, opportunities for realisation such as sale or joint ventures and viability, comparing anticipated future costs with expected recoverable value. For each project, based upon the relevant considerations, the directors formed a view regarding the recoverability of capitalised expenditure and continued compliance with the IFRS 6 criteria for recognition and deferral.

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.

(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 9, 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,

Notes to the Financial Statements continued

for the year ended 30 September 2023

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) 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.

(l) 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.

(m) Standards, amendments and interpretations not yet effective

At the date of authorisation of these financial statements, there are no amended reporting standards and interpretations 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.

(n) 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 continues to be the Group's lead project with a carrying value of £1,439,893. In the judgement of the directors, this is justified as, following the successful grant of various mining and production permits, discussions with potential customers and partners for the development of the project is ongoing.

At the Hazen Project a bulk sample was extracted during the reporting period and is awaiting customer trials and as work is continuing the project is not impaired.

The Pioche Project is under evaluation by Tolsa S.A. who has carried out drilling and testwork during the reporting period and so no impairment is justified.

The Reese Ridge Project is an early-stage exploration project and drill targets were defined in 2023. As exploration is ongoing the project is not impaired.

Although further exploration at the Bay State Project, Nevada (carrying value £458,259) was budgeted, due to cost saving measures during the reporting period, no evaluation was carried out, however project leases and claims are being maintained. In the judgement of the directors further evaluation and exploration is justified as, despite some drilling issues in prior exploration programmes, 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 the reporting period on the County Line Project, Nevada (carrying value £158,102), in the judgement of the directors further evaluation of the production potential is justified in view of its proximity to the CS Project and project synergies. Additional testwork has been budgeted for and the Company's mining claims have been renewed for a further 12-month period. The project is not impaired.

Positive drilling results have previously been obtained from the Clayton Project, Nevada (carrying value of £134,151) and further exploration has been budgeted, therefore 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 other 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.

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.

Notes to the Financial Statements continued

for the year ended 30 September 2023

2023	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Pre-licence exploration costs	3,753	—	3,753
Share-based payments	—	5,319	5,319
Impairment of deferred exploration expenditure	—	—	—
Other expenses	—	420,100	420,100
Other Income	(36,881)	—	(36,881)
Operating loss	33,128	(425,419)	(392,291)
Interest receivable	—	1,000	1,000
Loss before tax	33,128	(424,419)	(391,291)
Taxation	—	—	—
Loss for the year attributable to equity holders of the parent	33,128	(424,419)	(391,291)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
County Line Diatomite Project, USA	158,102	—	158,102
Bay State Silver Project, USA	458,259	—	458,259
NewPerl Project/Jackson Wash Project, USA	74,708	—	74,708
Ridge Limestone Project, USA	36,682	—	36,682
CS Pozzolan-Perlite Project, USA	1,439,893	—	1,439,893
Clayton Gold Project, USA	134,151	—	134,151
Newark Silver-Gold Project, USA	36,059	—	36,059
Hazen Pozzolan Project, USA	23,586	—	23,586
Pioche Sepiolite, USA	17,287	—	17,287
Reese Ridge Project, USA	30,584	—	30,584
	2,409,311	—	2,409,311
Right of use assets	5,536	—	5,536
Other investments	—	11,192	11,192
	2,414,847	11,192	2,426,039
Current assets			
Receivables	112,606	32,853	145,459
Cash and cash equivalents	—	177,967	177,967
	112,606	210,820	323,426
Current liabilities			
Trade and other payables	(17,104)	(91,669)	(108,773)
Lease liabilities	(2,644)	—	(2,644)
Net current assets	92,858	119,151	212,009
Non-current liabilities			
Reclamation liabilities	(29,525)	—	(29,525)
Lease liabilities	—	—	—
Convertible Loan Note	—	(300,000)	(300,000)
Net assets	2,478,180	(169,657)	2,308,523
Other data			
Deferred exploration additions	124,761	—	124,761
Exchange rate adjustments to deferred exploration costs	(219,262)	—	(219,262)

