SUNRISE DIAMONDS PLC

ANNOUNCEMENT OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

Chairman's Statement

I have pleasure in presenting the Company's audited financial statements for the year ended 30 September 2009.

In 2009, in response to the global financial crisis, our diamond exploration programmes in Finland have been on care and maintenance and we have pared back administration costs to preserve cash resources. In addition key project interests have been favourably restructured to remove a major financial commitment through the purchase of the Kaavi-Kuopio claims for shares, and a royalty interest, where formerly our equity earn-in required substantial expenditures.

Our exploration budgets for 2010 allow for a resumption of diamond exploration in Finland but these plans will be kept under review and will depend on a renewed appetite for the funding of mineral exploration by the market.

Diamond Market

Diamonds are luxury goods and in the last quarter of 2008, as the global financial crisis took hold, diamond prices went into free-fall as diamond traders, jewellery manufacturers and retailers were impacted by a loss of trade-finance facilities. High levels of debt and inventory were compounded by an established process of producer inventory de-stocking as the diamond industry transitions from a "producer push" to a "consumer pull" model.

The downward trend continued into 2009 with retail and rough diamond prices reportedly falling by 30% from their 2008 peak. Diamond producers responded with mine closures and cancellations of rough diamond sales. These measures, coupled with a strong stock market recovery, have had a noticeable effect on optimism in the industry and some mines were brought back into production by mid 2009 as major producers resumed diamond sales.

Despite this more optimistic outlook, industry commentators suggest that the value of rough diamond demand may continue to drop until early 2010 and that some remaining marginal mines will close or reduce output significantly by that time - helping to restore a market balance.

We are now in the last calendar quarter when, importantly, roughly 50% of annual diamond jewellery sales normally take place. Each of the last 25 shopping days before Christmas typically account for 1% of annual sales so it is encouraging that in this 2009 pre-Christmas period there have been good trading conditions in major trading centres with strong demand and firming prices in many diamond categories.

The value of mineral discoveries made today will depend - not on today's commodity prices - but on those prevailing when a mine comes on stream years later. However, investor sentiment for diamond companies reflects today's realities and so it is against this background that your Company has, whilst preserving and expanding the most promising diamond targets within its portfolio, widened its search to include non-diamond projects to better balance the Company's prospects in the future.

New Projects

During the year we have looked at a large number of new project opportunities in a wide range of commodities. Projects considered have included internally generated projects where the entry costs are minimal but where opportunities exist to add significant value for shareholders for minimal expenditure. Examples include our new Cue project in Western Australia where we are targeting nickel-copper and platinum group metals as well as diamonds, and the Derryginagh barite project in Ireland.

We are also looking at more immediately "transformational" projects which would be of a larger scale or at a more advanced stage of development than those currently in our portfolio.

In the search for, evaluation and acquisition of new projects, procedures are in place to avoid any conflict of interest with Tertiary Minerals plc which provides management services at cost to the Company.

Financials

The Company's financial statements for 2009 have been prepared in full compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company reported a loss of £227,563 for the year (2008: £634,880).

In Conclusion

Although it has been a difficult year we believe that the efforts we have taken to preserve shareholders' cash and protect and maintain key project assets during the year will be rewarded and that our ongoing efforts to secure new projects will take the Company forward.

I would like to thank all my fellow directors, and staff for their salary sacrifices during the year and also you, our shareholders, who have supported the Company in 2009.

Patrick Cheetham
Executive Chairman
7 December 2009

Further Information:

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Sunrise Diamonds plc

Income Statement

for the year ended 30 September 2009

	2009	2008
	£	£
Pre-licence exploration costs	**53,025**	13,034
Impairment of deferred exploration cost	**9,104**	447,165
Loss on disposal of subsidiary	**21,113**	-
Administrative expenses	**161,652**	195,134
Operating loss	**(244,894)**	(655,333)
Interest receivable	**8,572**	20,453
Foreign exchange gains	**8,759**	-
Loss on ordinary activities before taxation	**(227,563)**	(634,880)
Tax on loss on ordinary activities	**-**	-
Loss on ordinary activities after tax	**(227,563)**	(634,880)
Loss for the year attributable to equity holders	**(227,563)**	(634,880)
Loss per share – basic and diluted (pence)	**(0.12)**	(0.45)

All amounts relate to continuing activities.

