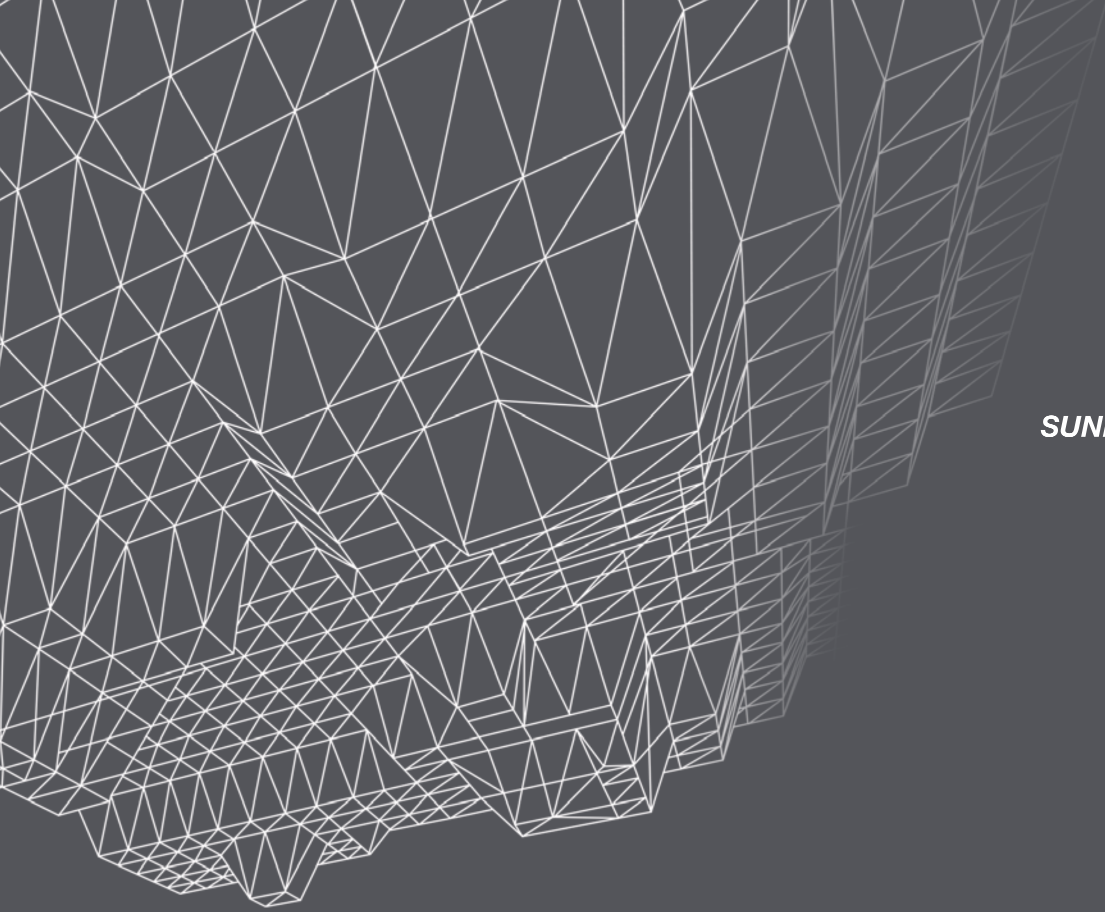
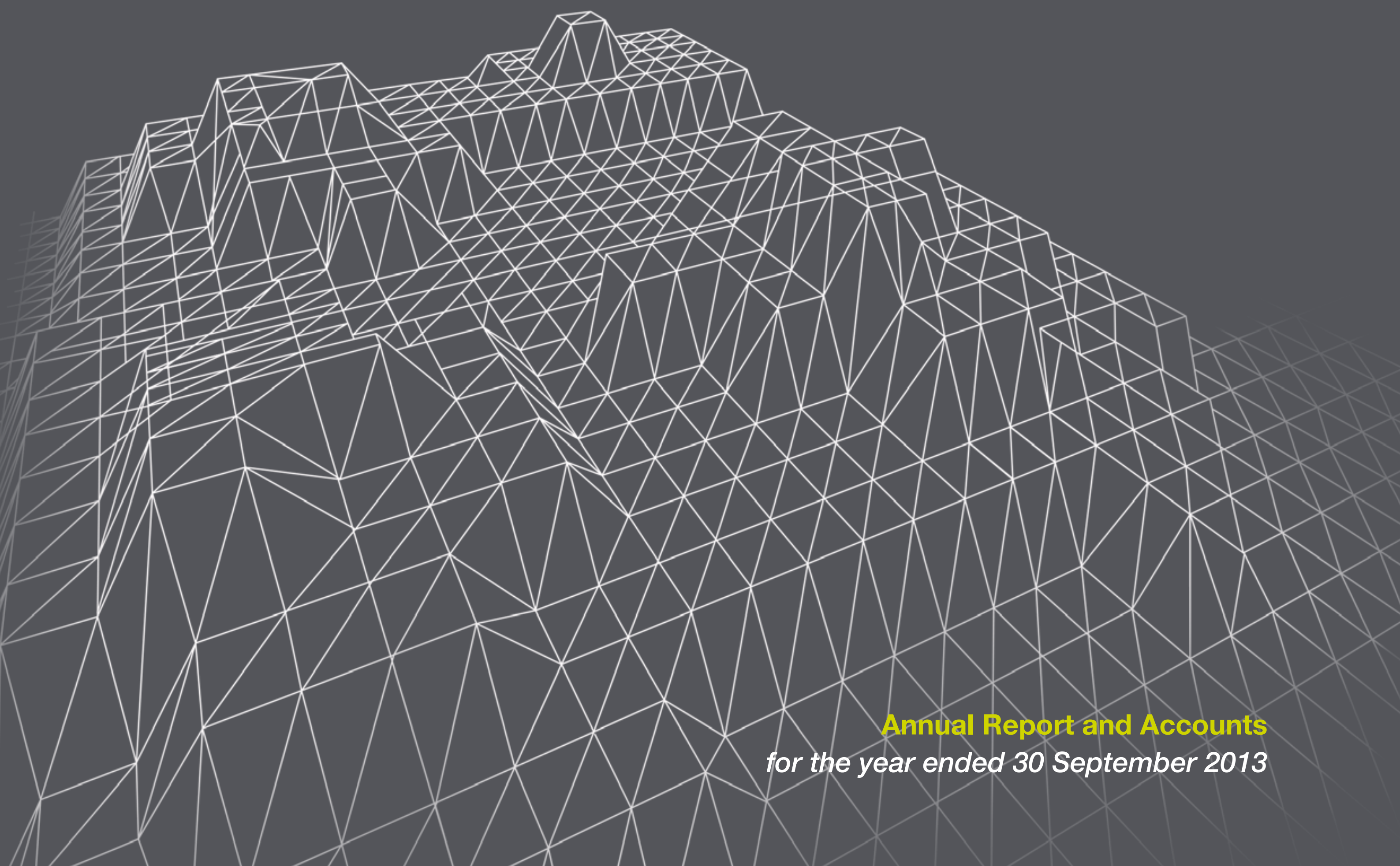