2022	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Pre-licence exploration costs	5,638	—	5,638
Share-based payments	—	1,087	1,087
Impairment of deferred exploration expenditure	194,247	—	194,247
Other expenses	—	290,773	290,773
Other income	(13,474)	—	(13,474)
Operating loss	(186,411)	(291,860)	(478,271)
Interest receivable	—	48	48
Loss before tax	(186,411)	(291,812)	(478,223)
Taxation	—	—	—
Loss for the year attributable to equity holders of the parent	(186,411)	(291,812)	(478,223)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
County Line Diatomite Project, USA	168,990	—	168,990
Bay State Silver Project, USA	497,398	—	497,398
NewPerl Project/Jackson Wash Project, USA	79,419	—	79,419
Ridge Limestone Project, USA	36,997	—	36,997
CS Pozzolan-Perlite Project, USA	1,505,188	—	1,505,188
Clayton Gold Project, USA	144,187	—	144,187
Newark Silver-Gold Project, USA	38,013	—	38,013
Hazen Pozzolan Project, USA	18,748	—	18,748
Pioche Sepiolite, USA	14,872	—	14,872
	2,503,812	—	2,503,812
Right of use assets	11,147	—	11,147
Other investments	—	20,075	20,075
	2,514,959	20,075	2,535,034
Current assets			
Receivables	110,099	52,835	162,934
Cash and cash equivalents	—	96,126	96,126
	110,099	148,961	259,060
Current liabilities			
Trade and other payables	(16,132)	(84,313)	(100,445)
Lease liabilities	(2,839)	—	(2,839)
Net current assets	91,128	64,648	155,776
Non-current liabilities			
Reclamation liabilities	(32,079)	—	(32,079)
Lease liabilities	(2,874)	—	(2,874)
Net assets	2,571,134	84,723	2,655,857
Other data			
Deferred exploration additions	138,054	—	138,054
Exchange rate adjustments to deferred exploration costs	427,432	—	427,432

Notes to the Financial Statements continued

for the year ended 30 September 2023

3. Loss before income tax

	2023 £	2022 £
The operating loss is stated after charging:		
Fees payable to the Company's auditor for:		
The audit of the Company's annual accounts	18,242	13,421
Other Services:		
Interim review of accounts	1,725	1,200
Corporation tax fees	1,045	998

4. Directors' emoluments

	2023 £	2022 £
Remuneration in respect of directors was as follows:		
P L Cheetham (salary)	21,333	16,000
J Cole (salary)	21,333	16,000
R D Murphy (salary)	21,333	16,000
	63,999	48,000

The above remuneration amounts do not include non-cash share-based payments charged in these financial statements in respect of share warrants issued to the directors amounting to £4,335 (2022: £262) or Employer's National Insurance contributions of £3,589 (2022: £Nil).

The directors are also the key management personnel. If all benefits are taken into account, the total key management personnel compensation would be £71,924 (2022: £48,262).

5. Staff costs

	2023 £	2022 £
Staff costs for the Group and the Company, including directors, were as follows:		
Wages and salaries	64,000	48,000
Social security costs	3,589	—
Pension	—	—
Share-based payments	4,335	262
	71,924	48,262

	2023 Number	2022 Number
The average monthly number of employees employed by the Group and the Company during the year was as follows:		
Directors	3	3
Other Officers	—	—
	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 £118 (2022: £157).

Company secretarial services are provided by Mr R. 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.

	2023	2022
Loss (£)	(391,291)	(478,223)
Weighted average shares in issue (No.)	3,955,796,532	3,734,454,207
Basic and diluted loss per share (pence)	(0.010)	(0.013)

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 (2022: £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% (2022: 19%). The differences are explained below.

	2023 £	2022 £
Tax reconciliation		
Loss before tax	(391,291)	(478,223)
Tax at 19% (2022: 19%)	(74,345)	(90,862)
Pre-trading expenditure not deductible for tax purposes	5,305	17,563
Expenditure not deductible for tax purposes	11,752	268
Unrelieved losses carried forward	(57,288)	(73,031)
Tax charge/credit for year	—	—
Total losses carried forward	(4,448,062)	(4,158,554)

Factors that may affect future tax charges

The Group has total losses carried forward of £4,448,062 (2022: £4,158,554). 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.

Notes to the Financial Statements continued

for the year ended 30 September 2023

8. Investments

Subsidiary undertakings

Company	Country of incorporation/ registration	Date of incorporation/ registration	Type and percentage of shares held at 30 September 2023	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.

