SUNRISE RESOURCES PLC

Annual Report for the year ended
30 September 2011

Exploration
Development



Gold
Barite
Diamonds
Nickel-copper-PGM

Welcome to
Sunrise Resources plc

Sunrise Resources plc is a British-led diversified mineral exploration and development specialist.

→ **Above:** Underground sampling, Derriginagh Barite

→ **Above:** Diamond Drilling, Long Lake

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

The Company is evaluating a production opportunity for white barite in south-west Ireland and has an exploration portfolio including gold and base-metal exploration interests in Canada and diamond exploration interests in Finland and Western Australia.

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

For further information:
www.sunriseresourcesplc.com

Canada

Drilling in 2011 focused on the Long Lake Gold Mine; past production of 57,000 ounces of gold at a recovered grade of 11 g/t gold.

Interest: Option for 100%, Gold, Cu-Ni-PGM.

Ireland

Targeting production of high grade white barite as industrial filler at abandoned Derryginagh mine. Drilling and metallurgical testwork in progress.

Interest: 100%, Barite (Barium Sulphate)

Finland

Diamondiferous kimberlites require bulk sampling; multiple kimberlite targets to be tested.

Interest: 100%, Diamonds

Australia

Evaluating diamondiferous kimberlite dykes and kimberlite targets in Cue area of Western Australia A priority target for 2012.

Interest: 100%, Diamonds (+Cu-Ni-PGM)

Contents

Chairman's Statement	02
Operating Review	04
Financial and Risk Review	10
Board of Directors	12
Directors' Report	13
Corporate Governance	15
Independent Auditor's Report to the Members of Sunrise Resources plc	17
Consolidated Income Statement	18
Consolidated Statement of Comprehensive Income	18
Consolidated and Company Statement of Financial Position	19
Consolidated and Company Statement of Changes in Equity	20
Consolidated and Company Statement of Cash Flows	21
Notes to the Financial Statements	22
Notice of Annual General Meeting	36
Explanatory Notes to the Notice of Annual General Meeting	37
Proxy Form Notes and Instructions	38
Form of Proxy	39
Company Information	IBC

Our Performance

Chairman's Statement

Patrick Cheetham

Patrick Cheetham Executive Chairman

Highlights

- Exploration in 2011 focused on gold at Long Lake in Canada and white barite at Derryginagh in Ireland.
- Drilling and metallurgical testwork in progress at Derrryginagh to evaluate resource potential.
- Objective is to develop a profitable mining operation at Derryginagh to support wider exploration efforts.
- White barite prices up circa 20% during the period under review as traditional Chinese supply continues to contract.
- Diversified portfolio spreads risk – work to accelerate at Australian diamond project in 2012.

"I am pleased to report on the Company's progress for the year ended 30 September 2011, the first full year following our strategic project acquisitions in 2010 which resulted in a change of name to Sunrise Resources plc and a diversification of the Company's commodity interests into gold, base-metals and industrial minerals in Canada and Ireland."

Long Lake Project, Canada

During the year we extended our option agreement over the Long Lake gold mine, near Sudbury in Ontario, Canada. We also reported on two separate drilling programmes seeking extensions of the previously mined deposit which produced some 57,000 ounces of gold from high grade-ore during the first half of the 20th Century.

The first drill programme returned strong gold intersections and high expectations for the follow up drilling programme which, unfortunately, were not fully realised. Overall, the drilling suggests that the extent of near surface mineralisation is limited but we consider that the down dip continuation of the mineralised pipe remains a valid target. Further structural interpretation is required to better define this target as, so far, our drilling has found only minor gold mineralisation at depth.

A number of additional gold targets were tested during the year and extensive sampling was carried out on archived drill core from the E1 prospect, 350m south of the Long Lake gold mine. This sampling confirmed a number of high grade gold intersections at E1 but did not demonstrate the continuity of high grade mineralisation that had been suggested by earlier geophysical work.

Whilst gold has been the Company's prime target at Long Lake, Sudbury is the most productive nickel mining camp in the world having produced over 25% of the world's total nickel since 1883. The eastern half of the Long Lake claims covers a potential 10km long extension to the Copper Cliff offset dyke system which, further north, is host to a number of world-class copper-nickel-platinum group metal deposits and past and producing mines. Only one nickel target has been drill tested on this part of the claim block and further work is justified.

Derryginagh Barite Project, Ireland

In south-west Ireland the Company is targeting the production of white barite for use as industrial filler in paint and plastics.

There is a substantial market for white barite in Europe which has traditionally been supplied from China. However, the easily worked Chinese deposits are becoming exhausted and remaining reserves are being reserved for a growing domestic market. Sources of white barite are limited outside of China and so the Board believes that the Derryginagh deposit will be well positioned if a viable project can be demonstrated.

An important first milestone for the project, therefore, has been the completion in May 2011 of a positive concept study suggesting that a profitable underground mining operation could be developed at Derryginagh for an output of at least 50,000 tonnes per year of barite. This was based on initial estimates of mining and processing capital and operating costs and using published barite sales prices which have since risen by about 20%.

Following this study our programme of metallurgical testwork has continued with the objective to define a low cost gravity separation process for production of high-grade barite and a drilling programme is in progress to evaluate the resource potential of the barite vein.

A preliminary feasibility study is now warranted and will include further drilling and resource estimation.

Diamond Exploration in Australia & Finland

The Company's diamond projects have had a lower priority for expenditure in 2011 and the projects in Finland are on hold for the time being. The Cue exploration licence in Australia was granted during the year and work is budgeted for this project in 2012.

Annual General Meeting

At the AGM on 24 February 2012 shareholders will be asked to renew the usual share issue authorities which, to date, have not been used since their last renewal. I hope you will once again support the Board in putting these in place.

Financials

The audited financial statements for 2011 have been prepared in full compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Group reported a loss of £540,158 for the year (2010: £214,830).

In Conclusion

It has been a challenging period for shareholders in 2010/11 as investor interest initially focused on the Long Lake project was adversely affected when the second round of drilling did not meet market expectations. This was accompanied by a wider and sharp decline in investor interest in junior mining stocks during 2011 as the Sovereign Debt Crisis continued to build.

In this environment the positive project and market developments at Derryginagh have not received the market attention I would like but I am nevertheless encouraged by results to date and in 2012 we expect feasibility studies to commence at Derryginagh and also for work to start at our exciting diamond prospect in Australia.

The Company will also continue to seek additional project opportunities, especially where there is a commodity of geographical match to our existing activities. The Board believes that, at this stage in its development, a diversified portfolio spreads risk and we look forward to keeping shareholders informed of new developments.

Patrick Cheetham
Executive Chairman
14 December 2011

Our Performance

Operating Review

Key Project Interests

Long Lake, Canada

"Since 1883 the Sudbury mining field has accounted for over 25% of the world's total nickel production and new discoveries continue to be made.

The claims include a potential 10km extension to the producing Copper Cliff offset dyke system which to the north of the Company's property hosts the producing Copper Cliff South Mine and the Copper Cliff North Mine."

→ For more details on our Long Lake project see www.sunriseresourcesplc.com

"The Long Lake gold mine in the southwest corner of the claim block produced 57,000 ounces of gold from over 200,000 tonnes of ore mined."

Long Lake Project, Canada (Gold & Nickel-Copper-Platinum Group Metals)

The Company holds a three year option expiring 5 May 2013 to acquire the Long Lake claim group located to the south-west of Sudbury where the Company is exploring for gold and nickel-copper-platinum group elements ("PGMs").

Since 1883 the Sudbury mining field has accounted for over 25% of the world's total nickel production and new discoveries continue to be made. It is the most productive nickel-mining field in the world with over 1.7 billion tonnes of past production, reserves and resources.

The claims include a potential 10km extension to the producing Copper Cliff offset dyke system, a rock sequence which, to the north of the Company's property, hosts the producing Copper Cliffs South mine and the Copper Cliff North mine which together have yielded over 200 million tonnes of ore to date.

