



SUNRISE RESOURCES PLC

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2012

Chairman's Statement

I am pleased to present the unaudited interim results for the six months ended 31 March 2012 and a summary of progress during this period.

Review of Operations

At **Derryginagh**, near Bantry in south-west Ireland, we are evaluating the potential for a modest scale mining operation producing a high-value white barite for use as industrial filler. The Derryginagh mine was worked in the period 1864-1922, supplying white barite to the paint industry. There is a good demand in Europe for white barite but exports from China and India are in decline due to increasing domestic demand. Consequently there is a niche opportunity for a new European supplier which we plan to exploit.

In January the results from our first drill programme at Derryginagh confirmed that high-grade extensions to the Derryginagh barite vein system exist well below the old mine workings, and below the level of previous drilling carried out in the 1980s. Geological modelling suggests that there is sufficient tonnage potential to support a conceptual output of a minimum 50,000 tonnes per year of barite for several years and mineralisation remains open at depth.

On the basis of this modelling a decision has been made to proceed with a technical and economic scoping study. This will incorporate the results of a metallurgical testwork programme and evaluate in more detail the capital and operating costs for a new mine development as well as the project permitting requirements and timelines.

At the **Cue** project, in Western Australia, I am also pleased to report that an initial programme of field work has been undertaken in preparation for drilling of the Cue 1 and Soapy Well kimberlites. Drill sites and drill access routes have been laid out and a surface sample of the outcropping Cue 1 kimberlites has been collected for further evaluation. Orientation geochemical sampling and sampling of additional targets has also been carried out.

An Aboriginal Heritage Survey is required before drilling can commence and this is now in progress. The drill programme aims to collect sufficient sample weight to allow a preliminary evaluation of diamond content and quality and is eagerly anticipated.

In April the Company made a decision to surrender its option to purchase the **Long Lake** gold project in Canada. This followed a further evaluation of the results of the second drill programme in 2011. It was concluded that significant extensions to the gold mineralisation previously mined at Long Lake were unlikely. Whilst there was potential for nickel-copper and PGM mineralisation to be discovered on the western side of the claim block, this required a more grass roots exploration programme and targets are not sufficiently advanced to justify the option payments due in May this year, or the accelerated exploration expenditures that would be necessary to justify exercise of the option when due in May 2013.

Results

The Group is reporting a loss for the six month period of £743,616 (six months to 31 March 2011: £405,112). This loss comprises administration costs of £126,255 (which includes share based payments of £15,069); pre-licence (reconnaissance) costs totalling £33,270, impairments to net assets of £585,832 and interest income of £1,741. The impairment mainly relates to the expenditure undertaken on the surrendered Long Lake project.

In February 2012 the Company completed a placing of shares to raise £600,000 before expenses and the proceeds will ensure that we can continue to advance the Derryginagh and Cue projects through 2012 and I look forward to reporting on further progress in the coming months.

Patrick Cheetham

Executive Chairman

17 May 2012

Further information:

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Consolidated Income Statement

for the six months to 31 March 2012

	Six months to 31 March 2012 Unaudited	Six months to 31 March 2011 Unaudited	Twelve months to 30 September 2011 Audited
	£	£	£
Pre-licence exploration costs	33,270	843	965
Impairment of deferred exploration cost	585,832	268,002	268,284
Administrative expenses	126,255	137,870	274,772
Operating loss	(745,357)	(406,715)	(544,021)
Interest receivable	1,741	1,603	3,863
Loss on ordinary activities before taxation	(743,616)	(405,112)	(540,158)
Tax on loss on ordinary activities	-	-	-
Loss on ordinary activities after taxation	(743,616)	(405,112)	(540,158)
Loss for the period attributable to equity holders of the parent	(743,616)	(405,112)	(540,158)
Loss per share – basic and fully diluted (pence) (note 2)	(0.23)	(0.14)	(0.18)

Consolidated Statement of Comprehensive Income

for the six months to 31 March 2012

	Six months to 31 March 2012 Unaudited	Six months to 31 March 2011 Unaudited	Twelve months to 30 September 2011 Audited
	£	£	£
Loss for the period	(743,616)	(405,112)	(540,158)
Foreign exchange translation differences on foreign currency net investments in subsidiaries	5,712	2,188	(12,668)
Total recognised expense since last accounts	(737,904)	(402,924)	(552,826)