	Company 2023 £	Company 2022 £
Investment in subsidiary undertakings		
Value at start of year	2,609,413	2,753,586
Additions	144,700	173,927
Movement in provision	—	(318,100)
At 30 September	2,754,113	2,609,413

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 investments in and loans to subsidiary undertakings totalling £2,754,113 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 2023	Principal activity
VR Resources Ltd	Canada	0.09% of ordinary shares	Mineral exploration
Power Metal Resources plc	United Kingdom	0.04% of ordinary shares	Mineral exploration

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Investment designated at fair value through OCI				
Value at start of year	20,075	11,250	63,503	45,675
Additions	—	—	—	—
Disposals	—	—	(23,263)	(23,263)
Movement in valuation	(7,466)	(5,625)	(20,165)	(11,162)
Movement in foreign exchange	1,417	—	—	—
At 30 September	11,192	5,625	20,075	11,250

The fair value of each investment is equal to the market value of its shares at 30 September 2023, 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

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Deferred exploration expenditure				
Cost				
At start of year	5,426,535	2,203,594	4,861,613	2,203,594
Reclamation	—	—	(564)	—
Additions	124,761	—	138,054	—
Foreign currency exchange adjustments	(219,262)	—	427,432	—
At 30 September	5,332,034	2,203,594	5,426,535	2,203,594
Impairment				
At start of year	(2,922,723)	(2,203,594)	(2,728,476)	(2,203,594)
Impairment losses during the year	—	—	(194,247)	—
At 30 September	(2,922,723)	(2,203,594)	(2,922,723)	(2,203,594)
Net book value				
At 30 September	2,409,311	—	2,503,812	—
At start of year	2,503,812	—	2,133,137	—

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 a related undertaking, Tertiary Minerals plc, under a Management Services Agreement between the two companies.

Notes to the Financial Statements continued

for the year ended 30 September 2023

11. Receivables

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Prepayments	18,528	16,203	41,052	37,506
Other receivables	126,931	14,166	126,373	11,658
At 30 September	145,459	30,369	167,425	49,164

12. Cash and cash equivalents

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Cash at bank and in hand				
At 30 September	177,967	160,711	96,126	73,644

13. Trade and other payables

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Amounts owed to related undertaking – Tertiary Minerals plc	50,749	50,749	46,233	46,233
Trade creditors	10,095	8,993	10,450	9,057
Accruals	31,734	23,265	19,762	10,771
Deferred income	4,098	—	4,491	—
Other payables	10,916	10,916	20,116	20,116
Other taxation and social security	1,181	1,181	3,884	3,884
At 30 September	108,773	95,104	104,936	90,061

14. Share capital and reserves

	2023 Number	2023 £	2022 Number	2022 £
Share capital – Allotted, called up and fully paid				
Ordinary shares of 0.1p each				
Balance at start of year	3,833,559,087	3,833,559	3,701,804,687	3,701,805
Shares issued in the year	261,492,943	261,493	131,754,400	131,754
Balance at 30 September	4,095,052,030	4,095,052	3,833,559,087	3,833,559

During the year to 30 September 2023, the following share issues took place:

An issue of 80,000,000 0.1p ordinary shares at 0.1p per share to Towards Net Zero, LLC (“TNZ”) by way of a share placing in relation to the First Closing of a Convertible Securities Issuance Deed (29 November 2022), for a total consideration of £80,000.

An issue of 20,116,000 0.1p ordinary shares at 0.1p per share to three directors, for a total consideration of £20,116 in satisfaction of directors’ fees (16 January 2023).

An issue of 35,714,286 0.1p Ordinary Shares at 0.1p per share, by exercise of conversion rights (TNZ convertible loan note), for a total consideration of £35,714 before expenses (6 April 2023).

An issue of 15,519,800 0.1p ordinary shares at 0.1p per share to three directors, for a total consideration of £15,520 in satisfaction of directors’ fees (8 June 2023).

An issue of 3,000,000 0.1p ordinary shares at 0.1p per share in settlement of a portion of outstanding net fees to Mining and Metals Research Corporation, for a total consideration of £3,000 (8 June 2023).

An issue of 35,714,286 0.1p Ordinary Shares at 0.1p per share, by exercise of conversion rights (TNZ convertible loan note), for a total consideration of £35,714 before expenses (4 July 2023).

An issue of 71,428,571 0.1p Ordinary Shares at 0.1p per share, by exercise of conversion rights and the issue of fee shares in connection with the Deed (TNZ second convertible loan note), for a total consideration of £71,429 before expenses (11 August 2023).