The Long Lake gold mine in the southwest corner of the claim block produced 57,000 ounces of gold from over 200,000 tonnes of ore mined in the periods 1910-1916 and 1932-1939. A further gold prospect, the E1 prospect, was discovered by drilling in the 1970s some 300m south of the mine.

Long Lake Gold Mine

At Long Lake gold was mined from a 50m diameter glory-hole developed on a plunging pipe-like zone of disseminated gold and strongly sulphide mineralised sedimentary rock down to a depth of just 55m from surface. This gold mineralised pipe sits in the hanging wall of the northeast trending Wallingford fault which is believed to cut and displace the pipe at depth. Nearer the surface, gold was historically mined to an economic grade cut-off rather than any defined structural boundary.

The Company has completed two phases of exploration at Long Lake, both involving geophysics and drilling. Ten drill holes have tested for near-surface extensions to mineralisation northeast and southwest of the pit and for depth extensions beneath the Wallingford fault.

The best result was obtained from 10LD003, a vertical hole drilled some 15m to the southwest of the boundary of the open pit. This returned a drill intersection of 35.4m grading 2.0 grammes/tonne (g/t) gold, including 17.0m grading 2.9g/t gold and 2.3m grading 16.1g/t gold, all from 27.04m down hole. However, a deeper follow up hole did not encounter significant mineralisation.

→ **Above:** Core Storage Facility, Long Lake.

→ **Above:** Diamond drilling, Long Lake 2011.

Significant results were also obtained in hole 10LD001 located approximately 8m from the northeast boundary of the pit (on the opposite side of the pit from hole 10LD003). This hole intersected 4.6m grading 2.0g/t from 7.9m down hole but, again, a deeper follow-up hole was unsuccessful.

A prime exploration target for exploration has been the continuation of gold mineralisation below the deepest exploratory mine workings (the 4th level at 100m vertical depth from surface) where the Company's 3D modelling of historical mine workings and old drill data suggested that mineralisation continued at depth in a number of 1930s drill holes (e.g. reported intersections of 6m grading 13.8g/t gold and 1.5m grading 30.2g/t gold).

Four holes tested this deeper area and whilst all intersected mineralised mine series quartzite the gold assays were much lower than expected with a best result, in hole10LD004, of 1.4m grading 1.9g/t gold from 121.9m down hole.

Two drill holes were drilled 45m and 260m to the southwest of the open pit targeting geophysical anomalies along the Wallingford fault. No significant gold mineralisation was encountered.

Geophysical Targets – A22 & A23

Targets A22 and A23, located 500m and 900m north-east of the mine respectively, were identified as gold or nickel-copper-PGM targets during an airborne geophysical survey carried out by a previous operator, Pegasus Metals Ltd. Both were drill tested in the Company's first programme by holes 10LD005 and 10LD006 and both holes intersected minor pyrite and chalcopyrite (iron and copper-sulphide). The concentration of sulphide mineralisation in hole 10LD006 was judged insufficient to explain the magnitude of Anomaly 23 and so further geophysics and drill testing was carried out in the second drill programme. No significant mineralisation was encountered but a water filled fracture system was intersected and this provides an explanation for the anomaly.

Geophysical Target A19

The Company's field follow up of geophysical target A19, also identified by Pegasus, showed that it was located close to or within an outcrop of Sudbury breccia, a major host for nickel-copper-PGM mineralisation in the Sudbury area. Petrological evaluation of the breccia suggested it was characteristic of the "hot" breccias closely associated with mineralisation in the region. The breccia was tested with one shallow drill hole. A 73m thickness of breccia was encountered and is currently being evaluated.

Our Performance

Operating Review continued

Key Project Interests

E1 Prospect

In the 1970s and 80s exploration in the Long Lake area concentrated on an area some 350m south of the mine at a prospect named "E1" after the original 1970s discovery drill hole which is reported to have intersected 5.7m from 138m grading 30.1 g/t gold. A number of further high grade gold intersections were reported but the directional control and continuity of mineralisation proved difficult to establish.

In order to further evaluate the E1 prospect, in 2011 the Company carried out geophysical profiling in 6 holes at the E1 prospect identifying anomalous responses in all holes with good correlation of anomalies and gold mineralised zones. Anomalies were also identified down hole in positions where no historical assay results are available.

It was considered that the historical difficulties in projecting mineralisation may in part reflect incomplete sampling and assaying of the historic drill core. The Company therefore relocated the drill core and, where possible, the core was conserved, re-sampled and re-assayed.

This re-sampling confirmed high-grade gold mineralisation in the discovery hole E1 with a result of 5.7m grading 27.5 g/t gold from a depth of 138.3m down-hole. Other high-grade sample intervals included 4.1m grading 14.8g/t gold from 184.8m in hole number 87-9. Despite these high grade results the core re-sampling programme did not identify any previously un-sampled gold bearing zones and establishing continuity between drill holes remains problematic.

Along strike from the E1 prospect four new drill holes tested prospecting targets and geophysical anomalies located at wide spacing over a 900m section of the E1 quartzite sequence but no significant results were returned.

It is clear from the drilling and other work carried out, that gold mineralisation at Long Lake, although high-grade, has restricted lateral continuity near surface. Furthermore, whilst drilling to find the depth extension of the mined ore has offered encouragement, the structural complexities in the mine area have made this a difficult target.

The Company is undertaking a further review of current and historical data with an emphasis on structural interpretation to define additional targets for gold mineralisation at the mine site and at the E1 prospect.

With the exception of the single drill hole at Anomaly 19 the Company's attention has so far focused on the gold potential of the western half of the Long Lake claim block but will be broadened eastward in future to evaluate nickel-copper-PGM targets over projected extensions to the Copper Cliff dyke system where, to the north in Sudbury, a number of world class nickel-copper-PGM mines are still producing.

The Company is required to make a further option payment of Canadian $117,500 to extend the option beyond 4 May 2012.

→ **Below:** Long Lake Gold Mine 1911.

Derryginagh, Ireland

"The concept for Derryginagh is for a modest-sized underground mining operation feeding a low cost gravity separation plant producing high-value industrial filler grade barite. There is significant demand for white paint-grade barite in Europe but no major mine supply outside of China and India."

→ For more details on our Derryginagh project see www.sunriseresourcesplc.com

"During the year the Company has carried out trenching, a development concept study, metallurgical testwork and a preliminary drilling programme."

Derryginagh Barite Project, Ireland

The Derryginagh mine was worked in the period 1864-1922, supplying white barite to the local paint industry. The mine workings extend over a strike length of 200m and to a maximum depth of 60m. In the 1980s four holes drilled by Dresser Minerals International Inc. intersected the barite vein over an average true width of 2.4m at about 100m below surface and over a total strike length of 150m, with the vein being open along strike and at depth.

During the year the Company has carried out trenching, a development concept study, metallurgical testwork and a preliminary drilling programme.

Trenching

The trenching programme had two objectives — to test for extensions to the previously mined east-west striking barite vein at Derryginagh and to collect a bulk sample for a further stage of metallurgical testwork. Extensions to the vein system, particularly to the east of the mine, and the potential for parallel veins were inferred from the results of a gravity survey reported last year.

Three trenches explored for the priority eastern extension of the main barite vein. In the first trench, located some 60m beyond the eastern end of the old working, a large sample of barite vein material (approximately 1.2 tonnes weight) was recovered. High groundwater inflow and unstable overburden prevented an examination of the bedrock in the trench.

A second trench some 82m further to the east along strike failed to reach bedrock due to deep overburden (glacial boulder clay) whilst a further trench located 430m east of the old workings did not expose the barite vein in-situ although a boulder of high grade barite was located in the overburden suggesting the barite vein may be located close by and extend over a significant strike length away from the old workings.

A number of other trenches were completed to test for parallel veins but, generally the overburden was too thick to expose bedrock. Nevertheless boulders of high grade barite were found in the overburden and at surface at a number of localities supporting the potential for parallel barite veins originally suggested by the gravity survey.

Metallurgical Testwork

Whilst trenching was hampered by deep overburden and high surface water flows, the objective to recover a bulk sample for detailed metallurgical testwork and process design was achieved.

