SUNRISE RESOURCES PLC

Interim Statement 2013

Six months ended 31 March 2013

(Unaudited)

Directors and Professional Advisers

Directors:

Patrick Cheetham	Executive Chairman
Francis Johnstone	(Senior) Non-Executive Director
David Swan	Non-Executive Director

Company Secretary:

Colin Fitch LLM, FCIS

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Company Registration Number: 05363956

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Auditors:

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Bankers:

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Broker & Nominated Adviser:

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Solicitors:

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Chairman's Statement

I am pleased to report on the unaudited interim results for the six months ended 31 March 2013.

During these past six months the equity markets have remained challenging for junior exploration and mining companies and equity funding has only been available at deep discounts to already depressed share prices.

In this environment of expensive and dilutive capital your Company is taking a cautious approach to discretionary expenditure on its mineral projects in order to preserve cash for more effective use when markets are more responsive to positive news and when replacement equity can be raised on more favourable terms.

Despite this conservative approach the Company is continuing to make progress on its key projects.

At the **Cue** diamond project, in Western Australia, our technical evaluations and independent reports have reinforced the belief that discovery of a commercial grade kimberlite dyke or pipe is a real possibility. In most kimberlite fields where commercial diamond deposits have been developed there will be barren kimberlites, uneconomic deposits and commercial deposits and so each kimberlite must be evaluated on its own merits. The drill results recently received from the Cue 1 kimberlite suggested that its diamond grade would not be commercial, but the Company has made a number of new discoveries of kimberlite float on its property and at Target 5 the initial microdiamond counts are highly favourable. Work is progressing here as the Company aims to locate the source of the diamondiferous kimberlite float and collect a larger sample for diamond grade evaluation.

At **Derryginagh** in south-west Ireland, the Company recently completed a scoping study for mining and production of a high-value white barite for use as an industrial filler. This highlighted the need to define additional reserves and improve on the metallurgical performance of the testwork carried out so far. These are realistic objectives and work at present is concentrating on developing market opportunities with potential off-take partners which, if realised, will stimulate this further work on the project as resources allow.

The Company is also taking this time to evaluate new project opportunities for the Company.

Results

The Group is reporting a loss for the six month period of £748,949 (six months to 31 March 2012: £743,616). This loss comprises administration costs of £185,169 (which includes share based payments of £62,658); pre-licence (reconnaissance) costs totalling £3,283, impairments to net assets of £562,793 and interest income of £2,296. The share-based payment is a non-cash item relating to the issue of warrants. The impairment mainly relates to the expenditure undertaken on diamond projects in the Kuusamo area of Finland where exploration is not currently a priority. The Kuusamo project licences are, however, being maintained.

The Company has no debt, other than normal trade creditors, has unusually low overheads for an AIM company, and carefully manages cash reserves. The Directors continue to support the Company by taking their remuneration in equity. In addition, the Company has also built up significant credit against its annual statutory expenditure obligations on its key projects which, as a result, are in good standing for some time to come.

Whilst uncertainty still surrounds the direction of future commodity prices, I am pleased to report that the market for rough diamonds is showing tentative signs of recovery consistent with a strong medium term outlook. In the past few days, a number of producers have reported higher prices and an increasing number of buyers in their latest sale tenders. I look forward to reporting on further progress with our projects and in particular on our Cue Diamond project in the coming months.

Patrick Cheetham
Executive Chairman
15 May 2013

Consolidated Income Statement
for the six months to 31 March 2013

	Six months to 31 March 2013 Unaudited	Six months to 31 March 2012 Unaudited	Twelve months to 30 September 2012 Audited
	£	£	£
Pre-licence exploration costs	**3,283**	33,270	1,264
Impairment of deferred exploration cost	**562,793**	585,832	620,005
Administrative expenses	**185,169**	126,255	269,510
Operating loss	**(751,245)**	(745,357)	(890,779)
Interest receivable	**2,296**	1,741	3,935
Loss on ordinary activities before taxation	**(748,949)**	(743,616)	(886,844)
Tax on loss on ordinary activities	**-**	-	-
Loss on ordinary activities after taxation	**(748,949)**	(743,616)	(886,844)
Loss for the period attributable to equity holders of the parent	**(748,949)**	(743,616)	(886,844)
Loss per share – basic and fully diluted (pence) (note 2)	**(0.22)**	(0.23)	(0.26)

Consolidated Statement of Comprehensive Income

for the six months to 31 March 2013

	Six months to 31 March 2013 Unaudited	Six months to 31 March 2012 Unaudited	Twelve months to 30 September 2012 Audited
	£	£	£
Loss for the period	**(748,949)**	(743,616)	(886,844)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	**13,745**	5,712	6,880
Total recognised expense since last accounts	**(735,204)**	(737,904)	(879,964)