During the year to 30 September 2022 a total of 131,754,400 0.1p ordinary shares were issued, at an average price of 0.34p per share, for a total consideration of £136,455 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.

Share premium reserve

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Fair value reserve

Fair value reserve represents the cumulative fair value changes of available-for-sale equity investment assets.

15. Share warrants granted

Warrants not exercised or expired at 30 September 2023

Issue date	Exercise price	Number	Exercisable	Expiry dates
21/02/19	0.160p	4,000,000	Any time from 21/02/20	21/02/24
21/02/19	0.110p	4,000,000	Any time from 21/02/20	21/02/24
06/08/20	0.195p	35,000,000	*Any time from 05/08/21	05/08/25
05/08/22	0.113p	8,000,000	Any time from 05/08/23	05/08/27
24/03/23	0.150p	25,000,000	**Any time from 31/12/23	24/03/28
09/08/23	0.100p	9,000,000	Any time from 09/08/24	09/08/28
Total		85,000,000		

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

** These 25,000,000 warrants did not meet their vesting criteria and expired on 31 December 2023.

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.

Notes to the Financial Statements continued

for the year ended 30 September 2023

Share warrant movements:

	2023		2022	
	Number of share warrants	Weighted average exercise price (Pence)	Number of share warrants	Weighted average exercise price (Pence)
Outstanding at start of year	168,750,000	0.19	49,500,000	0.18
Granted during the year	34,000,000	0.14	122,500,000	0.19
Forfeited during the year	—	—	—	—
Exercised during the year	—	—	(500,000)	0.135
Expired during the year	(117,750,000)	0.20	(2,750,000)	0.135
Outstanding at end of year	85,000,000	0.16	168,750,000	0.19
Exercisable at end of year	51,000,000	0.17	160,750,000	0.19

The share warrants outstanding at 30 September 2023 had a weighted average exercise price of 0.16p (2022: 0.19p), a weighted average fair value of 0.05p (2022: 0.02p) and a weighted average remaining contractual life of 2.97 years.

In the year ended 30 September 2022, warrants were granted on 18 July 2022 as part of fundraise and to Peterhouse Capital Limited as settlement of broker commission and broker quarterly fee with an aggregate estimated fair value of £667.

In the year ended 30 September 2022, warrants were granted on 5 August 2022 to non-executive directors of the Company and employees of Tertiary Minerals plc with an aggregate estimated fair value of £2,735. Note 5 explains the value recognised in the reporting period in respect of Tertiary Minerals plc.

In the year ended 30 September 2023, warrants were granted on 24 March 2023 and 9 August 2023 to the Executive Chairman, the non-executive directors of the Company and employees of Tertiary Minerals plc with an aggregate estimated fair value of £3,005. Note 5 explains the value recognised in the reporting period in respect of Tertiary Minerals plc.

In the year to 30 September 2023, the Company recognised expenses of £5,319 (2022: £1,087) 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.

<i>The inputs into the Black-Scholes-Merton Pricing Model were as follows:</i>	2023	2022
Weighted average share price	0.09p	0.11p
Weighted average exercise price	0.14p	0.19p
Expected volatility	50%	60%
Expected life	4.74	0.75
Risk-free rate	0.04%	0.02%
Expected dividend yield	0%	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.

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 2023				At 30 September 2022	
	Shares number	Share warrants number	Warrant exercise price	Warrant expiry date	Shares number	Share warrants number
P L Cheetham*	255,785,016	30,000,000	0.195p	05/08/25	247,532,996	30,000,000
		†25,000,000	0.150p	24/03/28		
J Cole	20,555,653	2,500,000	0.113p	05/08/27	6,863,763	2,500,000
		2,500,000	0.100p	09/08/28		
R D Murphy	78,785,677	2,000,000	0.160p	21/02/24	65,093,787	6,500,000
		2,000,000	0.195p	05/08/25		
		2,500,000	0.113p	05/08/27		
		2,500,000	0.100p	09/08/28		

* Includes 5,500,000 shares held by K E Cheetham, wife of P L Cheetham

† These 25,000,000 warrants did not meet their vesting criteria and expired on 31 December 2023.