The 1.2 tonne sample recovered from the first trench is being tested to develop a low cost gravity based concentration process for the production of white barite. The work is ongoing at SGS Mineral Services UK Limited in Cornwall and results are awaited.

Our Performance

Operating Review continued

Key Project Interests

→ **Above:** Trenching at Derryginagh 2010.

→ **Above:** White barite vein in drill core.

Positive Concept Study

A significant milestone for the Derryginagh project this year was the completion of a positive Concept Study for the Derryginagh project. This was carried out by independent consultants Saint Barbara LLP and suggests that a profitable operation could be developed for an output of at least 50,000 tonnes per year of barite based on their estimates of mining and processing capital and operating costs and on published barite sales prices. The study, which was developed with an estimation accuracy of +/-35-40%, includes a financial model for the project which can be updated as further information becomes available.

Based on the results of the study, the Board committed to carry out a more detailed evaluation of the project including a preliminary drilling programme.

Preliminary Drilling Programme

The preliminary drill programme, to test for extensions to the vein along strike and at depth, is nearing completion. The objective is to evaluate the resource potential of the barite vein.

A preliminary feasibility study is now being planned. It is expected that this will include further drilling and resource estimation.

Barite Market

Barite or barites (syn. baryte or barytes) is the mineral form of the chemical barium sulphate. It is an environmentally friendly, non-toxic natural product. It is chemically and physically unreactive, has a high specific gravity, and low oil adsorption. It also has good sound-deadening and radiation-shielding properties. Barite has a specific gravity that is 1.7 times that of 'normal' rock.

These properties make barite suitable for use as a weighting agent in oil industry drilling muds and as a higher value industrial filler in, for example, paints, plastics, brake linings and acoustic panels.

There is a significant demand for white paint-grade barite in Europe but no major mine supply outside of China and India. Consequently there is a niche opportunity for a new European supplier as China's own internal demand limits traditional exports.

Australia

→ For more details on our Australia project see www.sunriseresourcesplc.com

Cue Diamond Project, Australia

The Cue diamond project is located in the Murchison region of north-central Western Australia. It was explored for diamonds by De Beers in the period 1994-2001 when a number of kimberlite dykes were discovered in two separate areas within the Company's licence area.

At the "Cue 1" locality a kimberlite dyke outcrops and is reported by De Beers to be 2-3m wide. Several drill holes intersected the dyke and one vertical hole intersected kimberlite from surface to 60m depth. At Soapy Well, 7km to the west, at least three closely spaced kimberlite dykes, up to 3m wide, were encountered in two drill traverses spaced 400m apart. De Beers reported positive diamond sampling results from both localities.

In addition, soil sampling and ground geophysics identified multiple drill targets for kimberlite at Fennels Well, 2.5km along strike from the Cue No 1 kimberlite and in a separate area close to the Cue I kimberlite where a new area of kimberlite rock debris was found on surface.

The licence was granted in February 2011 and work during the year has included a kimberlite targeting study of available Aster satellite imagery, a detailed compilation of previous exploration data and a preliminary field reconnaissance.

It is anticipated that the project will assume a higher priority in 2012.

Finland

→ For more details on our Finland projects see www.sunriseresourcesplc.com

Finland Diamond Projects

The Company's Finland diamond exploration projects have remained on hold during the year having assumed a lower priority. Further work is planned in 2012.

Diamond Market

During the Global credit crunch in 2008-9 diamond prices and demand fell substantially but then recovered to pre-2008 levels by the end of 2010. The first half of 2011 saw a continued strengthening in both demand and pricing led by growing demand from the burgeoning middle classes in China and India as well as the Middle-East.

Although some nervousness returned to the market in the second half of 2011, as fears of recession resurfaced, diamond prices have held up and are predicted to rise over the next few years with demand predicted to grow at twice the pace of supply, and diamond prices expected to outstrip gold price performance.

A major factor in the forecast supply side deficit is the lack of recent investment in new mine development and grass roots diamond exploration.

Our Responsibilities

Financial and Risk Review

Financial Review

The results for the Group and the Company are set out in detail on page 18. The Group has made a loss of £540,158 during the year (2010: £214,830). This includes treasury interest of £3,863, administration costs of £274,772 and expensed pre-licence and reconnaissance exploration costs of £965 and deferred exploration cost impairments of £268,284.

The Group is expected to continue to make losses for the foreseeable future and this is normal for exploration companies in the period leading up to the development of commercial mining operations. Losses may increase in future if certain exploration projects are abandoned or impaired and the associated deferred exploration costs are written-off.

Intangible assets in the financial statements total £1,241,623 at year end.

Administration costs include non-cash costs under IFRS 2 whereby a cost is assigned to the value of certain options and warrants in issue.

Administration overhead costs have been shared with Tertiary Minerals plc, to the benefit of both companies. This cost sharing is continuing.

Equity Issues

The Company's exploration activities continue to be funded from working capital and in November 2010 this was supplemented by a placing of new ordinary shares, which raised a total of £1,200,000 before expenses. During the year to 30 September 2011, 772,892 shares were issued to directors in lieu of fees and 2,100,000 shares were issued as a result of share warrants being exercised.

Non Current Assets

Details of intangible assets, property, plant & equipment and investments are set out in notes 8, 9, and 10 of the financial statements.

Risks

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 are:

Exploration Risk

The Company's business is mineral exploration and evaluation which are speculative activities and whilst the directors are satisfied that good progress is being made, 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.

Resource Risk

All mineral projects have risk associated with defined grade and continuity. Mineral Reserves and Resources are calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and metal price assumptions.

Development Risk

Delays in permitting, financing and commissioning a project may result in delays to the Group meeting production targets. Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.

Mining and Processing Technical Risk

Notwithstanding the completion of metallurgical testwork, test mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, ground water conditions and other geological conditions may still render a mining and processing operation economically or technically non viable.

Environmental Risk

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.

Financing & Liquidity Risk

The Company has an ongoing requirement to fund its activities through the equity markets and in future to obtain finance for project development. There is no certainty such funds will be available when needed.

Political Risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries can have in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

Partner Risk

Whilst there has been no past evidence of this, the Group can be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments. Currently the Group has no joint venture partners on any of its projects.

Financial Instruments

Details of risks associated with the Group's Financial Instruments are given in note 19 to the financial statements on page 34.

Key Performance Indicators

The Board considers that normal performance indicators are not appropriate measures of the progress of an exploration and development company and refers shareholders to both the Operating Review and the Financial & Risk Review for further information on the Group's progress during the year.

Forward Looking Statements

This Annual Report contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of the approval of the Annual Report. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements.

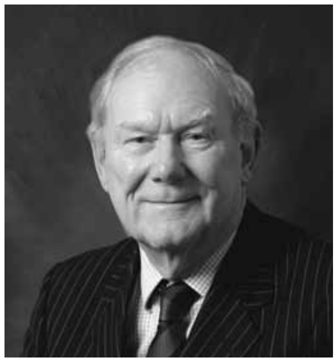
Our Responsibilities

Board of Directors

Patrick Cheetham

Francis Johnstone

Neil Herbert



Colin Fitch

The Directors and Officers of the Company are:

Patrick Cheetham
aged 51, Executive Chairman

Mr Cheetham is the founder of the Company. He is a mining geologist with 30 years experience in mineral exploration and 24 years in public company management. Mr Cheetham started his career as an exploration geologist in Australia with Western Mining Corporation and prior to that worked for Imperial Metals Corporation in British Columbia, Canada. From 1986 to 1993 he was joint managing director of Dragon Mining NL, during which time he was responsible for the formation of that company, the identification of and acquisition of its exploration projects, its listing on the Australian Stock Exchange and the subsequent development of its exploration projects. Patrick co-founded Archaean Gold N.L. in 1993 — the subject of a successful $50 million takeover bid by Lachlan Resources NL. He is currently also Chairman of Tertiary Minerals plc.