Statement of Recognised Income and Expense

for the year ended 30 September 2009

	Company 2009 £	Company 2008 £
Loss for the year	**(227,563)**	(634,880)
Total recognised expense since last accounts	**(227,563)**	(634,880)

Sunrise Diamonds plc

Company Registration Number : 05363956

Balance sheet

at 30 September 2009

	Company	Company
	2009	2008
	£	£
Non-current assets		
Intangible assets	**783,050**	740,607
Investment in subsidiary	**-**	18,161
	783,050	758,768
Current assets		
Receivables	**22,197**	29,017
Cash and cash equivalents	**287,277**	510,839
	309,474	539,856
Current liabilities		
Trade and other payables	**(66,425)**	(74,599)
Net current assets	**243,049**	465,257
Net assets	**1,026,099**	1,224,025
Equity		
Called up share capital	**187,783**	184,395
Share premium account	**2,203,812**	2,189,337
Share option reserves	**51,571**	39,797
Accumulated losses	**(1,417,067)**	(1,189,504)
Shareholders' funds	**1,026,099**	1,224,025

Cash Flow Statement

for the year ended 30 September 2009

	Company 2009 £	Company 2008 £
Operating activities		
Operating loss	**(244,894)**	(655,333)
Share based payment charge	**11,774**	7,884
Shares issued in lieu of net wages	**17,439**	11,939
Share issued in lieu of payment for intangible assets	**425**	-
Shares issued in lieu of payment to trade creditor	**-**	24,953
Impairment charge	**27,261**	447,627
Decrease in accounts receivable	**6,820**	30,025
(Decrease) in accounts payable	**(8,171)**	(116,257)
Net cash outflow from operating activity	**(189,346)**	(249,162)
Investing activities		
Interest received	**8,572**	20,453
Purchase of intangible fixed assets	**(51,547)**	(201,879)
Foreign exchange gains	**8,759**	-
Purchase of investments	**-**	(2,753)
Net cash outflow from investing activity	**(34,216)**	(184,179)
Financing activities		
Issue of share capital (net of expenses)	**-**	488,250
Net cash inflow from financing activity	-	488,250
Net (decrease)/increase in cash and cash equivalents	**(223,562)**	54,909
Cash and cash equivalents at start of year	**510,839**	455,930
Cash and cash equivalents at 30 September	**287,277**	510,839

NOTES

1. 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.

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 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 Company as a going concern. 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.

2. Publication of Non-Statutory Accounts

The financial information set out in this announcement does not constitute the Company's Statutory Accounts for the period ended 30 September 2009 or 2008. The financial information for 2008 is derived from the Statutory Accounts for 2008. Full audited accounts in respect of that financial period have been delivered to the Registrar of Companies.

The Statutory Accounts for 2009 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors have reported on the 2009 and 2008 accounts. The 2009 accounts did not contain a statement under the Companies Act 2006 s498(2) or (3), and the 2008 accounts did not contain a statement under the Companies Act 1985 s237(2) or (3), and both received an unqualified audit opinion. However there was an emphasis of matter in relation to a requirement that the Company raise funds in the future to continue as a going concern.

3. Loss per share

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

	2009	2008
Loss (£)	**(227,563)**	(634,880)
Weighted average shares in issue (No.)	**185,959,962**	142,169,110
Basic and diluted loss per share (pence)	**(0.12)**	(0.45)

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 not dilutive under the terms of IAS 33.

4. Dividend

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

5. Annual Report

The Company's 2009 Annual Report will be published and sent to shareholders in due course and copies will be available to the public, free of charge, from the Registered Office of the Company at Sunrise House, Hulley Road, Macclesfield, Cheshire SK10 2LP and will be downloadable from the Company's website at www.sunrisediamonds.com.