Company Registration Number: 05363956

Consolidated Statement of Financial Position

as at 31 March 2013

	As at 31 March 2013 Unaudited	As at 31 March 2012 Unaudited	As at 30 September 2012 Audited
	£	£	£
Non-current assets			
Intangible assets	**594,393**	800,753	1,004,866
	594,393	800,753	1,004,866
Current assets			
Receivables	**23,314**	24,360	38,386
Cash and cash equivalents	**470,911**	1,020,143	734,180
	494,225	1,044,503	772,566
Current Liabilities			
Trade and other payables	**(103,211)**	(97,782)	(131,358)
Net current assets	**391,014**	946,721	641,208
Net assets	**985,407**	1,747,474	1,646,074
Equity			
Called up share capital	**366,571**	363,865	365,251
Share premium account	**4,072,072**	4,053,195	4,061,513
Share option reserve	**346,655**	253,041	283,997
Foreign currency reserve	**7,957**	(6,956)	(5,788)
Accumulated losses	**(3,807,848)**	(2,915,671)	(3,058,899)
Equity attributable to the owners of the parent	**985,407**	1,747,474	1,646,074

Consolidated Statement of Changes in Equity

	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 period	-	-	-		(743,616)	(743,616)
Exchange differences	-	-	-	5,712		5,712
Total comprehensive loss for the period	**-**	**-**	**-**	**5,712**	**(743,616)**	**(737,904)**
Share issue	51,126	526,574	-	-	-	577,700
Share based payments	-	-	15,069	-	-	15,069
At 31 March 2012	**363,865**	**4,053,195**	**253,041**	**(6,956)**	**(2,915,671)**	**1,747,474**
Loss for the period	-	-	-	-	(143,228)	(143,228)
Exchange differences	-	-	-	1,168	-	1,168
Total comprehensive loss for the period	-	-	-	**1,168**	**(143,228)**	**(142,060)**
Share issues	1,386	8,318	-	-	-	9,704
Share based payments	-	-	30,956	-	-	30,956
At 30 September 2012	**365,251**	**4,061,513**	**283,997**	**(5,788)**	**(3,058,899)**	**1,646,074**
Loss for the period	-	-	-	-	(748,949)	(748,949)
Exchange differences	-	-	-	13,745	-	13,745
Total comprehensive loss for the period	**-**	**-**	**-**	**13,745**	**(748,949)**	**(735,204)**
Share issues	1,320	10,559	-	-	-	11,879
Share based payments	-	-	62,658	-	-	62,658
At 31 March 2013	**366,571**	**4,072,072**	**346,655**	**7,957**	**(3,807,848)**	**985,407**

Consolidated Statement of Cash Flows

for the six months to 31 March 2013

	Six months to 31 March 2013 Unaudited	Six months to 31 March 2012 Unaudited	Twelve months to 30 September 2012 Audited
	£	£	£
Operating activities			
Operating loss	**(751,245)**	(745,357)	(890,779)
Share based payment charge	**62,658**	15,069	46,025
Shares issued in lieu of net wages	**11,879**	14,075	23,777
Impairment charge	**559,092**	585,832	620,005
Decrease/(increase) in accounts receivable	**15,072**	16,237	2,219
(Decrease)/increase in accounts payable	**(54,349)**	11,825	6,681
Net cash outflow from operating activity	**(156,893)**	(102,319)	(192,072)
Investing activities			
Interest received	**2,296**	1,741	3,935
Purchase of intangible fixed assets	**(108,530)**	(139,680)	(337,968)
Net cash outflow from investing activity	**(106,234)**	(137,939)	(334,033)
Financing activity			
Issue of share capital (net of expenses)	**-**	563,625	563,627
Net cash inflow from financing activity	**-**	563,625	563,627
Net (decrease)/increase in cash and cash equivalents	**(263,127)**	323,367	37,522
Cash and cash equivalents at start of period	**734,180**	696,338	696,338
Exchange differences	**(142)**	438	320
Cash and cash equivalents at end of period	**470,911**	1,020,143	734,180

Notes to the Interim Statement

1. Basis of preparation

The interim financial statements are unaudited and do not constitute statutory accounts as defined within the Companies Act 2006.

The interim financial statement has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and their interpretations adopted by the International Accounting Standards Board (IASB). As is permitted by the AIM rules the directors have not adopted the requirements of IAS34 “Interim Financial Reporting” in preparing the financial statements. Accordingly the financial statements are not in full compliance with IFRS. The accounting policies used in the preparation of the interim financial information are the same as those used in the Company’s audited financial statements for the year ended 30 September 2012.

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 financing will be required.

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

2. Loss per share

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

	Six months to 31 March 2013 Unaudited	Six months to 31 March 2012 Unaudited	Twelve months to 30 September 2012 Audited
Loss (£)	**(748,949)**	(743,616)	(886,844)
Weighted average shares in issue (No.)	**345,255,413**	325,261,650	344,617,188
Basic and fully diluted loss per share (pence)	**(0.22)**	(0.23)	(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 not dilutive under the terms of IAS33.

3. Share capital

During the six months to 31 March 2013 the following share issue 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 £11,879 (3 January 2013), in satisfaction of directors' fees.

4. Interim report

Copies of this interim report are available from Sunrise Resources plc, Silk Point, Queens Avenue, Macclesfield, Cheshire, SK10 2BB, United Kingdom. It is also available on the Company's website at www.sunriseresourcesplc.com.