Francis Johnstone
aged 46, (Senior) Non-Executive Director*

Mr Johnstone is a founding director of the Company with over 20 years experience in the mining sector and has been a director of a number of junior resource companies. He is currently an adviser to Baker Steel Resources Trust Limited, an investment company listed on the London Stock Exchange specialising in private mining investments. Prior to that he was Commercial Director of Ridge Mining plc, an AIM listed mining company which took the Blue Ridge Platinum Mine in South Africa, from first discovery through to production prior to being acquired by Aquarius Platinum Limited in a recommended takeover for £143 million in July 2009. He is currently a director of Ares Resources Limited and Bilboes Holdings (Pvt) Limited.

Neil Herbert
aged 46, Non-Executive Director†

Mr Herbert is currently Co-Chairman and Managing Director for Polo Resources, Chairman of mineral exploration company UrAmerica Ltd and a Director of European Nickel plc. Previously he was Finance Director of UraMin Inc from formation through its acquisition by Areva in 2007 for US$2.5bn. Mr Herbert was previously Finance Director of Galahad Gold plc, International Molybdenum plc, Kalahari Diamond Resources plc and HPD Exploration plc. He was also Chief Financial Officer of gold explorer Brancote Holdings plc until its acquisition by Meridian Gold Inc in 2002 and is a fellow of the Association of Chartered Certified Accountants.

Colin Fitch LLM, FCIS
aged 77, Company Secretary

Colin Fitch is a Barrister-at-Law, and was previously Corporate Finance Director of Kleinwort Benson, Partner and Head of Corporate Finance at Rowe & Pitman (SG Warburg Securities) and Assistant Secretary at the London Stock Exchange. He has also held a number of non-executive directorships of public and private companies, including Merrydown Plc. He is currently Company Secretary for Tertiary Minerals plc.

* Chairman of the Remuneration Committee and member of the Audit Committee

† Chairman of the Audit Committee and member of the Remuneration Committee

Directors' Report

The directors are pleased to submit their annual report and audited accounts for the year ended 30 September 2011.

Principal Activities

The principal activity of the Group is the identification, acquisition, exploration and development of mineral projects. The Group is exploring in Canada, Ireland, Australia and Finland.

Business Review and Future Developments

The Chairman's Statement together with the Operating Review and the Financial & Risk Review provide detailed information on the development of the Group's business during the year and indications of likely future developments.

Dividend

The directors are unable to recommend the payment of any ordinary dividend.

Going Concern

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches, as and when required. When any of the Company'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. These projections include the proceeds of future fundraising and planned discretionary project expenditures necessary to maintain the Group and Company 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. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the "going concern" basis is appropriate for the preparation of the financial statements.

Results

The Group's loss for the period was £540,158 (2010: £214,830).

Financial Instruments & 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 is given in note 19 to the financial statements.

Details of risks and uncertainties that affect the Group's business are given in the Financial & Risk Review on pages 10 to 11.

Directors

The directors holding office in the period were:

Mr P L Cheetham
Mr F P H Johnstone
Mr N L Herbert

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 register.

	Number of shares	% of share capital
Barclayshare Nominees Limited	45,548,027	14.56
HSDL Nominees Limited	33,441,358	10.69
TD Waterhouse Nominees (Europe) Limited SMKTNOMS Acct	30,923,063	9.89
Tertiary Minerals plc	25,751,785	8.23
Mr Ronald Bruce Rowan	25,000,000	7.99
Share Nominees Ltd	18,579,916	5.94
Starvest plc	14,183,333	4.54
Investor Nominees Limited Nominee Account	9,497,572	3.04

Our Responsibilities

Directors' Report continued

Suppliers and Contractors

Details of the Group's policy and payment of creditors is disclosed on page 16. This policy will continue unchanged in the next financial year.

Accounting Policies

The financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union, and their interpretations adopted by the International Accounting Standards Board (IASB). They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Further details of the Group's accounting policies can be found in note 1 of the financial statements on page 22.

Charitable and Political Donations

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

Annual Report

Copies of the Sunrise Resources plc financial statements are available from the Company's Registered Office and from Northland Capital Partners Ltd., 60 Gresham Street, London EC2V 7BB and also on the Company's website: www.sunriseresourcesplc.com.

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the parent company financial statements in accordance with those 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 Company and the Group and of the profit or loss of the Group for that period.

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 the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; 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, to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Disclosure of Audit Information

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

Auditor

A resolution to re-appoint PKF (UK) LLP as auditor of the Group and Company will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

Notice of the Company's Annual General Meeting convened for Friday 24 February 2012 at 11.00 a.m. is set out on page 36 of this report. Explanatory notes giving further information about the proposed resolutions are set out on page 37.

Approved by the Board of Directors on 14 December 2011 and signed on its behalf.

Patrick Cheetham
Executive Chairman

Corporate Governance

Companies whose shares trade on AIM are not required to make an annual statement to shareholders regarding compliance with the UK Corporate Governance Code (June 2010). The Company is committed to high standards of corporate governance and the Board seeks to comply with the principles of the UK Corporate Governance Code, insofar as they are appropriate to the Company at this stage in its development.

The board of directors currently comprises the combined role of chairman and chief executive and two non-executive directors. The Board considers that this structure is suitable for the Company having regard to the fact that it is not yet revenue-earning. However, in future, as the Company grows it will be necessary to re-examine this structure and to strengthen the executive board.

The Board is aware of the need to refresh its membership from time to time and is actively seeking additional independent non-executive directors.

Role of the Board

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 four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic and operational matters.

The non-executive directors are considered by the Board to be independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement. Directors have the facility to take external independent advice in furtherance of their duties at the Group's expense and have access to the services of the Company Secretary.

The Board delegates certain of its responsibilities to the Audit and Remuneration Committees of the Board. These Committees operate within clearly defined terms of reference.

Audit Committee

The Audit Committee, composed entirely of non-executive directors, 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 auditor taking account of any non-audit services provided by them.

Remuneration Committee

The Remuneration Committee also comprises the non-executive directors. The Company does not currently remunerate any of the directors other than in a non-executive capacity. Whilst the Chairman, Patrick Cheetham, does have an executive role, his services are provided under a general service agreement with Tertiary Minerals plc.

The Company issues share warrants to directors and to the staff of Tertiary Minerals plc who are engaged in the management of the activities of the Company. The Company's policy on the issue of such warrants is that outstanding warrants should not in aggregate exceed 10% of the issued capital of the Company from time to time. Details of directors' warrants are disclosed in note 16.

Nomination Committee

A Nomination Committee was formed in November 2011 and comprises the Chairman and the non-executive directors. The Nomination Committee meets at least once per year to lead the formal process of rigorous and transparent procedures for board appointments and to make recommendations to the Board in accordance with the requirements of the UK Corporate Governance Code and other applicable rules and regulations, insofar as they are appropriate to the Group at this stage in its development.

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.

Procedures are in place in order to avoid any conflict of interest between the Company and Tertiary Minerals plc, which held approximately 8.23% of the Company's issued share capital at 30 September 2011. Tertiary Minerals provides management services to Sunrise Resources, in the search, evaluation and acquisition of new projects.

Our Responsibilities

Corporate Governance continued

Internal Controls & Risk Management

The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

In carrying out their responsibilities the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.

The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

Corporate Social Responsibility

The Board takes regular account of the significance of social, environmental and ethical matters affecting the business of the Group. At this stage in the Group's development the Board has not adopted a specific policy on Corporate Social Responsibility as it has a limited pool of stakeholders other than its shareholders. Rather, the Board seeks to protect the interests of the Group's stakeholders through individual policies and through ethical and transparent actions.

The Company has adopted an Anti-corruption Policy and Code of Conduct.

Shareholders

As set out above, the Board seeks to protect shareholders' interests by following, where appropriate, the guidelines in the UK Corporate Governance Code (June 2010) and the directors are always prepared, where practicable, to enter into a dialogue with shareholders to promote a mutual understanding of objectives. The AGM provides the Board with an opportunity to informally meet and communicate directly with investors.