SUNRISE RESOURCES PLC

A diversified mineral exploration & development specialist



Annual Report and Accounts

for the year ended 30 September 2013

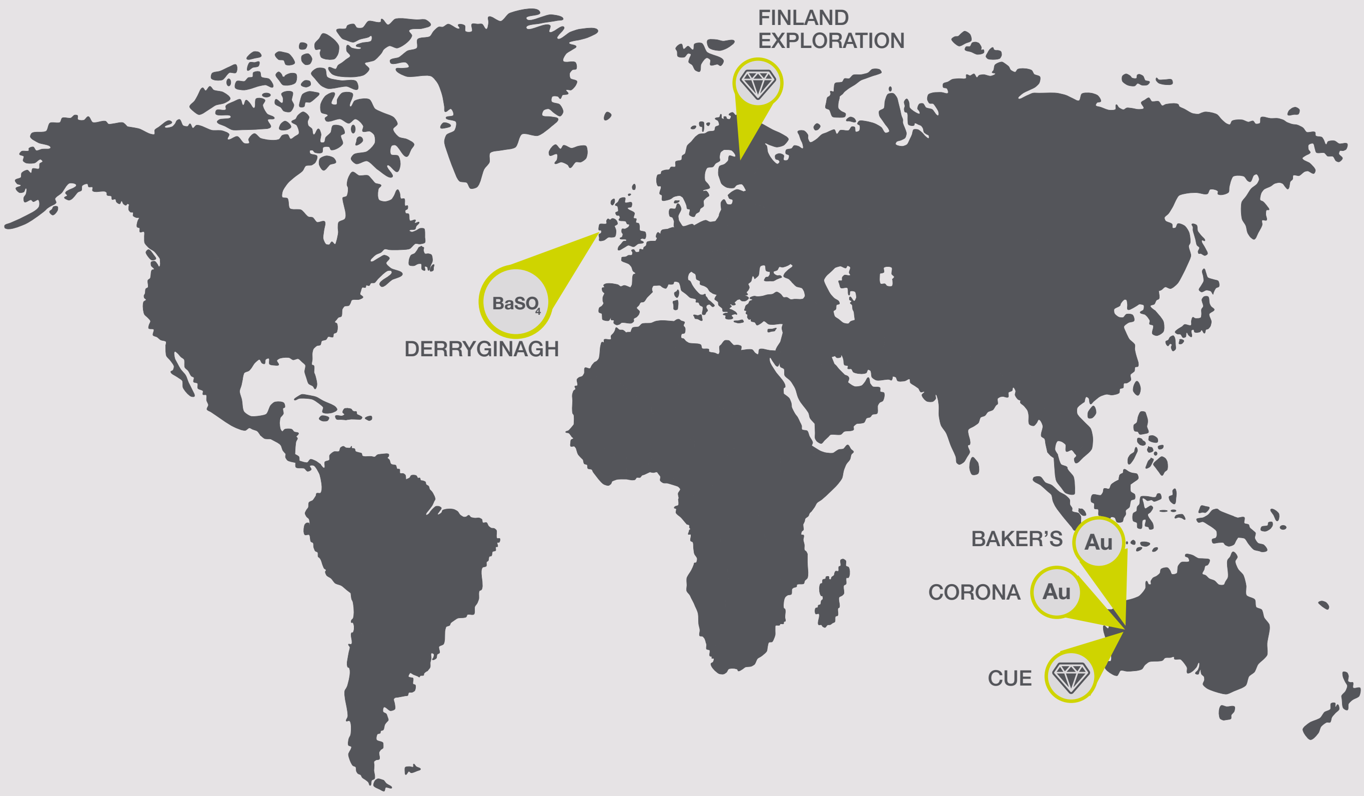
Welcome To
Sunrise Resources plc

Sunrise Resources plc is a **diversified** mineral **exploration** and development **specialist.**

The Company's **aim** 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.

Shares in the Company trade on AIM, Stock Code (SRES).

Where We Operate



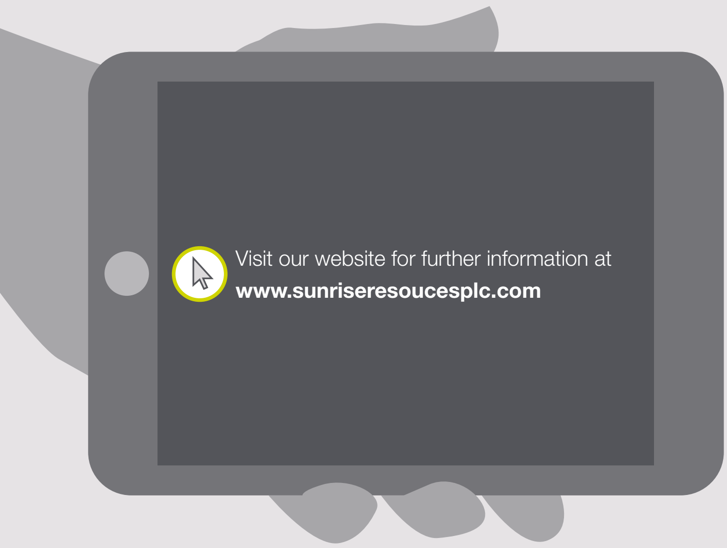
Key

Diamond Projects
Au Gold Projects
BaSO4 Barite Project

Our Highlights

Operational Highlights

- Technical studies on drill samples confirm diamond prospectivity of Cue Diamond Project but downgrade Cue1 kimberlite.
- 280 diamonds recovered from samples of Target 5 kimberlite float totalling 251kg. Stones predominantly white/colourless and transparent.
- Diamond size modelling suggests commercial potential for Target 5 depending on size of source kimberlite. Follow up work planned.
- Licence applications made for Corona and Baker's gold projects in Murchison Greenstone Belt in Western Australia.



Inside Our Report

Chairman's **Statement**

I am pleased to present the Company's **Annual Report & Financial Statements** for the year ended 30 September 2013.

The equity markets have been all but closed to junior mining companies during the year. Negative sentiment has accompanied a weaker gold price and share prices have tracked lower across the mining boards. Funding, where available, has generally demanded an unacceptably deep discount to an already weak share price.

Your Board's response to this very difficult environment has been to limit the Company's discretionary expenditure to those projects where limited expenditure spend could add significant value and also to expand the Company's project portfolio where this can be done at low cost. Consequently our work in 2013 has focused on our Cue Diamond Project. Although the 2012 drilling lowered the diamond grade potential of the Cue 1 kimberlite, our technical studies have confirmed the diamond prospectivity of the region. Generally it is well established that the diamond content of individual kimberlites can be highly variable with non-diamondiferous, low grade and high grade kimberlites often present in the same field. This was richly illustrated by the discovery of a new area of kimberlite float at Target 5 where two rounds of sampling in 2013 recovered a total of 280 diamonds from 251kg of surface float and where modelling has indicated economic potential, depending on the size of the source kimberlite. Work is now planned to try to locate and define the source.

In the same region as the Cue Diamond Project we have acquired two gold prospective areas on the eastern margin of the Meekatharra Greenstone Belt which has yielded over 5 million ounces of past gold production. The Company considers the area to be prospective for high gold grade deposits and drilling is planned to start as soon as possible after the licences are granted and native title clearance has been obtained.

Work on our Derryginagh Barite Project has been on hold during the year although various discussions have been held with potential industry partners. More detailed information on all of the Company's projects can be found in the Operating Review on pages 5 to 9.

I know that many shareholders share the Board's frustration at the slow rate of progress but I am pleased to see a return of investor interest to the junior mining market in the past few months, in particular for companies with diamond interests. The recovery is fragile but undoubtedly market conditions at the end of the year have improved and so we look forward to 2014 with some optimism.

