Sunridge Gold Provides Correction to the Discount Rate Reported in May 16, 2013 News Release

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VANCOUVER, British Columbia -- (BUSINESS WIRE) -- Sunridge Gold Corp. (SGC:TSX.V / SGCNF:OTCQX) announces a correction to the base case discount rate reported in the May 16, 2013 news release announcing the completion and results of the Feasibility Study for the Asmara Project. The base case net present value ("NPV") numbers were calculated using an 8% discount rate, as opposed to the 10% discount rate reported in error in the news release. All other numbers were correctly reported. For convenience the news release is repeated below with the relevant changes underlined.

The Study demonstrates that the mining of all four advanced deposits that make up the Asmara Project (Emba Derho, Adi Nefas, Gupo Gold and Debarwa) and processing of the ore near the large Emba Derho deposit is economically robust with a NPV of $837 million. The Study outlines a three-phase staged start-up mining plan which would initiate production almost one year earlier than was envisaged in the prefeasibility study. This earlier cash-flow, combined with capital cost reductions, reduces the initial capital requirements to be financed by over $130 million.

As a result of the positive outcome of the Study, Sunridge will continue work towards bringing the Asmara project into production as soon as possible, by completing required environmental studies, applying for the mining license, arranging debt financing, commencing detailed engineering work and hiring new key employees. Management estimates that initial production on the Asmara Project will commence in mid-2015.

Base Case Highlights (all $ equals US dollars):

- NPV of $692 million at a 10% discount (pre-tax)

- NPV of $345 million at a 10% discount (post-tax)

- NPV of $837 million at an 8% discount (pre-tax)

- NPV of $443 million at an 8% discount (post-tax)

- Internal rate of return (IRR) – pre-tax 34%, post-tax 27%

- Payback – pre-tax 4.1 production years, post-tax 4.6 years

- Base Case metal prices used - $3.25/lb copper, $1.00/lb zinc, $1,400/oz gold, $25.00/oz silver

- Initial capital cost Phase IA & IB Direct Shipping Copper Ore & Heap-Leach Gold - $46 million

- Initial Phase II & III flotation plant capital cost estimate - $357 million

- Peak Equity Funding - $354 million

- On site operating costs - $29.42 per tonne average through life of mine

- Average annual metal production over the first 8 years-
-- 65 million pounds (29,000 tonnes) of copper
-- 184 million pounds (83,000 tonnes) of zinc
-- 42,000 ounces of gold
-- 1.0 million ounces of silver

- Total metal production –
-- 841 million pounds (381,000 tonnes) of copper
-- 1,874 million pounds (850,000 tonnes) of zinc
-- 436,000 ounces of gold
-- 11 million ounces of silver

- Life of Mine – 1 construction year, 15.3 production years

Michael Hopley, President and CEO of Sunridge Gold states, “We are delighted with the results of the Asmara Project feasibility study which demonstrates even stronger economics and a superior mining plan than the prefeasibility study that was completed a year ago. We have been able to successfully reduce initial capital costs by instituting a 3 phased start-up plan that starts production a year earlier than previously planned. In a little over two years, the Asmara Mine can start production and become a very important producer of copper, zinc, gold and silver for the benefit of Sunridge shareholders and the Eritrean people.”

Mining and Production

The Study has concluded that the processing of gold and silver ores from Emba Derho, Gupo Gold and Debarwa by heap-leaching as well as the processing of copper and zinc ores from Emba Derho, Adi Nefas and Debarwa by milling and flotation at facilities near Emba Derho provides the optimum economic scenario. The Emba Derho, Debarwa and Gupo deposits will be mined by open-pit methods and the Adi Nefas deposit by underground mining methods.

The mining plan consists of a 3 phase start up in order to reduce initial capital costs. In Phase I, the high-grade copper (Phase IA) (direct shipping ore “DSO”) will be mined, crushed to less than 10 mm, loaded into containers and transported 120 km to the port facility at Massawa for shipping to a smelter.

In addition, (Phase IB) near surface gold and silver ore will be mined from the Debarwa, Emba Derho and Gupo deposits and trucked to the same crushing facility near Emba Derho and processed in the gold recovery heap-leach facility. The heap-leach facility is located inside the tailings storage facility and available until Year 5 of operations.