Environment

The Board recognises that its principal activity, mineral exploration, has potential to impact on the local environment and consequently has adopted an Environmental Policy to ensure that the Group's activities have minimal environmental impact. Where appropriate the Group's contracts with suppliers and contractors legally bind those suppliers and contractors to do the same.

The Group's activities carried out in accordance with Environmental Policy have had only minimal environmental impact and this policy is regularly reviewed. Where appropriate, all work is carried out after advance consultation with affected parties.

Employees

The Group engages its employees to understand all aspects of the Group's business and seeks to remunerate its employees fairly, being flexible where practicable. The Group gives 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 employees' interests when making decisions and suggestions from employees aimed at improving the Group's performance are welcomed.

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 balance sheet in respect of trade payables at the end of the financial year represents 17 days of average daily purchases (2010: 16 days).

Independent Auditor's Report
to the Members of Sunrise Resources plc
for the year ended 30 September 2011

We have audited the financial statements of Sunrise Resources plc for the year ended 30 September 2011 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1(b) to the financial statements concerning the group's and the company's ability to continue as going concerns. As explained in note 1(b) to the financial statements, the group will need to raise further funds within the next 12 months in order to cover the company's and group's overheads and carry out the company's and group's planned discretionary project expenditure. As there is no assurance that adequate funds will be obtained, these conditions, along with the other matters explained in note 1(b) to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as going concerns. The financial statements do not include the adjustments that would result if the group and company were unable to continue as going concerns.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Donald Bancroft (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Manchester, UK
14 December 2011

Our Financials

Consolidated Income Statement

for the year ended 30 September 2011

	Notes	2011 £	2010 £
Pre-licence exploration costs		**965**	27,398
Impairment of deferred exploration cost		**268,284**	—
Administrative expenses		**274,772**	188,633
Operating loss		**(544,021)**	(216,031)
Interest receivable		**3,863**	1,201
Loss on ordinary activities before taxation	3	**(540,158)**	(214,830)
Tax on loss on ordinary activities	7	**—**	—
Loss on ordinary activities after tax		**(540,158)**	(214,830)
Loss for the year attributable to equity holders of the parent		**(540,158)**	(214,830)
Loss per share — basic and diluted (pence)	6	**(0.18)**	(0.10)

All amounts relate to continuing activities.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2011

	2011 £	2010 £
Loss for the year	**(540,158)**	(214,830)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(12,668)**	—
Comprehensive loss for the year attributable to equity holders of the parent	**(552,826)**	(214,830)

Company Registration Number : 05363956

Consolidated and Company Statement of Financial Position

at 30 September 2011

	Notes	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Non-current assets					
Intangible assets	9	**1,241,623**	**1,230,461**	931,173	931,173
Investment in subsidiary	8	**—**	**26,992**	—	12,969
		1,241,623	**1,257,453**	931,173	944,142
Current assets					
Receivables	11	**40,605**	**40,605**	22,807	22,807
Cash and cash equivalents	12	**696,338**	**696,338**	340,512	340,512
		736,943	**736,943**	363,319	363,319
Current liabilities					
Trade and other payables	13	**(85,957)**	**(85,957)**	(75,799)	(75,799)
Net current assets		**650,986**	**650,986**	287,520	287,520
Net assets		**1,892,609**	**1,908,439**	1,218,693	1,231,662
Equity					
Called up share capital	14	**312,739**	**312,739**	248,866	248,866
Share premium account		**3,526,621**	**3,526,621**	2,420,203	2,420,203
Share option reserve		**237,972**	**237,972**	181,521	181,521
Foreign currency reserve		**(12,668)**	**—**	—	—
Accumulated losses		**(2,172,055)**	**(2,168,893)**	(1,631,897)	(1,618,928)
Equity attributable to owners of the parent		**1,892,609**	**1,908,439**	1,218,693	1,231,662

These financial statements were approved and authorised for issue by the Board of Directors on 14 December 2011 and were signed on its behalf.

P L Cheetham
Executive Chairman

N L Herbert
Director

Our Financials

Consolidated and Company Statement of Changes in Equity

Group	Share capital £	Share premium account £	Share option reserve £	Foreign currency reserve £	Accumulated losses £	Total £
At 30 September 2009	**187,783**	**2,203,812**	**51,571**	**—**	**(1,417,067)**	**1,026,099**
Share issue	61,083	216,391	91,617	—	—	369,091
Share based payments	—	—	38,333	—	—	38,333
Loss for the year/Total comprehensive loss for the year	—	—	—	—	(214,830)	(214,830)
At 30 September 2010	**248,866**	**2,420,203**	**181,521**	**—**	**(1,631,897)**	**1,218,693**
Loss for the year	—	—	—	—	(540,158)	(540,158)
Exchange differences	—	—	—	(12,668)	—	(12,668)
Total comprehensive loss for the year	**—**	**—**	**—**	**(12,668)**	**(540,158)**	**(552,826)**
Share issue	63,873	1,106,418	—	—	—	1,170,291
Share based payments	—	—	56,451	—	—	56,451
At 30 September 2011	**312,739**	**3,526,621**	**237,972**	**(12,668)**	**(2,172,055)**	**1,892,609**

Company	Share capital £	Share premium account £	Share option reserve £	Accumulated losses £	Total £
At 30 September 2009	**187,783**	**2,203,812**	**51,571**	**(1,417,067)**	**1,026,099**
Share issue	61,083	216,391	91,617	—	369,091
Share based payments	—	—	38,333	—	38,333
Loss for the year/Total comprehensive loss for the year	—	—	—	(201,861)	(201,861)
At 30 September 2010	**248,866**	**2,420,203**	**181,521**	**(1,618,928)**	**1,231,662**
Share issue	63,873	1,106,418	—	—	1,170,291
Share based payments	—	—	56,451	—	56,451
Loss for the year/Total comprehensive loss for the year	—	—	—	(549,965)	(549,965)
At 30 September 2011	**312,739**	**3,526,621**	**237,972**	**(2,168,893)**	**1,908,439**

Consolidated and Company Statement of Cash Flows

for the year ended 30 September 2011

	Notes	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Operating activity					
Operating loss		**(544,021)**	**(541,160)**	(216,031)	(203,062)
Share based payment charge		**59,389**	**59,389**	18,846	18,846
Shares issued in lieu of net wages		**24,016**	**24,016**	19,092	19,092
Impairment charge		**267,996**	**267,996**	—	—
(Increase)/decrease in accounts receivable	11	**(17,798)**	**(17,798)**	(610)	(610)
Increase/(decrease) in accounts payable	13	**10,158**	**10,158**	9,374	9,374
Net cash outflow from operating activity		**(200,260)**	**(197,399)**	(169,329)	(156,360)
Investing activity					
Interest received		**3,863**	**3,863**	1,201	1,201
Purchase of intangible fixed assets		**(581,384)**	**(570,222)**	(128,637)	(128,637)
Loan to subsidiary		**—**	**(14,023)**	—	(12,969)
Net cash outflow from investing activity		**(577,521)**	**(580,382)**	(127,436)	(140,405)
Financing activity					
Issue of share capital (net of expenses)		**1,146,275**	**1,146,275**	350,000	350,000
Net cash inflow from financing activity		**1,146,275**	**1,146,275**	350,000	350,000
Net increase/(decrease) in cash and cash equivalents		**368,494**	**368,494**	53,235	53,235
Cash and cash equivalents at start of year	12	**340,512**	**340,512**	287,277	287,277
Exchange differences		**(12,668)**	**(12,668)**	—	—
Cash and cash equivalents at 30 September		**696,338**	**696,338**	340,512	340,512

Our Financials

Notes to the Financial Statements

for the year ended 30 September 2011

Background

Sunrise Resources plc is a public company incorporated and domiciled in England. It is traded on the AIM market of the London Stock Exchange and its shares also trade on Plus Markets — code : SRES.

The Company is a holding company for one company ("the Group") incorporated and domiciled in Australia. The Group's financial statements are presented in Pounds Sterling (£) which is also the functional currency of the Group.