I would like to take this opportunity to thank my fellow directors who are joining me in continuing to take their fees in shares, and also Tertiary Minerals plc which accepted payment for at-cost management services in shares for the last six months of the reporting period, thereby reducing our cash outflows.

This Annual Report follows a revised format following the introduction of the new Companies Act requirements to include a Strategic Report. This is widely seen as an opportunity to more clearly and concisely set out the Company's aims, strategies and business plan whilst also highlighting those aspects of the Financial Statements that best highlight the Company's and your Board's progress and performance during the year. The Strategic Report contains some information formerly included in the Directors' Report and incorporates an Operating Review which details the Group's progress during the year.

Our 30 September year-end means that we are amongst the first companies required to comply with the Strategic Report requirement and so no doubt our new reporting format will evolve with time. As its purpose is to enable a more effective communication with you, our shareholders, I encourage you to contact me with any suggestions for improvement in the presentation of your Annual Report & Financial Statements.

I look forward to meeting those of you who attend the Annual General Meeting which is to be held on Wednesday 19 February 2014 as set out on page 36.

Patrick Cheetham
Executive Chairman
12 December 2013

Strategic Report

The Directors of the Company and its subsidiary undertaking (which together comprise "the Group") present their Strategic Report for the year ended 30 September 2013.

The Strategic Report is a new statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the Directors to be satisfied that they have complied with s172 of the Companies Act 2006 which sets out the Directors' duty to promote the success of the Company.

Principal Activities

The principal activity of the Group is the identification, acquisition, exploration and development of mineral projects. The main areas of activity are Australia, Ireland and Finland.

Organisation Overview

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

The Group's exploration activity in Finland is undertaken through a registered branch in Finland. In Australia the Company operates through an Australian subsidiary, Sunrise Minerals Australia Pty Ltd.

The Board of Directors comprises two independent non-executive directors and the Executive Chairman. Their profiles are provided on page 13. The Executive Chairman of the Company is also Chairman of Tertiary Minerals plc but otherwise the Board is independent from Tertiary.

Aims, Strategy & Business Plan

The Company's **aim** is to develop profitable mining operations to sustain the Company's wider exploration efforts and create value for shareholders through the discovery of economic mineral deposits.

The Company's **strategy** is to acquire, explore and develop mineral projects in stable, democratic and mining friendly jurisdictions – targeting advanced projects which have the potential to generate a sustaining cash flow as well as near-drill stage projects where there is potential for significant mineral discovery. The Derryginagh Barite Projects and the Cue Diamond Project are respective examples of this two-pronged strategy.

Mineral development is a high risk business and as a result Sunrise Resources seeks to limit country risk by working only in countries that have low levels of corruption and political risk.

The Group's **business model** has established it as an efficient and low cost explorer. Sunrise Resources identifies mineral project opportunities through internal research and prefers to acquire its business interest by licensing of "open ground" from the relevant authority. This allows the Company to acquire 100% ownership of valuable assets, often at minimal cost. Sunrise Resources is focused on the quality of the opportunity rather than a specific commodity or industrial mineral. For operational synergies and cost the Company prefers to generate new projects in commodities or geographical areas where it already has interests. A recent example of this is the acquisition of the Corona and Baker's Gold Projects in the same region as the Company's Cue Diamond Project.

The Board seeks to run the Company with a low cost base in order to maximise the amount that is spent on exploration and development as this is where value can be added. Through the cost sharing arrangement with Tertiary the Company has the services of their 5 full time employees who also oversee a range of carefully selected and experienced consultants and contractors as and when work requires.

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

The Company finances its activities through periodic capital raisings, as share placings and through other innovative equity based financial instruments. As the Company's projects become more advanced there may be strategic opportunities to obtain funding for some projects from future customers via production sharing, royalty and other marketing arrangements.

Strategic Report continued

Financial & Performance Review

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

The results for the Group are set out in detail on page 18. The Group reports a loss of £924,447 for the year (2012: £886,844) after administration costs of £322,961 (2012: £269,510) and after crediting interest of £3,624 (2012: £3,935). The loss includes expensed pre-licence and reconnaissance exploration costs of £48,090 (2012: £1,264). Administration costs include an amount of £94,109 (2012: £46,025) as non-cash costs for the value of certain options and warrants held by employees and others as required by IFRS 2.

The Financial Statements show that, at 30 September 2013, the Group had net current assets of £267,406 (2012: £641,208). This represents the cash position after allowing for receivables and trade and other payables. These amounts are shown in the Consolidated and Company Statements of Financial Position on page 19 and are also components of the net assets of the Group. Net assets also include various "intangible" assets of the Company. As the name suggests, these intangible assets are not cash assets but include some of this year's and previous years' expenditure on mineral projects where that expenditure meets the criteria in Note 1(d) accounting policies. The individual intangible assets total £565,964 (2012: £1,004,866) and breakdown by project is shown in Note 2 to the Financial statements on page 26. Details of intangible assets, property, plant & equipment and investments are also set out in Notes 8, 9 and 10 of the financial statements.

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

It is a consequence of the Company's business model that there will be regular impairments of unsuccessful exploration projects. In the reporting period the Directors impaired £557,020 of historical expenditure costs relating to diamond exploration areas in Finland where exploration has not been a priority for the Company and there is the possibility that the projects will not be advanced further.

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

Key Performance Indicators

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

The usual financial key performance indicators ("KPIs") cannot be applied to a company with no turnover and so the Directors consider that the detailed information in the Operating Review is the best guide to the Group's progress and performance during the year.

In addition, the Directors highlight the following KPIs and expect that further KPIs will be reported as the Company progresses through development.

Health & Safety

The Group has not lost any man-days through injury and there have been no Health & Safety incidents or reportable accidents during the year.

Environment

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

Fundraising

The Company did not seek to raise funds in the reporting period but issued equity to the value of £33,922 in consideration of fees payable to Directors. Since 2008, the Company has raised just £2,093,824 in equity and your Board considers that good progress has been made since that date on limited financial resources in a period of considerable financial turmoil.

Operating Review

DIAMONDS

Cue Diamond Project

The 100% owned Cue Diamond Project is located in the Murchison Mining District of central Western Australia, 80km north-west of the gold mining town of Cue.

The Company is targeting multiple kimberlite dykes discovered by De Beers in the period leading up to their withdrawal from all diamond exploration in Australia several years ago. De Beers discovered kimberlite dykes at two locations within the Company's licence applications – Cue 1 and Soapy Bore. De Beers reported both kimberlites to be significantly diamondiferous.

In 2012 the Company completed a drilling programme on the Cue 1 kimberlite and drill sampling results were reported in February 2013. From a total of 505kg of kimberlite and mixed kimberlite/granite wall rock, 244 microdiamonds were recovered. The drill data was submitted to independent consultant, Mineral Services Laboratories ("Mineral Services") who carried out size distribution and grade modelling. In addition Mineral Services processed a 10kg sample of the Cue 1 kimberlite for recovery of kimberlite indicator minerals ("KIMs") and has evaluated the results using its proprietary Mantle Mapper™ procedures to determine the general diamond prospectivity of the Cue project area.

Macrodiamond (here defined as commercial sized, +0.85mm diamonds) grade modelling indicated that, whilst small diamonds are present in significant quantities, the diamond population for the Cue 1 kimberlite, where sampled, is fine grained and macrodiamonds are likely to be scarce. The modelled macrodiamond grade for all sample groups was less than 2 carats per hundred tonnes.