Company Registration Number: 05363956
Consolidated Statement of Financial Position
as at 31 March 2012

	As at 31 March 2012 Unaudited £	As at 31 March 2011 Unaudited £	As at 30 September 2011 Audited £
Non-current assets			
Intangible assets	800,753	923,359	1,241,623
	800,753	923,359	1,241,623
Current assets			
Receivables	24,360	53,280	40,605
Cash and cash equivalents	1,020,143	1,105,257	696,338
	1,044,503	1,158,537	736,943
Current Liabilities			
Trade and other payables	(97,782)	(107,535)	(85,957)
Net current assets	946,721	1,051,002	650,986
Net assets	1,747,474	1,974,361	1,892,609
Equity			
Called up share capital	363,865	311,203	312,739
Share premium account	4,053,195	3,507,332	3,526,621
Share option reserve	253,041	190,647	237,972
Foreign currency reserve	(6,956)	2,188	(12,688)
Accumulated losses	(2,915,671)	(2,037,009)	(2,172,055)
Shareholders' funds	1,747,474	1,974,361	1,892,609

Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium account £	Share Option reserve £	Foreign Currency reserve £	Accumulated losses £	Total £
At 30 September 2010	248,866	2,420,203	181,521	-	(1,631,897)	1,218,693
Loss for the period	-	-	-	-	(405,112)	(405,112)
Exchange differences	-	-	-	2,188	-	2,188
Total comprehensive loss for the period	-	-	-	2,188	(405,112)	(402,924)
Share issue	62,337	1,087,129	-	-	-	1,149,466
Share based payments	-	-	9,126	-	-	9,126
At 31 March 2011	311,203	3,507,322	190,647	2,188	(2,037,009)	1,974,361
Loss for the period	-	-	-	-	(135,046)	(135,046)
Exchange differences	-	-	-	(14,856)	-	(14,856)
Total comprehensive loss for the period	-	-	-	(14,856)	(135,046)	(149,902)
Share issues	1,536	19,299	-	-	-	20,835
Share based payments	-	-	47,325	-	-	47,325
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 issues	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

Consolidated Statement of Cash Flows

for the six months to 31 March 2012

	Six months to 31 March 2012 Unaudited	Six months to 31 March 2011 Unaudited	Twelve months to 30 September 2011 Audited
	£	£	£
Operating activities			
Operating loss	(745,357)	(406,715)	(544,021)
Share based payment charge	15,069	25,859	59,389
Shares issued in lieu of net wages	14,075	9,941	24,016
Impairment charge	585,832	268,002	267,996
Decrease/(Increase) in accounts receivable	16,237	(30,472)	(17,798)
Increase/(decrease) in accounts payable	11,825	31,736	10,158
Net cash outflow from operating activity	(102,319)	(101,649)	(200,260)
Investing activities			
Interest received	1,741	1,603	3,863
Purchase of intangible fixed assets	(139,680)	(276,922)	(581,384)
Net cash outflow from investing activity	(137,939)	(275,319)	(577,521)
Financing activity			
Issue of share capital (net of expenses)	563,625	1,139,525	1,146,275
Net cash inflow from financing activity	563,625	1,139,525	1,146,275
Net increase/(decrease) in cash and cash equivalents	323,367	762,557	368,494
Cash and cash equivalents at start of period	696,338	340,512	340,512
Exchange differences	438	2,188	(12,668)
Cash and cash equivalents at end of period	1,020,143	1,105,257	696,338

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 2011.

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 realize 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 2012 Unaudited	Six months to 31 March 2011 Unaudited	Twelve months to 30 September 2011 Audited
Loss (£)	(743,616)	(405,112)	(540,158)
Weighted average shares in issue (No.)	325,261,650	290,214,297	301,225,242
Basic and fully diluted loss per share (pence)	(0.23)	(0.14)	(0.18)

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 2012 the following share issues took place:

An issue of 50,000,000 0.1p ordinary shares at 1.2p per share, by way of a placing, for a total consideration of £563,625 net of expenses (16 February 2012).

An issue of 1,126,009 0.1p ordinary shares at 1.25p per share to the three directors for a total consideration of £14,075 (24 February 2012), 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.