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 International Financial Reporting Standards (IFRS), as adopted by the European Union. They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

(b) Going concerns

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. These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's and Group's 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 and Company's ability to continue as going concerns and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

(c) Basis of consolidation

Investments in 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 Sunrise Resources plc and its subsidiary undertakings using the acquisition method and eliminate intercompany balances and transactions.

In accordance with section 408 of the Companies Act 2006, Sunrise Resources plc 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 Sunrise Resources plc is £549,965 (2010: £201,861).

1. Accounting policies — continued

(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 bi-annual review is carried out by the directors to consider whether any exploration and development costs have suffered impairment in value and, if necessary, provisions are made according to this criteria.

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, exploration and evaluation costs are reclassified as development costs and all development costs on a specific area of interest will be amortised over the useful economic life of the projects, once they become income generating, and the costs can be recouped.

(e) Trade and other receivables and payables

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

(f) Cash and cash equivalents

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

(g) 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.

(h) Foreign currencies

The Group's and the Company's functional and presentation currency is Pounds Sterling (£) and this is the currency of the primary economic environment in which the Group and 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 assets and liabilities of overseas subsidiaries, associated undertakings, joint arrangements and the net investment in foreign operations are translated at the closing exchange rates. Income statements of overseas subsidiaries are translated at exchange rates at the date of transaction. Exchange differences arising on these translations are taken to the foreign currency reserve.

Our Financials

Notes to the Financial Statements continued

for the year ended 30 September 2011

1. Accounting policies — continued

(i) Share based payments

The Company issues warrants and options to employees (including directors) and third parties. For all options and warrants issued after 7 November 2002 the fair value of the services received is recognised as a charge on the date of grant and determined in accordance with IFRS 2, adopting the Black-Scholes-Merton model. The fair value is charged/(credited) to the following areas of the financial statements as appropriate:

a) administrative expenses;
b) intangible assets;
c) equity

The charge is incurred on a straight line basis over the vesting period, based on the management's estimate of shares, that will eventually vest. The expected life of the options and warrants is adjusted based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The details of the calculation 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 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.

(j) 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 fixed assets — exploration and evaluation

Capitalisation of exploration and evaluation costs requires that costs be assessed against the likelihood that such costs will be recoverable against future exploitation or sale or alternatively, where activities have not reached a stage which permits a reasonable estimate of the existence of mineral reserves, a judgement that future exploration or evaluation should continue. This requires management to make estimates and judgements and to make certain assumptions, often of a geological nature, and most particularly in relation to whether or not an economically viable mining operation can be established in future. Such estimates, judgements and assumptions are likely to change as new information becomes available. When it becomes apparent that recovery of expenditure is unlikely the relevant capitalised amount is written off to the income statement.

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. Assessment of the impairment of assets is a judgement based on analysis of the future likely cash flows from the relevant project. The Group will look to evidence produced by its exploration activities to indicate whether the carrying value is impaired.

Going concern

The preparation of financial statements requires an assessment of the validity of the going concern assumption. The validity of the going concern assumption is dependant 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 based payments

The estimates of share based payments costs 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 options before exercise, and behavioural consideration of employees.

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.

2011	Exploration Projects £	Head Office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs:			
Nordic Joint Venture, Diamond Project, Finland	(267,998)	—	(267,998)
Cue Diamond Project, Australia	(286)	—	(286)
	(268,284)	—	(268,284)
Pre-licence exploration costs	—	(965)	(965)
Share based payments	—	(59,389)	(59,389)
Other expenses	—	(215,383)	(215,383)
Operating loss	(268,284)	(275,737)	(544,021)
Bank interest received	—	3,863	3,863
Loss on ordinary activities before taxation	(268,284)	(271,874)	(540,158)
Tax on loss on ordinary activities	—	—	—
Loss for the year attributable to equity holders	(268,284)	(271,874)	(540,158)
Non-current assets			
Intangible assets:			
BHP Billiton database	—	—	—
Deferred exploration costs:			
Long Lake Gold Project, Canada	580,550	—	580,550
Kuusamo Diamond Project, Finland	517,771	—	517,771
Nordic Joint Venture Diamond Project, Finland	—	—	—
Other Diamond Projects, Finland	28,769	—	28,769
Derryginagh Barite Project, Ireland	103,371	—	103,371
Cue Diamond Project, Australia	11,162	—	11,162
	1,241,623	—	1,241,623
Current assets			
Receivables	—	40,605	40,605
Cash and cash equivalents	—	696,338	696,338
	—	736,943	736,943
Current liabilities			
Trade and other payables	(25,220)	(60,737)	(85,957)
Net current assets	(25,220)	676,206	650,986
Net assets	1,216,403	676,206	1,892,609
Other data			
Deferred exploration additions	595,180	—	595,180
Exchange rate adjustments to deferred exploration costs	—	(12,668)	(12,668)

Our Financials

Notes to the Financial Statements continued

for the year ended 30 September 2011

2. Segmental analysis — continued

2010	Exploration Projects £	Head Office £	Total £
Consolidated Income Statement			
Pre-licence exploration costs	—	(27,398)	(27,398)
Share based payments	—	(18,849)	(18,849)
Other expenses	—	(169,784)	(169,784)
Operating loss	—	(216,031)	(216,031)
Bank interest received	—	1,201	1,201
Loss on ordinary activities before taxation	—	(214,830)	(214,830)
Tax on loss on ordinary activities	—	—	—
Loss for the year attributable to equity holders	—	(214,830)	(214,830)
Non-current assets			
Intangible assets:			
BHP Billiton database	16,733	—	16,733
Deferred exploration costs:			
Long Lake Gold Project, Canada	85,763	—	85,763
Kuusamo Diamond Project, Finland	511,048	—	511,048
Nordic Joint Venture Diamond Project, Finland	260,733	—	260,733
Other Diamond Projects, Finland	26,132	—	26,132
Derryginagh Barite Project, Ireland	30,764	—	30,764
	931,173	—	931,173
Current assets			
Receivables	—	22,807	22,807
Cash and cash equivalents	—	340,512	340,512
	—	363,319	363,319
Current liabilities			
Trade and other payables	(31,443)	(44,356)	(75,799)
Net current assets	(31,443)	318,963	287,520
Net assets	899,730	318,963	1,218,693
Other data			
Deferred exploration additions	148,123	—	148,123

3. Loss on ordinary activities before taxation

The operating loss is stated after charging:	**2011 £**	2010 £
Fees payable to the Company's auditor for:		
The audit of the Company's annual accounts	**6,230**	5,665
Other services	**1,050**	1,050

4. Directors emoluments

Remuneration in respect of directors was as follows:	**2011** **£**	2010 £
P L Cheetham (salary)	**11,000**	10,000
F P H Johnstone (salary)	**11,000**	10,000
N L Herbert (salary)	**11,000**	10,000
	33,000	30,000

The above remuneration amounts do not include share based payments charged in these financial statements in respect of warrants issued to the directors amounting to £42,171 (2010: £12,690).

5. Staff costs

The Company does not employ any staff directly apart from the directors, as shown in Note 4. The services of technical and administrative staff are provided by Tertiary Minerals plc as part of the management services agreement between the two companies. The Company issues warrants to Tertiary Minerals plc staff from time to time and these share based payments resulted in a charge within the financial statements of £13,599 (2010: £4,573).

6. Loss per share

Loss per share has been calculated on the loss and the weighted average number of shares in issue during the year.

	2011	2010
Loss (£)	**(540,158)**	(214,830)
Weighted average shares in issue (No.)	**301,225,242**	223,364,525
Basic and diluted loss per share (pence)	**(0.18)**	(0.10)

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. Taxation on ordinary activities

No liability to corporation tax arises for the year due to the Group recording a taxable loss (2010: £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 — 26% (2010: 28%). The differences are explained below.

	2011 **£**	2010 £
Tax reconciliation		
Loss on ordinary activities before tax	**(540,158)**	(214,830)
Tax at 26% (2010: 28%)	**(140,441)**	(60,152)
Effects (at 26%) (2010: 28%) of:		
Tax losses carried forward	**(140,441)**	(60,152)
Tax on loss from ordinary activities	**—**	—

Factors that may affect future tax charges

The Group has carried forward losses of £1,983,687 (2010 : £1,560,062). This amount would be recoverable if sufficient profits were made in the future.