Whilst this result is disappointing, it is well established that the diamond content of individual kimberlite bodies within a kimberlite field can be highly variable with non-diamondiferous, low grade and high grade kimberlites often present in the same field and so the significant and positive technical findings of the Mantle Mapper™ process are particularly encouraging:

- Calculated pressures and temperatures for chrome diopside imply deep sampling by the ascending kimberlite magma of garnet peridotite from significant depths on a cool cratonic geotherm (a fertile source for diamonds).
- Peridotitic garnet compositions, particularly the presence of G10 (diamond association composition harzburgitic) grains, confirm that high pressure diamond bearing peridotite has been sampled and that peridotitic diamonds will likely be present.
- Ilmenite compositions reflect neutral redox conditions at the time of kimberlite emplacement and so diamond resorption (which can reduce the size of the diamonds) is not likely to have impacted the diamond population.

Mineral Services concluded that the indicator mineral data suggests the area in which it occurs is broadly prospective for diamonds and this has encouraged the Company to continue the search for new kimberlites in the Cue area and the evaluation of newly discovered areas of kimberlite float at targets 5 and 8 that were reported last year.

276
Diamonds recovered from 251 kg of Target 5 Kimberlite

71%
of diamonds white or colourless

98%
Transparent

Strategic Report continued

Cue Diamond Project continued

In early February 2013 a further prospecting visit was made to the Cue project. During the visit a new occurrence of kimberlite float (detached surface material) was discovered at the Fennel's Well target adding a third new and geographically separate kimberlite target. The most extensive of these is at Target 5 and this is where work has focused in 2013.

During the year two separate float samples have been collected. An initial 46.5kg returned a high microdiamond count (1.27 per kg) with 71% of microdiamonds being white/colourless and 98% transparent. Consequently, in June 2013, a larger, 204.4kg, sample of float was collected and mapping increased the extent of the Target 5 kimberlite float. On processing by caustic fusion this sample yielded 221 diamonds with similarly favourable colour and quality characteristics to those reported for the first 46kg sample.

The three larger diamonds recovered from the larger sample had the following dimensions: 0.84×0.46×0.36mm, 0.70×0.48×0.44mm and 0.64×0.44×0.32mm. Modelling of the stone size distributions suggests that commercial sized diamonds should be found in bulk samples of the kimberlite and the further economic evaluation of the kimberlite is most certainly warranted. The results indicate a higher economic potential for Target 5 compared to the Cue 1 kimberlite. The grade potential is better and the extent of surface float suggests it could be larger.

The Company is now planning a magnetic survey and a programme of trenching and/or drilling to locate the bedrock source of the kimberlite float at Target 5. The high concentration of the kimberlite float at surface and its geomorphological setting suggest that the kimberlite source is local, if not directly below the float. The target area falls within an area where Aboriginal Heritage clearance has already been obtained.

Finland Diamond Projects

The Company's Finnish diamond exploration projects have remained on hold during the year having assumed a lower priority.

Diamond Market

During the early period of the Global financial crisis, in 2008–9, diamond prices and demand fell substantially, but since 2008 rough diamond prices have risen at a compound rate of 13% and are now at higher levels than at the start of the 2008 financial crisis.

The longer term outlook, of primary interest to the Company, is favourable with demand for diamonds predicted to grow at twice the pace of supply. In the first half of 2013 rough diamond prices continued to rise but then levelled off in the second half of 2013.

The outlook for the diamond market is positive. *Bain & Co. forecasts a balanced market for the next four years, a widening gap between demand and supply thereafter and an average growth in demand of 5.1% over the next ten years compared to only 2% growth in supply over the same period. A major factor in the forecast supply side deficit is the lack of recent investment in new mine development and a severe reduction in grass roots diamond exploration in recent years that will undoubtedly limit the opportunities for new mine development in future.

* Bain & Co. The Global Diamond report 2013: Journey through the Value Chain. August 2013.

Picture: Magnetic Survey at Target 5, Cue Project.

GOLD

In July 2013 the Company applied for licences over two gold prospective areas near Meekatharra in the Murchison Mining District of central Western Australia. The “Corona” and “Baker’s” Gold Projects are located 80km and 100km north-east of the town of Cue and 150 km east of the Company’s Cue Diamond Project.

The host Meekatharra Greenstone Belt has yielded over 5.5 million ounces of gold and contains a number of producing gold mines including the Andy Well high grade gold deposit being developed by Doray Minerals Ltd.

Baker’s Gold Project

The Baker’s Gold Project is located 25km south-east of Meekatharra and comprises 10 contiguous Prospecting Licence applications (P51/2836-2845) covering an area of approximately 18 sq. km. on the eastern limb of the Meekatharra Greenstone Belt.

Generally, the eastern limb of the Meekatharra Belt has not seen the same density of exploration as other parts of the belt.

Within the licence application area, the Baker’s gold prospect produced a small quantity of gold from small scale workings between 1980 and 1984. The licence has seen various rounds of historical exploration including separate programmes of wide spaced percussion drilling. This generated a number of anomalies that Sunrise plans to follow up including gold mineralisation in historic drill hole DLR 04 completed by Australian Consolidated Minerals in 1987 which averaged 0.55g/t gold (Au) over the 22m interval from 2m down hole depth to the end of hole at 24m and where the final 2m sample (from 22–24m depth) assayed 1.17g/t Au. No follow-up drilling was carried out.

The project area is strategically located covering a 4.5km strike length of highly prospective ground in the centre of Doray Minerals Ltd’s Meeka East project and to the south of Doray’s Side Well gold project where Doray recently announced significant drill results.

5.5
Million ounces of regional gold production

Picture: Sunrise Consultant Geologist Louisa Barden overlooking Cue Diamond Project.

Strategic **Report** continued

Corona Gold Project

The Corona Project is located 26km to the south of Baker's and comprises an exploration licence application (E51/1586) covering 84 sq. km.

The licence area is located immediately north of the Quinn's Mining Centre, a significant gold producing centre and the focus of recent base metal discoveries.

The project takes its name from the historic Corona Gold Mining Lease where a high grade gold reef was mined in the period 1910–1911 producing 159 tonnes of ore having a recovered grade of 17 g/t Au.

The Corona licence application area is also located within the Meekatharra Greenstone Belt but has undergone limited exploration as historical mapping of the area misclassified much of the licence area as unprospective granite. Recent mapping demonstrates that the area is underlain by more prospective greenstone.

Historical exploration in the licence area has been carried out by two companies — Homestake (1986) and Gold Mines of Australia (WA) NL ("GMA":1995–1996). Homestake was first attracted to the area on the basis of very high grade reconnaissance samples taken from the Corona Mine area which returned values up to 28g/t Au. Homestake carried out wide spaced geochemical drilling along a structure believed to be associated with the high grade reef, collecting only base-of-hole geochemical samples. This defined a north-east trending gold anomalous zone coincident with the main Corona workings which was open to the north-east, but not followed up.

Subsequently GMA carried out wide spaced soil sampling and rock chip sampling at Corona that confirmed the high gold values but no drilling or follow-up work was carried out in the Corona area.

The Company believes that the high grade gold reef at Corona presents an immediate drill target with potential for the discovery of Andy Well style high grade gold mineralisation.

Drilling is planned to start as soon as possible after the licences are granted and native title clearance has been obtained. Typically a licence can take 12 months from application to grant in Western Australia.

84
Sq km licence application

Picture: Old gold workings Corona Project.