Tertiary Minerals plc

Sunrise Resources plc is treated as an investment in the consolidated accounts of Tertiary Minerals plc, which held 0.12% of the issued share capital of Sunrise Resources plc on 30 September 2023 (2022: 0.57%).

Tertiary Minerals plc provides management services to Sunrise Resources plc and consequently during the year the Group incurred costs of £167,558 (2022: £171,052).

At the balance sheet date, an amount of £50,749 (2022: £46,232) was due to Tertiary Minerals plc, included in trade and other payables (Note 13).

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

Notes to the Financial Statements continued

for the year ended 30 September 2023

17. Leases

	Group 2023 £	Group 2022 £	
Right of use assets			
Cost			
At start of year	25,399	21,010	
Additions	—	—	
Disposals	—	—	
Foreign currency exchange adjustments	(2,224)	4,389	
At 30 September	23,175	25,399	
Depreciation			
At start of year	(14,252)	(7,587)	
Charge for the year	(4,635)	(5,080)	
Disposals	—	—	
Foreign currency exchange adjustments	1,248	(1,585)	
At 30 September	(17,639)	(14,252)	
Carrying amounts			
At 30 September	5,536	11,147	
At start of year	11,147	13,423	
Lease liabilities			
Cost			
At start of year	5,713	7,015	
Additions	—	—	
Lease payments	(2,623)	(2,874)	
Interest charge	54	106	
Foreign currency exchange adjustments	(500)	1,466	
At 30 September	2,644	5,713	
	Minimum lease payments £	Interest £	Present value £
No later than one year	2,644	—	2,644
Later than one year and no later than 5 years	—	—	—
Later than five years	—	—	—
Total lease liabilities			2,644
Current liabilities			2,644
Non-current liabilities			—

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 £4,689. This lease expires on 5 December 2024 but may be renewed with consent from the Lessor.

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 2023, 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 2023, as defined in IFRS 9, are as follows:

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Financial assets at amortised cost	304,898	174,877	245,433	108,238
Financial assets at fair value through other comprehensive income	11,192	5,625	20,075	11,250
Financial Liabilities at amortised cost	435,663	393,923	118,728	66,061

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 may have a material effect on reported loss or equity.

Notes to the Financial Statements continued

for the year ended 30 September 2023

	Group 2023	Company 2023	Group 2022	Company 2022
	£	£	£	£
Bank balances were held in the following denominations:				
United Kingdom Sterling	158,988	158,988	49,959	49,959
Australian Dollar	4,302	635	8,588	4,381
United States Dollar	14,599	1,010	37,501	19,226
Other	78	78	78	78

Interest rate risk

The Company finances operations through equity fundraising. The Company currently has borrowings in the form of convertible securities in respect of which fees are payable on conversion where the market price of the Company's ordinary shares is less than the par value.

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 liabilities

Group	2023	2022
	£	£
Reclamation Liability		
At start of year	32,079	26,665
Additions	—	2,915
Reduction/reversal	—	(3,479)
Interest	255	409
Exchange adjustments	(2,809)	5,569
At 30 September	29,525	32,079

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.

Reclamation liabilities are covered by reclamation bonds and reclamation takes place when exploration on a particular project or project area terminates or when the Company seeks repayment of a particular reclamation bond. Estimates of reclamation liability are made using regularly updated government exploration cost estimation software and the risk associated with such estimates is judged by the directors to be low.

21. Contingent assets

The Company has the following contingent assets:

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

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

22. Other income

Lease Option agreement with Kinross

In October 2021, the Company entered into a lease/option agreement with Kinross Gold U.S.A., Inc. ("Kinross") 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, a lease payment was made to the Company of US\$5,000 in October 2023. If the option is exercised, the Company will retain a 2.5% Net Smelter Return Royalty.

Sale Option agreement with Tolsa

In June 2022, the Company granted Tolsa USA, Inc. ("Tolsa") an option to purchase the Pioche Sepiolite Project. This option was extended in December 2022 and Tolsa paid a US\$50,000 extension fee to the Company.

23. Convertible Loan note

On 29 November 2022, the Company raised £280,000 through a share placing of 80,000,000 new ordinary shares and the issue of a £200,000 convertible security (the "First Convertible Security"). The agreement, with US institutional investor Towards Net Zero LLC ("TNZ"), allowed the Company to issue a further convertible security within 6 months of the Closing Date, 6 December 2022, to raise a further £200,000 subject to certain conditions precedent.