Our Financials

Notes to the Financial Statements continued

for the year ended 30 September 2011

8. Investments

Subsidiary undertakings

Company	Country of incorporation/ registration	Type and percentage of shares held at 30 September 2011	Principal activity
Sunrise Minerals Australia Pty. Ltd.	Australia	100% of ordinary shares	Mineral exploration

Investment in subsidiary undertakings	Company 2011 £	Company 2010 £
Sunrise Minerals Australia Pty. Ltd.		
Loan	**26,931**	12,908
Ordinary shares	**61**	61
At 30 September	**26,992**	12,969

Sunrise Minerals Australia Pty. Ltd. was incorporated in Australia on 7 October 2009, to facilitate the application for an exploration licence in Western Australia.

9 Intangible assets

Deferred exploration expenditure	Group 2011 £	Company 2011 £	Group and Company 2010 £
Cost			
At start of year	**1,387,904**	**1,387,904**	1,239,781
Additions	**595,180**	**584,018**	148,123
At 30 September	**1,983,084**	**1,971,922**	1,387,904
Impairment losses			
At start of year	**(456,731)**	**(456,731)**	(456,731)
Change during year	**(284,730)**	**(284,730)**	—
At 30 September	**(741,461)**	**(741,461)**	(456,731)
Carrying amounts			
At 30 September	**1,241,623**	**1,230,461**	931,173
At start of year	**931,173**	**931,173**	783,050

10. Property, plant & equipment

The Group has the use of tangible assets held by Tertiary Minerals plc as part of the management services agreement between the two companies.

11. Receivables

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Other receivables	28,625	28,625	11,736	11,736
Prepayments	11,980	11,980	11,071	11,071
	40,605	40,605	22,807	22,807

12. Cash and cash equivalents

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Cash at bank and in hand	696,338	696,338	340,512	340,512
Short-term bank deposits	–	–	–	–
	696,338	696,338	340,512	340,512

13. Trade and other payables

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Amounts owed to Tertiary Minerals plc	34,525	34,525	28,029	28,029
Trade creditors	12,083	12,083	7,959	7,959
Accruals	39,349	39,349	39,811	39,811
	85,957	85,957	75,799	75,799

Our Financials

Notes to the Financial Statements continued

for the year ended 30 September 2011

14. Share capital

	2011 Number	2011 £	2010 Number	2010 £
Allotted, called up and fully paid				
Ordinary shares of 0.1p each	**312,738,905**	**312,739**	248,866,013	248,866
	312,738,905	**312,739**	248,866,013	248,866

During the year to 30 September 2011 the following share issues took place:

An issue of 60,000,000 0.1p ordinary shares at 2.0p per share, by way of placing, for a total consideration of £1,130,400 net of expenses (24 November 2010).

An issue of 500,000 0.1p ordinary shares at 0.575p per share, being a share warrant exercise, for a total consideration of £2,875 (9 December 2010).

An issue of 1,000,000 0.1p ordinary shares at 0.675p per share, being a share warrant exercise, for a total consideration of £6,750 (13 January 2011).

An issue of 236,688 0.1p ordinary shares at 4.20p per share to the three directors, for a total consideration of £9,941 (14 February 2011), in satisfaction of directors' fees.

An issue of 600,000 0.1p ordinary shares at 0.75p per share, being a share warrant exercise, for a total consideration of £4,500 (22 February 2011).

An issue of 1,000,000 0.1p ordinary shares at 0.675p per share, being a share warrant exercise, for a total consideration of £6,750 (2 June 2011).

An issue of 536,204 0.1p ordinary shares at 2.525p per share to the three directors, for a total consideration of £14,075 (29 July 2011), in satisfaction of directors' fees.

During the year to 30 September 2010 a total of 61,082,636 0.1p ordinary shares were issued, at an average price of 0.6p per share, for a total consideration of £369,091.

15. Warrants and options granted

Unexercised warrants

Issue date	Exercise price	Number	Exercisable	Expiry dates
08/12/06	2.75p	1,200,000	Any time before expiry	08/12/11
31/10/07	2.00p	1,250,000	Any time before expiry	31/10/13
08/12/08	0.575p	5,500,000	Any time before expiry	08/12/14
07/12/09	0.85p	6,000,000	Any time before expiry	07/12/14
26/02/10	0.6p	38,888,889	Any time before expiry	26/02/14
04/05/10	0.675p	1,000,000	Any time before expiry	04/05/15
04/05/10	0.675p	500,000	Any time from 04/05/12	04/05/15
07/12/10	0.25p	6,000,000	Any time from 07/12/11	07/12/15
20/04/11	0.675p	500,000	Any time from 04/05/12	04/05/15
20/04/11	0.675p	2,000,000	Any time from 04/05/13	04/05/15

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

Share based payments

The Company issues warrants and options on varying terms and conditions.

Details of the share warrants and options outstanding during the year are as follows:

	2011		2010	
	Number of warrants and share options	**Weighted average exercise price (Pence)**	Number of warrants and share options	Weighted average exercise price (Pence)
Outstanding at start of year	**61,638,889**	**0.01**	18,150,000	2.42
Granted during the year	**8,500,000**	**1.96**	47,988,889	0.64
Forfeited during the year	**—**	**—**	—	—
Exercised during the year	**2,100,000**	**6.73**	—	—
Expired during the year	**5,200,000**	**4.92**	4,500,000	0.02
Outstanding at end of year	**62,838,889**	**1.12**	61,638,889	0.01
Exercisable at end of year	**53,838,889**	**7.10**	54,138,889	0.01

The warrants and options outstanding at 30 September 2011 had a weighted average exercise price of 1.12p and a weighted average remaining contractual life of 2.92 years.

Our Financials

Notes to the Financial Statements continued

for the year ended 30 September 2011

15. Warrants and options granted — continued

In the year ended 30 September 2011, warrants were granted as follows:

	Aggregate estimated fair value £
7 December 2010	**73,123**
26 April 2011	**36,500**
	109,623

In the year ended 30 September 2010, warrants were granted on 7 December 2009, 26 February 2010, 4 May 2010 and 22 June 2010. The aggregate of the estimated fair values of the warrants granted on these dates is £133,475.

No options were granted in the year ended 30 September 2011 or the year ended 30 September 2010.

In the year ended 30 September 2011, warrants were exercised as follows:

Date of exercise	Options exercised	Exercise price pence	Mid-market price on date of exercise pence
9 December 2010	**500,000**	**0.575**	**2.40**
13 January 2011	**1,000,000**	**0.675**	**5.55**
22 February 2011	**600,000**	**0.800**	**3.60**

The inputs into the Black-Scholes-Merton Option Pricing Model are as follows:

	2011	2010
Weighted average share price	**2.12p**	0.52p
Weighted average exercise price	**1.96p**	0.65p
Expected volatility	**97.5%**	77.5%
Expected life	**4 years**	4 years
Risk-free rate	**2.42%**	2.35%
Expected dividend yield	**0%**	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 4 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.

The Company recognised total expenses of £59,389 and £18,846 related to equity-settled share-based payment transactions in 2011 and 2010 respectively. An additional, £13,795 (2010: £19,486) has been capitalised as an intangible asset.

The Company has not issued warrants in relation to any share issue in the year to 30 September 2011. In 2010 the value of warrants issued in relation to a share issue was £91,617.