INDUSTRIAL MINERALS

Derryginagh Barite Project

The Derryginagh Barite Project is located near Bantry, County Cork, in the south-west of the Irish Republic. White barite was produced from Derryginagh intermittently in the period 1864–1922.

The Company is targeting the Derryginagh barite deposit for the production of high value white "paint-grade" barite for use as mineral filler in paints and plastics and has carried out drilling, metallurgical testwork and, in 2012, an economic and technical scoping study.

The scoping study highlighted the need for additional resources and improved metallurgical testwork as well as opportunities to capture more of the processing value chain for white barite.

Discussions have been held with various potential industry partners during the year but progress has been slow as new project investment has not been a priority for these companies in the current economic climate.

The Derryginagh Project Licence was recently extended for a further two-year period.

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.

Recent prices for white paint grade barite have been stable during the year at £195–220/tonne for lump material.

£200
Price per tonne Barite

Strategic **Report** continued

Risks & Uncertainties

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible. Details of how the directors mitigate these risks can be found in the Strategic Report on page 3.

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, groundwater 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.

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.

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.

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. 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, it is the policy of the Board to separate these roles in future and to strengthen the executive Board as projects are developed and financial resources permit.

The Board is aware of the need to refresh its membership from time to time and will consider appointing additional independent non-executive directors in the future.

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, Remuneration and Nomination 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. The Company's Articles contain such a provision.

Procedures are in place in order to avoid any conflict of interest between the Company and Tertiary Minerals plc, which held 8.75% of the Company's issued share capital at 30 September 2013. Tertiary Minerals provides management services to Sunrise Resources in the search, evaluation and acquisition of new projects.

Strategic **Report** continued

Corporate 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 and the directors are always prepared, where practicable, to enter into a dialogue with shareholders to promote a mutual understanding of objectives. The Annual General Meeting 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 Consolidated and Company Statement of Financial Position in respect of trade payables at the end of the financial year represents 2 days of average daily purchases (2012: 10 days).

Health and Safety

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

This Strategic Report was approved by the Board of Directors on 12 December 2013 and signed on its behalf.

Patrick Cheetham
Executive Chairman
12 December 2013

Board of Directors

The Directors and Officers of the Company are:

Patrick Cheetham, aged 53, Executive Chairman

Mr Cheetham is the founder of the Company. He is a mining geologist with 31 years' experience in mineral exploration and 25 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 48, (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 a number of junior mining companies.

David Swan, aged 58, Non-Executive Director†

Mr Swan is a Chartered Accountant with a career focus in the natural resource industries. He joined Arthur Andersen after graduating in 1977, and from 1991 to 1996 acted as Chief Financial Officer or Finance Director for a number of ASX listed mining companies. He returned to the accounting profession in 1996 as Group Leader of the Mining and Resource Group at Ernst & Young in Sydney. After relocating to the UK in 2001 he continued his involvement in the natural resource industry including the position as Chief Financial Officer at Oriel Resources plc undertaking a number of major corporate transactions. David is also a director of Cambridge Mineral Resources plc. He was appointed to the Sunrise Board in May 2012.

Colin Fitch, LLM, FCIS, 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, African Lakes and Manders 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' **Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

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

Website publication

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Report

The directors are pleased to submit their annual report and audited accounts for the year ended 30 September 2013.

The Strategic Report starting on page 3 contains details of the principal activities of the Company and includes the Operating Review which provides detailed information on the development of the Group's business during the year and indications of likely future developments.

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. For further information see Note 1(b) on page 22.

Dividend

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

Financial Instruments and Other Risks

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

Details of risks and uncertainties that affect the Group's business are given in the Strategic Report on page 10.

Directors

The directors holding office in the period were:

Mr P L Cheetham
Mr F P H Johnstone
Mr D J Swan

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.

As at 12 December 2013	Number of shares	% of share capital
Barclayshare Nominees Limited	53,055,861	13.84
Tertiary Minerals plc	40,147,428	10.48
HSDL Nominees Limited	40,053,289	10.45
TD Direct Investing Nominees (Europe) Limited SMKTNOMS	30,505,175	7.96
Mr Ronald Bruce Rowan	25,000,000	6.52
HSBC Client Holdings Nominee (UK) Limited 731504	18,844,020	4.92
Share Nominees Ltd	17,608,981	4.59
Starvest Plc	14,183,333	3.70
Hargreaves Lansdowne (Nominees) Limited HLNOM	11,648,422	3.04

Directors' Report continued

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.

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

PKF (UK) LLP has merged its business into BDO LLP and accordingly have signed its Auditor's report in the name of the merged firm.

A resolution to reappoint BDO LLP as Auditor of the Company and the Group will be proposed at the forthcoming Annual General Meeting.

Suppliers and Contractors

Details of the Group's policy and payment of creditors is disclosed on page 12. This policy will continue unchanged in the next financial year.

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 the Company's Nominated Adviser, Northland Capital Partners Limited, 60 Gresham Street, London EC2V 7BB and also on the Company's website: www.sunriseresourcesplc.com.

Annual General Meeting

Notice of the Company's Annual General Meeting convened for Wednesday 19 February 2014 at 10.30 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 12 December 2013 and signed on its behalf.

Patrick Cheetham
Executive Chairman

Independent Auditor's Report to the Members of Sunrise Resources plc

for the year ended 30 September 2013

We have audited the financial statements of Sunrise Resources plc for the year ended 30 September 2013 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at: www.frc.org.uk/auditscopeukprivate.

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 2013 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 and 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 matters prescribed by the Companies Act 2006

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

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.

Timothy Entwistle (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor, Manchester, United Kingdom
12 December 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Our Financials

Consolidated
Income Statement
for the year ended 30 September 2013

	Notes	2013 £	2012 £
Pre-licence exploration costs		**48,090**	1,264
Impairment of deferred exploration cost	9	**557,020**	620,005
Administrative expenses		**322,961**	269,510
Operating loss		**(928,071)**	(890,779)
Interest receivable		**3,624**	3,935
Loss on ordinary activities before taxation	3	**(924,447)**	(886,844)
Tax on loss on ordinary activities	7	**—**	—
Loss on ordinary activities after tax		**(924,447)**	(886,844)
Loss for the year attributable to equity holders of the parent		**(924,447)**	(886,844)
Loss per share — basic and diluted (pence)	6	**(0.25)**	(0.26)

All amounts relate to continuing activities.

Consolidated Statement
of Comprehensive Income
for the year ended 30 September 2013

	2013 £	2012 £
Loss for the year	**(924,447)**	(886,844)
Items that could be reclassified subsequently to the income statement:		
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**(39,015)**	6,880
	(39,015)	6,880
Total comprehensive loss for the year attributable to equity holders of the parent	**(963,462)**	(879,964)

Consolidated and Company
Statements of Financial Position

at 30 September 2013

Company Registration Number: 05363956

	Notes	**Group 2013 £**	**Company 2013 £**	Group 2012 £	Company 2012 £
Non-current assets					
Intangible assets	9	**565,964**	**276,337**	1,004,866	802,217
Investment in subsidiary	8	**—**	**396,915**	—	192,524
		565,964	**673,252**	1,004,866	994,741
Current assets					
Receivables	11	**25,729**	**24,142**	38,386	25,365
Cash and cash equivalents	12	**320,353**	**299,980**	734,180	734,180
		346,082	**324,122**	772,566	759,545
Current liabilities					
Trade and other payables	13	**(78,676)**	**(77,276)**	(131,358)	(80,792)
Net current assets		**267,406**	**246,846**	641,208	678,753
Net assets		**833,370**	**920,098**	1,646,074	1,673,494
Equity					
Called up share capital	14	**375,996**	**375,996**	365,251	365,251
Share premium account		**4,107,417**	**4,107,417**	4,061,513	4,061,513
Share option reserve		**378,106**	**378,106**	283,997	283,997
Foreign currency reserve		**(44,803)**	**—**	(5,788)	—
Accumulated losses		**(3,983,346)**	**(3,941,421)**	(3,058,899)	(3,037,267)
Equity attributable to owners of the parent		**833,370**	**920,098**	1,646,074	1,673,494

These financial statements were approved and authorised for issue by the Board of Directors on 12 December 2013 and were signed on its behalf.