On 5 June 2023, the conditions precedent were met, and the Company issued a further £200,000 convertible security (the "Second Convertible Security").

The convertible securities balance at 30 September 2023 totalled £300,000 having been reduced by £100,000 as follows:

- a) On 6 April 2023, the Company announced that it had received a Conversion Notice from TNZ in respect of £25,000 of the First Convertible Security. As a result, the Company issued a total of 35,714,286 new ordinary shares at a price of 0.1 pence per share. This included 10,714,286 Fee Shares and 25,000,000 Conversion Shares.
- b) On 4 July 2023, the Company announced that it had received a further Conversion Notice from TNZ in respect of £25,000 of the First Convertible Security. As a result, the Company issued a total of 35,714,286 new ordinary shares at a price of 0.1 pence per share. This included 10,714,286 Fee Shares and 25,000,000 Conversion Shares.
- c) On 11 August 2023, the Company announced that it had received a further Conversion Notice from TNZ in respect of £50,000 of the Second Convertible Security. As a result, the Company issued a total of 71,428,571 new ordinary shares at a price of 0.1 pence per share. This included 21,428,571 Fee Shares and 50,000,000 Conversion Shares.

The convertible securities are free of interest.

24. Events after the year-end

Capital Restructure

At a General Meeting on 22 November 2023, the shareholders approved the sub-division of the Company's ordinary share capital, whereby each existing Ordinary Share with a nominal value of 0.1p was subdivided into 1 new Ordinary Share of 0.001p and 1 Deferred Share of 0.099p each, and the subsequent buy back and cancellation of the Deferred Shares. The Sub-Division was completed on 23 November 2023. The Deferred Shares had no significant rights attached to them and carried no right to vote or to participate in distribution of surplus assets and were not admitted to trading on the AIM market of the London Stock Exchange plc. The Deferred Shares effectively carried no value and the Buy Back and Cancellation of the Deferred Shares was completed on 29 November 2023 and was funded by an issue of 10,000 ordinary shares at 0.07 pence made for that specific purpose.

Pioche Project

By an agreement dated 27 December 2023, the Company agreed with Tolsa USA, Inc. to extend the term of the Option Agreement to 28 December 2024 in exchange for a payment of a further option fee of US\$100,000 by 15 January 2024 and an increase in the Option Exercise Price from US\$1.25 million to US\$1.4 million.

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 22 February 2024 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 2023.
2. To re-elect Mr P L Cheetham who is retiring under the Articles of Association as a director of the Company.
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 £15,000 (consisting of 1,500,000,000 ordinary shares of 0.001 pence 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 £15,000 (consisting of 1,500,000,000 ordinary shares of 0.001 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. Please refer to the Proxy Notes and Instructions on page 60.

By order of the Board.

R G Venables
Company Secretary
23 January 2024

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

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 22 February 2024 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 recommends 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 2023 which can be found on pages 5 to 57.

Resolution 2

Mr P L Cheetham will be retiring as a director of the Company in accordance with the Articles of Association. Mr Cheetham offers himself for re-election and the Board recommend that he be re-elected.

Mr Cheetham's biographical details can be found on page 23.

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 17 February 2023, 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 2025.

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 for cash 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 forthcoming 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 2025.

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 20 February 2024**. 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 22 February 2024** 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 either:
 - by logging on to www.signalshares.com and following the instructions to appoint one or more proxies and direct your votes.
 - via the LinkVote+ app (please refer to the notes below).
 - by hard copy Form of Proxy. You may request a hard copy Form of Proxy directly from the Registrars, Link Group, via email at shareholderenquiries@linkgroup.co.uk or 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.
 - if you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform (please refer to the notes below).
 - by attending the meeting and voting in person.

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, PSX 1, Central Square, 29 Wellington Street, Leeds LS1 4DL by **10.00 a.m. on Tuesday 20 February 2024**.

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. LinkVote+ is a free app for smartphone and tablet provided by Link Group (the Company's registrar). It offers shareholders the option to submit a proxy appointment quickly and easily online, as well as real-time access to their shareholding records. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.



9. 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). 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.
10. 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 & International 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 20 February 2024**. 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.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International 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.
12. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by **10.00 a.m. on Tuesday 20 February 2024** in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
13. 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.
14. 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

Sunrise Resources plc (AIM – EPIC: SRES)

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