

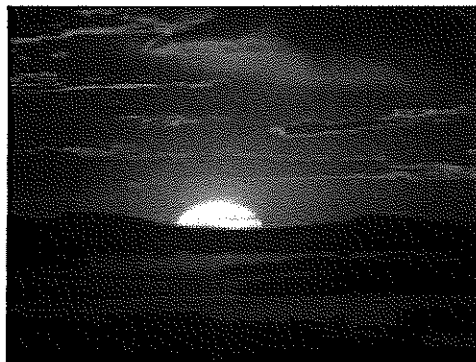
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Sunrise Over Finland

By Rob Davies

Patrick Cheetham, executive chairman, believes that Sunrise Diamonds is the smallest listed diamond company in the world. At a market capitalisation of £2.5million he may well be right, but his ambitions for it are certainly not small. Sunrise was spun out of Tertiary Minerals about 18 months ago after the company found some kimberlites by accident, as Patrick described it. Tertiary had decided to use some magnetic anomaly data from De Beers as part of its general exploration work for iron-ore-copper-gold deposits. One anomaly in particular stood out and drill core from it was found to contain kimberlite. Further exploration work soon revealed another kimberlite and the potential was believed to be very promising. It was felt that this project was best kept separate from Tertiary, hence the spin out, though Tertiary still has 26 per cent of Sunrise.

Pursuing this lead the company then went on to find another five kimberlites, all new and three of the seven contained micro-diamonds which are diamonds of less than 1 millimetre in diameter. Unfortunately, the densities of micro-diamonds were not enough to warrant increasing the sampling size and, as Patrick points out, diamond exploration is a numbers game. According to him there are about 6,000 kimberlites world wide but only about 1 per cent carry commercially viable diamonds. Because they are so rare bulk sampling is the only way to really assess a kimberlite and the data from these three was not strong enough to support the next stage. Nevertheless the work **Sunrise** has done is significant because it has identified a totally new kimberlite field in northern Finland in the Kuusamo area.



Finnish Sunrise

Encouraged by this success **Sunrise** then struck a deal with BHP Billiton that gave it access to the Diamet database that was put together by Chuck Fipke, the finder of the Ekati mine in Canada. In exchange BHP Billiton took an option over five million **Sunrise** shares. Patrick says this data base would cost millions to reproduce and represents a major cost saving to the company. Using this data has brought **Sunrise** south into central Finland in the area around Kaavi-Kuopio and into a joint venture with **Nordic Diamonds** where it is earning a 75 per cent interest.

Nordic had focussed in on this region after the area had been identified as hosting kimberlites by Ashton Mining. All that company's work in Finland stopped after it was acquired by Rio Tinto but the legacy is 16

of the 20 known kimberlites in the area and most are diamondiferous. Two of the targets, numbers 295 and 298 are especially prospective with 1.84 micro-diamonds per kilogramme recovered from pipe 21. This supports the grade of 26.7 carats per hundred tonnes reported by Ashton. Indicator minerals in the till at Target 298 suggest the kimberlite is close by and work is underway to pin point its location

Having just raised £500,000 **Sunrise** is well placed to fund its exploration programme for the next year or so. Although Finland has yet to boast of a diamond mine it should not be forgotten that a big chunk of it sits on the same craton, the Karelian, that hosts the Grib and Lomonosova pipes across the border in Russia. Geology does not respect politics and, as Patrick points out, the kimberlite pipes in this craton are more diamondiferous than most. **Sunrise** now has 81 active targets and 54 under licence, simple maths suggests it hasn't got far to go before finding one that could be commercially significant.