P L Cheetham
Executive Chairman

D J Swan
Director

Our Financials

Consolidated and Company
Statements of Changes in Equity

Group	Share capital £	Share premium account £	Share option reserve £	Foreign currency reserve £	Accumulated losses £	Total £
At 30 September 2011	**312,739**	**3,526,621**	**237,972**	**(12,668)**	**(2,172,055)**	**1,892,609**
Loss for the year	—	—	—	—	(886,844)	(886,844)
Exchange differences	—	—	—	6,880	—	6,880
Total comprehensive loss for the year	**—**	**—**	**—**	**6,880**	**(886,844)**	**(879,964)**
Share issue	52,512	534,892	—	—	—	587,404
Share based payments	—	—	46,025	—	—	46,025
At 30 September 2012	**365,251**	**4,061,513**	**283,997**	**(5,788)**	**(3,058,899)**	**1,646,074**
Loss for the year	—	—	—	—	(924,447)	(924,447)
Exchange differences	—	—	—	(39,015)	—	(39,015)
Total comprehensive loss for the year	—	—	—	(39,015)	(924,447)	(963,462)
Share issue	10,745	45,904	—	—	—	56,649
Share based payments	—	—	94,109	—	—	94,109
At 30 September 2013	**375,996**	**4,107,417**	**378,106**	**(44,803)**	**(3,983,346)**	**833,370**

Company	Share capital £	Share premium account £	Share option reserve £	Accumulated losses £	Total £
At 30 September 2011	**312,739**	**3,526,621**	**237,972**	**(2,168,893)**	**1,908,439**
Share issue	52,512	534,892	—	—	587,404
Share based payments	—	—	46,025	—	46,025
Loss for the year/Total comprehensive loss for the year	—	—	—	(868,374)	(868,374)
At 30 September 2012	**365,251**	**4,061,513**	**283,997**	**(3,037,267)**	**1,673,494**
Share issue	10,745	45,904	—	—	56,649
Share based payments	—	—	94,109	—	94,109
Loss for the year/Total comprehensive loss for the year	—	—	—	(904,154)	(904,154)
At 30 September 2013	**375,996**	**4,107,417**	**378,106**	**(3,941,421)**	**920,098**

Consolidated and Company
Statements of Cash Flows
for the year ended 30 September 2013

	Notes	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Operating activity					
Total loss after tax		**(928,071)**	**(907,751)**	(890,779)	(879,189)
Share based payment charge		**94,109**	**94,109**	46,025	46,025
Shares issued in lieu of net wages		**22,728**	**22,728**	23,777	23,777
Impairment charge		**557,020**	**557,020**	620,005	620,005
Decrease in accounts receivable	11	**12,657**	**1,223**	2,219	15,240
Increase/(decrease) in accounts payable	13	**7,740**	**(3,517)**	6,681	(3,398)
Net cash outflow from operating activity		**(233,817)**	**(236,188)**	(192,072)	(177,540)
Investing activity					
Interest received		**3,624**	**3,597**	3,935	3,935
Purchase of intangible fixed assets		**(198,888)**	**(31,140)**	(337,968)	(186,969)
Loan to subsidiary		**—**	**(204,391)**	—	(165,531)
Net cash outflow from investing activity		**(195,264)**	**(231,934)**	(334,033)	(348,565)
Financing activity					
Issue of share capital (net of expenses)		**33,922**	**33,922**	563,627	563,627
Net cash inflow from financing activity		**33,922**	**33,922**	563,627	563,627
Net increase/(decrease) in cash and cash equivalents		**(395,159)**	**(434,200)**	37,522	37,522
Cash and cash equivalents at start of year	12	**734,180**	**734,180**	696,338	696,338
Exchange differences		**(18,668)**	**—**	320	320
Cash and cash equivalents at 30 September		**320,353**	**299,980**	734,180	734,180

Notes to the Financial Statements

for the year ended 30 September 2013

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 AIM - EPIC : SRES.

The Company is a holding company for one company (together, "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 Company.

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

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the basis of the recognition and measurement requirements of 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 concern

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

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's and Group's overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Group and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

(c) Basis of consolidation

Investments, including long term loans, in the subsidiary 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 undertaking 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 £904,154 (2012: £868,374).

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

Notes to the Financial Statements continued

for the year ended 30 September 2013

1. Accounting policies continued

(h) Foreign currencies continued

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

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

1. Accounting policies continued

a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

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

Impairment reviews for investments are carried out on an individual basis. The Group will look to performance indicators of the investment, such as market share price, 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 dependent on finance being available for the continuing working capital requirements of the Group. Based on the assumption that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts.

Share 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.

Notes to the Financial Statements continued

for the year ended 30 September 2013

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.

2013	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs:			
Kuusamo Diamond Project, Finland	(525,068)	–	(525,068)
Other Diamond Projects, Finland	(31,952)	–	(31,952)
	(557,020)	–	(557,020)
Pre-licence exploration costs	–	(48,090)	(48,090)
Share based payments	–	(94,109)	(94,109)
Other expenses	–	(228,852)	(228,852)
Operating loss	(557,020)	(371,051)	(928,071)
Bank interest received	–	3,624	3,624
Loss on ordinary activities before taxation	(557,020)	(367,427)	(924,447)
Tax on loss on ordinary activities	–	–	–
Loss for the year attributable to equity holders	(557,020)	(367,427)	(924,447)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Kuusamo Diamond Project, Finland	–	–	–
Other Diamond Projects, Finland	–	–	–
Derryginagh Barite Project, Ireland	276,337	–	276,337
Cue Diamond Project, Australia	289,627	–	289,627
	565,964	–	565,964
Current assets			
Receivables	–	25,729	25,729
Cash and cash equivalents	–	320,353	320,353
	–	346,082	346,082
Current liabilities			
Trade and other payables	(3,518)	(75,158)	(78,676)
Net current assets	(3,518)	270,924	267,406
Net assets	562,446	270,924	833,370
Other data			
Deferred exploration additions	138,466	–	138,466
Exchange rate adjustments to deferred exploration costs	–	(20,349)	(20,349)