16. Related party transactions

Directors and directors' interests

The directors holding office in the period and their beneficial interests in the share capital of the Company are:

	At 30 September 2011				At 30 September 2010	
		Warrants				
	Shares Number	Number	Exercise price	Expiry date	Shares Number	Warrants Number
P L Cheetham*	10,881,198	500,000	2.750p	06/12/11	10,674,956	5,000,000
		500,000	2.000p	31/10/13		
		2,000,000	0.575p	08/12/14		
		2,000,000	0.850p	07/12/15		
		2,000,000	2.500p	07/12/15		
F P H Johnstone	2,668,498	250,000	2.750p	06/12/11	3,407,342	2,500,000
		250,000	2.000p	31/10/13		
		1,000,000	0.575p	08/12/14		
		1,000,000	0.850p	07/12/15		
		1,000,000	2.500p	07/12/15		
N L Herbert	3,807,139	250,000	2.750p	06/12/11	3,501,643	2,500,000
		250,000	2.000p	31/10/13		
		1,000,000	0.575p	08/12/14		
		1,000,000	0.850p	07/12/15		
		1,000,000	2.500p	07/12/15		

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

Tertiary Minerals plc

Sunrise Resources plc is treated as an investment in the consolidated accounts of Tertiary Minerals plc, which held 8.23% of the issued share capital on 30 September 2011 (2010: 10.35%).

Tertiary Minerals plc provides management services to Sunrise Resources plc and consequently during the year the Group incurred costs of £121,218 (2010 : £108,526) recharged from Tertiary Minerals plc being shared overheads of £19,285 (2010: £14,278), costs paid on behalf of the Group of £12,374 (2010: £3,761), staff salary costs of £50,986 (2010: £47,820) and directors' salary costs of £38,571 (2010: £42,397).

At the balance sheet date an amount of £34,525 (2010: £28,029) was due to Tertiary Minerals plc, which was repaid in November 2011.

Patrick Cheetham, the Chairman of the Company is also a director of Tertiary Minerals plc. Donald McAlister, a director of Tertiary Minerals plc, holds 550,000 shares in the Company at 30 September 2011 and at the date of this report.

Our Financials

Notes to the Financial Statements continued

for the year ended 30 September 2011

17. Post balance sheet event

There were no material post balance sheet events up to the date of this report.

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, selling assets and adjusting the amount of dividends paid to the shareholders.

19. Financial instruments

At 30 September 2011, the Group and Company's financial assets consisted of receivables due within one year and cash at bank. 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 and Company's financial assets and liabilities.

The carrying amounts for each category of financial instrument held at 30 September 2011, as defined in IAS 39, are as follows:

	Group 2011 £	**Company 2011 £**	Group 2010 £	Company 2010 £
Loans & receivables	**724,963**	**724,963**	352,248	352,248
Financial liabilities at amortised cost	**85,957**	**85,957**	75,799	75,799

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 Company currently holds cash balances in Sterling and Canadian Dollars to provide funding for exploration and evaluation activity. The Company is dependant on equity fundraising through private placing 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.

19. Financial instruments — continued

Currency risk

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

Bank balances were held in the following denominations:

	Group and Company 2011 £	Group and Company 2010 £
United Kingdom Sterling	**690,647**	340,512
Canadian Dollars	**5,691**	—

Interest rate risk

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

Fluctuating interest rates have the potential to affect the loss and equity of the Group and the Company in-so-far 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.

Other Information

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of **Sunrise Resources plc** will be held in the Jacotot Room, Bloomsbury House, 2-3 Bloomsbury Square, London WC1A 2RL on Friday 24 February 2012, at 11.00 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 2011.

2. To re-elect Mr F P H Johnstone who is retiring by rotation under the Articles of Association as a director of the Company.

3. To re-appoint PKF (UK) 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 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 £100,000 (consisting of 100,000,000 ordinary shares of 0.1p each) provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

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

Special Resolution

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

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

   b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £100,000 (consisting of 100,000,000 ordinary shares of 0.1 pence each).

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

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

As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. Please refer to notes on page 38.

By order of the Board

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

CDT Fitch
Company Secretary
14 December 2011

Explanatory Notes to the Notice of Annual General Meeting

The Annual General Meeting of Sunrise Resources plc will be held on Friday 24 February 2012 in the Jacotot Room, Bloomsbury House, 2-3 Bloomsbury Square, London WC1A 2RL at 11.00 a.m. 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 Directors and the Auditor for the year ended 30 September 2011 which can be found on pages 13 to 35.

Resolution 2

The Company's Articles of Association require that at least one-third of directors retire annually and offer themselves for re-election if they and the Board so wish. Biographical details of the directors can be found on page 12.

This year Mr Francis Johnstone is retiring by rotation and the Board proposes that he be re-elected.

Resolution 3

The Company's auditor PKF (UK) LLP is offering itself for re-appointment 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 allow the directors 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 31 January 2011 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 2013.

Resolution 5

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

A similar authority granted at last year's Annual General Meeting is due to expire at the coming Annual General Meeting.

The resolution will, if passed, authorise directors to allot shares or grant rights over shares of the Company where they propose to do so for cash and otherwise than to existing shareholders pro-rata to their holdings — for example through a placement of shares.

If given, this authority will expire at the conclusion of the Annual General Meeting in 2013.

Other Information

Proxy Form Notes and Instructions

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the relevant box on the Proxy Form. If you sign and return the proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as the proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the Proxy Form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy, which in aggregate should not exceed the number of shares held by you. Please also tick the box to indicate that there are multiple proxies. All forms must be signed and should be returned as set out in note 6.

5. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote Withheld" box. 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. To appoint a proxy, the Proxy Form must be:
   - completed and signed;
   - sent or delivered to Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU; and received by Capita Registrars no later than 11.00 a.m. on Wednesday 22 February 2012.

7. In the case of a member which is a company, the Proxy Form or any notice of revocation of a proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

8. Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form.

9. In the case of joint holders, where more than one of the joint holders purports to appoint or revoke 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).

10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

11. If you wish to change your proxy instructions simply submit a new proxy appointment according to these instructions. If you need another hard-copy proxy form please contact the Company. The last date for receipt of a new proxy instruction is set out in note 6 above.

12. To revoke a proxy instruction you will need to send notice clearly stating your intention to revoke your proxy appointment to: Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU.

13. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6:00 p.m. on Wednesday 22 February 2012. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Form of Proxy

SUNRISE RESOURCES PLC

Company No. 05363956

Form of Proxy

I/We (Block capitals please)

....

being a member/members of **Sunrise Resources plc** hereby appoint the Chairman of the Meeting (see note 3 on page 38) or the proxy named below as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday 24 February 2012 in the Jacotot Room, Bloomsbury House, 2-3 Bloomsbury Square, London WC1A 2RL at 11.00 a.m. and at any adjournment thereof.

I/We wish this proxy to be used in connection with those of the Resolutions to be proposed at the Annual General Meeting which are listed below, in the manner set out below, and in connection with any other ordinary business transacted at the meeting.

Name of proxy	Number of shares appointed over	I wish to appoint Multiple proxies (see note 4) Please tick

Signed or sealed (see notes)... Dated.......................................

Please indicate with an “X” in the spaces below how you wish the proxy to vote. Unless otherwise instructed the proxy will at his discretion vote as he thinks fit or abstain from voting in relation to all business of the meeting.

Ordinary Business	For	Against	Vote Withheld
1. Ordinary Resolution to receive the Accounts and Reports of the Directors and of the Auditor for the year ended 30 September 2011.			
2. Ordinary Resolution to re-elect Mr F P H Johnstone who is retiring by rotation under the Articles of Association as a director of the Company.			
3. Ordinary Resolution to re-appoint PKF (UK) LLP as Auditor of the Company and authorise the directors to fix their remuneration.			
Special Business			
4. Ordinary Resolution to authorise the directors to allot shares.			
5. Special Resolution to empower the directors to disapply the pre-emption rights for certain allotments of shares.			

Please see notes on page 38.

Please return this Proxy Form in the envelope provided as per note 6 on the Proxy Form Notes and Instructions on page 38.

Company Information

Sunrise Resources plc (AIM/Plus Markets — Ticker symbol: SRES)
Company No. 05363956

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Auditor

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Manchester
M3 3HF
United Kingdom

Nominated Adviser & Broker

Northland Capital Partners Ltd
60 Gresham Street,
London
EC2V 7BB

Registrars

Capita Registrars Limited
The Registry
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BR3 4TU
United Kingdom

Company website

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SK17 6DG
United Kingdom

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