2. Segmental analysis continued

2012	Exploration projects £	Head office £	Total £
Consolidated Income Statement			
Impairment of deferred exploration costs:			
Nordic Joint Venture, Diamond Project, Finland	(4,366)	—	(4,366)
Long Lake Gold Project, Canada	(615,639)	—	(615,639)
	(620,005)	—	(620,005)
Pre-licence exploration costs	—	(1,264)	(1,264)
Share based payments	—	(46,025)	(46,025)
Other expenses	—	(223,485)	(223,485)
Operating loss	(620,005)	(270,774)	(890,779)
Bank interest received	—	3,935	3,935
Loss on ordinary activities before taxation	(620,005)	(266,839)	(886,844)
Tax on loss on ordinary activities	—	—	—
Loss for the year attributable to equity holders	(620,005)	(266,839)	(886,844)
Non-current assets			
Intangible assets:			
Deferred exploration costs:			
Long Lake Gold Project, Canada	—	—	—
Kuusamo Diamond Project, Finland	525,068	—	525,068
Nordic Joint Venture Diamond Project, Finland	—	—	—
Other Diamond Projects, Finland	31,952	—	31,952
Derryginagh Barite Project, Ireland	245,197	—	245,197
Cue Diamond Project, Australia	202,649	—	202,649
	1,004,866	—	1,004,866
Current assets			
Receivables	—	38,386	38,386
Cash and cash equivalents	—	734,180	734,180
	—	772,566	772,566
Current liabilities			
Trade and other payables	(63,940)	(67,418)	(131,358)
Net current assets	(63,940)	705,148	641,208
Net assets	940,926	705,148	1,646,074
Other data			
Deferred exploration additions	376,688	—	376,688
Exchange rate adjustments to deferred exploration costs	—	6,792	6,792

Our Financials

Notes to the Financial Statements continued

for the year ended 30 September 2013

3. Loss on ordinary activities before taxation

The operating loss is stated after charging:	**2013** **£**	2012 £
Fees payable to the Company's auditor for:		
The audit of the Company's annual accounts	**6,230**	6,230
Other services	**1,050**	1,111

4. Directors' emoluments

Remuneration in respect of directors was as follows:	**2013** **£**	2012 £
P L Cheetham (salary)	**12,000**	12,000
F P H Johnstone (salary)	**12,000**	12,000
N L Herbert (salary)	**–**	8,000
D J Swan (salary)	**12,000**	4,000
	36,000	36,000

The above remuneration amounts do not include non-cash share based payments charged in these financial statements in respect of warrants issued to the directors amounting to £22,364 (2012: £13,187) or Employer's National Insurance Contributions of £1,605 (2012: £1,601)

Patrick Cheetham is also a director of Tertiary Minerals plc and under the terms of the management services agreement (see Note 5) a total of £49,742 was charged to the Company for his services during the year (2012: £34,214). These services are provided at cost.

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 non-cash share based payments resulted in a charge within the financial statements of £7,898 (2012: £6,674).

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.

	2013 **£**	2012 £
Loss (£)	**(924,447)**	(886,844)
Weighted average shares in issue (No.)	**367,806,320**	344,617,188
Basic and diluted loss per share (pence)	**(0.25)**	(0.26)

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 (2012: £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 — 23% (2012: 24%). The differences are explained below.

	2013 £	2012 £
Tax reconciliation		
Loss on ordinary activities before tax	**(924,447)**	(886,844)
Tax at 23% (2012: 24%)	**(212,623)**	(212,843)
Effects (at 23%) (2012: 24%) of:		
Tax losses carried forward	**(212,623)**	(212,843)
Tax on loss from ordinary activities	**—**	—

Factors that may affect future tax charges

The Group has total losses carried forward of £3,428,725 (2012: £2,691,324). This amount would be recoverable if sufficient profits were made in the future. The deferred tax asset has not been recognised as the future recovery is uncertain given the exploration status of the Group.

8. Investments

Subsidiary undertakings

Company	Country of incorporation/registration	Type and percentage of shares held at 30 September 2013	Principal activity
Sunrise Minerals Australia Pty. Ltd.	Australia	100% of ordinary shares	Mineral exploration

Investment in subsidiary undertakings	Company 2013 £	Company 2012 £
Sunrise Minerals Australia Pty. Ltd.		
Loan	**396,854**	192,463
Ordinary shares	**61**	61
At 30 September	**396,915**	192,524

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

Our Financials

Notes to the Financial Statements continued
for the year ended 30 September 2013

9. Intangible assets

	Group 2013	Company 2013	Group 2012	Company 2012
Deferred exploration expenditure	**£**	**£**	£	£
Cost				
At start of year	**2,359,772**	**2,157,123**	1,983,084	1,971,922
Additions	**138,467**	**31,140**	376,688	185,201
At 30 September	**2,498,239**	**2,188,263**	2,359,772	2,157,123
Impairment losses				
At start of year	**(1,354,906)**	**(1,354,906)**	(741,461)	(741,461)
Change during year	**(557,020)**	**(557,020)**	(620,005)	(620,005)
Foreign exchange difference	**(20,349)**	**—**	6,560	6,560
At 30 September	**(1,932,275)**	**(1,911,926)**	(1,354,906)	(1,354,906)
Carrying amounts				
At 30 September	**565,964**	**276,337**	1,004,866	802,217
At start of year	**1,004,866**	**802,217**	1,241,623	1,230,461

10. Property, plant and equipment

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

11. Receivables

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Other receivables	**11,761**	**10,174**	25,058	12,037
Prepayments	**13,968**	**13,968**	13,328	13,328
	25,729	**24,142**	38,386	25,365

12. Cash and cash equivalents

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Cash at bank and in hand	**170,353**	**149,980**	734,180	734,180
Short-term bank deposits	**150,000**	**150,000**	–	–
	320,353	**299,980**	734,180	734,180

13. Trade and other payables

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Amounts owed to Tertiary Minerals plc	**43,157**	**43,157**	33,579	33,579
Trade creditors	**2,008**	**4,159**	11,573	11,503
Accruals	**33,511**	**29,960**	86,206	35,710
	78,676	**77,276**	131,358	80,792

14. Share capital

	2013 Number	2013 £	2012 Number	2012 £
Allotted, called up and fully paid				
Ordinary shares of 0.1p each	**375,996,307**	**375,996**	365,251,117	365,251
	375,996,307	**375,996**	365,251,117	365,251

During the year to 30 September 2013 the following share issues took place:

An issue of 1,319,965 0.1p ordinary shares at 0.9p per share to the three directors, for a total consideration of £11,880 (3 January 2013), in satisfaction of directors' fees.

An issue of 2,283,848 0.1p ordinary shares at 0.475p per share to the three directors, for a total consideration of £10,848 (31 July 2013), in satisfaction of directors' fees.

An issue of 7,141,377 0.1p ordinary shares at 0.475p per share to Tertiary Minerals plc, by way of settlement of an invoice issued to Sunrise Resources plc for management fees in the sum of £33,922.

During the year to 30 September 2012 a total of 52,512,212 0.1p ordinary shares were issued, at an average price of 1.2p per share, for a total consideration of £623,779.

Notes to the Financial Statements continued
for the year ended 30 September 2013

15. Warrants and options granted

Unexercised warrants

Issue date	Exercise price	Number	Exercisable	Expiry dates
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 before expiry	04/05/15
07/12/10	0.25p	6,000,000	Any time before expiry	07/12/15
20/04/11	0.675p	500,000	Any time before expiry	04/05/15
20/04/11	0.675p	2,000,000	Any time before expiry	04/05/15
25/10/12	1.46p	6,500,000	Any time before expiry	23/10/15
24/02/12	1.25p	6,000,000	Any time before expiry	24/02/17
19/12/12	0.85p	6,250,000	Any time from 19/12/13	19/12/17

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:

	2013		2012	
	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	**67,638,889**	**1.10**	62,838,889	1.12
Granted during the year	**12,750,000**	**1.16**	6,000,000	1.25
Forfeited during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Expired during the year	**–**	**–**	1,200,000	2.75
Outstanding at end of year	**80,388,889**	**1.11**	67,638,889	1.10
Exercisable at end of year	**74,138,889**	**0.09**	59,638,889	0.85

The warrants and options outstanding at 30 September 2013 had a weighted average exercise price of 1.11p and a weighted average remaining contractual life of 1.49 years.

In the year ended 30 September 2013 warrants were granted on 25 October 2012 and 19 December 2012. The aggregate of the estimated fair values of the warrants granted on these dates is £82,100. In the year ended 30 September 2012, warrants were granted on 24 February 2012. The aggregate of the estimated fair values of the warrants granted on this date is £39,000.

No options were granted in the year ended 30 September 2013 or the year ended 30 September 2012.

In the year ended 30 September 2013 no warrants were exercised.

15. Warrants and options granted continued

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

	2013	2012
Weighted average share price	**1.41p**	1.25p
Weighted average exercise price	**1.16p**	1.25p
Expected volatility	**100%**	100%
Expected life	**3 years**	4 years
Risk-free rate	**0.73%**	0.86%
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 £94,109 and £46,025 related to equity-settled share based payment transactions in 2013 and 2012 respectively.

The Company has not issued warrants in relation to any share issue in the year to 30 September 2013 or the year to 30 September 2012.

16. Related party transactions

Key management personnel

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

	At 30 September 2013				At 30 September 2012	
		Warrants				
	Shares Number	**Number**	**Exercise price**	**Expiry date**	Shares Number	Warrants Number
P L Cheetham*	**12,942,462**	**500,000**	**2.000p**	**31/10/13**	11,673,386	8,500,000
		2,000,000	**0.575p**	**08/12/14**		
		2,000,000	**0.850p**	**07/12/15**		
		2,000,000	**2.500p**	**07/12/15**		
		2,000,000	**1.250p**	**24/02/17**		
		2,000,000	**0.085p**	**19/12/17**		
F P H Johnstone	**4,830,340**	**250,000**	**2.000p**	**31/10/13**	3,853,321	4,250,000
		1,000,000	**0.575p**	**08/12/14**		
		1,000,000	**0.850p**	**07/12/15**		
		1,000,000	**2.500p**	**07/12/15**		
		1,000,000	**1.250p**	**24/02/17**		
		1,000,000	**0.085p**	**19/12/17**		
D J Swan	**1,597,004**	**1,000,000**	**0.085p**	**19/12/17**	114,286	—

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

Our Financials

Notes to the **Financial Statements** continued
for the year ended 30 September 2013

16. Related party transactions continued

Tertiary Minerals plc

Sunrise Resources plc is treated as an investment in the consolidated accounts of Tertiary Minerals plc, which held 8.75% of the issued share capital on 30 September 2013 (2012: 7.05%).

Tertiary Minerals plc provides management services to Sunrise Resources plc and consequently during the year the Group incurred costs of £134,277 (2012: £108,464) recharged from Tertiary Minerals being shared overheads of £22,977 (2012: £21,770), costs paid on behalf of the Group of £5,802 (2012: £7,343), Tertiary staff salary costs of £52,583 (2012: £45,137) and Tertiary directors' salary costs of £52,915 (2012: £34,214).

At the balance sheet date an amount of £ 43,157 (2012: £33,579) was due to Tertiary Minerals plc, which was repaid in November 2013.

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 2013 and at the date of this report.

17. Post Balance Sheet Event

On 6 November 2013 Sunrise Resources issued a further 7,254,266 new ordinary shares to Tertiary Minerals in settlement of management fees in the amount of £36,271. Tertiary Minerals now holds 10.48% of the issue share capital of Sunrise Resources.

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 2013, 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 2013, as defined in IAS 39, are as follows:

	Group 2013 £	**Company 2013 £**	Group 2012 £	Company 2012 £
Loans & receivables	**332,114**	**310,514**	759,238	746,217
Financial liabilities at amortised cost	**78,676**	**77,276**	131,358	80,792

19. Financial instruments continued

Risk management

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

Liquidity risk

The Group currently holds cash balances in Sterling, Australian Dollars and the Euro to provide funding for exploration and evaluation activity, whilst the Group and Company have cash balances in Sterling and the Euro. The Company is dependent on equity fundraising through private placings which the directors regard as the most cost effective method of fundraising. The directors monitor cash flow in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

Currency risk

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

Bank balances were held in the following denominations:	**Group 2013 £**	**Company 2013 £**	Group and Company 2012 £
United Kingdom Sterling	**299,267**	**299,267**	729,868
Australian Dollars	**20,373**	**—**	—
Canadian Dollars	**—**	**—**	4,133
Euro	**713**	**713**	179

Interest rate risk

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

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

Credit risk

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

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

Notice of
Annual General Meeting

Sunrise Resources plc

Company No. 05363956

Notice is hereby given that the Annual General Meeting of **Sunrise Resources plc** will be held in the Fourth Floor Council Room at Arundel House, 13–15 Arundel Street, Temple Place, London, WC2R 3DX on Wednesday 19 February 2014, at 10.30 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 2013.
2. To re-elect Mr F P H Johnstone who is retiring as a director of the Company.
3. To reappoint BDO LLP (previously 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 £300,000 (consisting of 300,000,000 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

   a) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £300,000 (consisting of 300,000,000 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 40.

By order of the Board

C D T Fitch
Company Secretary
12 December 2013

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

General Meeting
Explanatory Notes

The Annual General Meeting of Sunrise Resources plc will be held on Wednesday 19 February 2014 in the Fourth Floor Council Room at Arundel House, 13–15 Arundel Street, Temple Place, London, WC2R 3DX at 10.30 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 2013 which can be found on pages 3 to 21.

Resolution 2

The Company's Articles of Association require a director who held office at the time of the two preceding Annual General Meetings and who did not retire at either of them shall retire from office and may offer himself for re-election. This year Mr Francis Johnstone is retiring and the Board proposes that he be re-elected. Whilst Mr Johnstone retired last in 2012 the Company considers it best practice that at least one director retires and offers themselves for re-election each year. Biographical details of the directors can be found on page 13.

Resolution 3

The Company's Auditor BDO LLP (previously PKF (UK) LLP) is offering itself for reappointment and if elected will hold office until the conclusion of the next Annual General Meeting at which accounts are laid before shareholders. This resolution will also 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 19 February 2013 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 2015.

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 2015.

Shareholder Notes

Form of Proxy

SUNRISE RESOURCES PLC

Company No. 05363956

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 40) 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 Wednesday 19 February 2014 in the Fourth Floor Council Room at Arundel House, 13–15 Arundel Street, Temple Place, London, WC2R 3DX at 10.30 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 2013.			
2. Ordinary Resolution to re-elect Mr F P H Johnstone who is retiring as a director of the Company.			
3. Ordinary Resolution to reappoint BDO 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 40.

Please return this Proxy Form in the envelope provided, or in accordance with Note 6 overleaf.

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, Kent, BR3 4TU; and received by Capita Registrars no later than 10.30 a.m. on Monday 17 February 2014.

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, Kent, 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 Monday 17 February 2014. 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.

Company **Information**

Sunrise Resources plc (AIM – EPIC: SRES)

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M3 3AT
United Kingdom

Registrars

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The Registry
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Beckenham
Kent
BR3 4TU
United Kingdom

Solicitors

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125 Old Broad Street
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EC2N 1AR
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