During Phase II, supergene copper ores will be mined from both Debarwa and Emba Derho and processed at a central flotation plant at Emba Derho at a nominal rate of 2 million tonnes per annum. Copper concentrate with gold and silver byproduct will be transported to the Port of Massawa and shipped to smelters.

Full Production will be achieved in Phase III. Primary copper and zinc ores from Debarwa, Adi Nefas and Emba Derho deposits will be processed at a flotation plant at Emba Derho at a nominal rate of 4 million tonnes per annum. Copper concentrate with gold and silver byproduct and zinc concentrate will be transported to the port facility at Massawa for shipping to smelters.

Power will be generated onsite using a combination of diesel and medium fuel oil generators. Water supply is sourced from the capture of rainfall in ponds and recycled within the plant.

Phase I - DSO and Gold Production (Year 1 – Year 5)

Phase IA – DSO (Year 1 – Year 2)
- Mining of 116,000 tonnes of high-grade DSO with an average grade of 15.6% copper, 2.96 g/t gold, and 76.8 g/t silver from Debarwa
- Crushing at Emba Derho and shipping to smelter
- Mine and ship in 6 months

Phase IB – Gold production – (Year 1 – Year 5)
- Mining of the 3.0 million tonnes near-surface gold “caps” at Debarwa and Emba Derho followed by Gupo Gold
- Process at gold heap-leaching operation near the Emba Derho deposit at a rate of 1.4 million tonnes per year
- Phase IB average grades 1.48 g/t gold and 8.2 g/t silver
- Phase IB average recoveries 66.7% gold, 37.7% silver

Phase II– Supergene Copper Production (Year 2 – Year 3.25)
- Mine and process by flotation 2.4 million tonnes of high-grade copper supergene ore from Debarwa and Emba Derho at rate of 2 million tonnes per year for 1.25 years
- Phase II average grades 2.25% copper, 0.76 g/t gold, 21.6 g/t silver
- Phase II average recoveries 79% copper, 51% gold, 58% silver
- Copper concentrate – 25% copper, 4.2 g/t gold, 109 g/t silver

Phase III Full Production (Year 3.25 – Year 16.3)
- Mine and process by flotation 51.0 million tonnes of primary copper and zinc ore from Emba Derho,

Debarwa, and Adi Nefas at a rate of 4 million tonnes per year for 13 years
- Phase III average grades 0.73% copper, 1.91% zinc, 0.36 g/t gold, 12.6 g/t silver
- Final Waste/Ore ratios – 2.5:1 at Emba Derho, 9.8:1 at Debarwa and 1.7:1 at Gupo
- Adi Nefas to be mined using underground long hole bench retreat ranging between 150,000 and 470,000 tonnes per year for a total of 1.682 million tonnes mined over 6 years and blended with ore from Emba Derho
- Phase III recoveries average 86% copper, 86% zinc, 48% gold, 44% silver
- Copper concentrate – 25% copper, 7.9 g/t gold, 255 g/t silver
- Zinc concentrate – 57% zinc

Financial Analysis

The base case uses constant metal prices of $3.25/lb copper, $1.00/lb zinc, $1,400/oz gold and $25.00/oz silver.

Table 2: Sensitivity to Metal Prices

	Base Case Prices	Low Copper Metal Price	Low Metal Price	Current Metal Prices May 10 2013
NPV @ 10% discount (Pretax)	692	595	309	623
NPV @ 8% discount (Pretax)	837	728	404	758
IRR	34%	31%	22%	33%
NPV @ 0% discount (Pretax)	1,791	1,596	1,026	1,638
Payback	4.1	4.3	5.1	4.2
NPV @ 10% discount (Post- tax)	345	275	69	296
NPV @ 8% discount (Post- tax)	443	364	131	386
IRR	27%	24%	17%	26%
NPV @ 0% discount (Post-tax)	1,276	1,136	727	1,166
Payback	4.6	4.8	5.6	4.7
Metal Prices				
Copper	3.25	3.00	2.75	3.35
Zinc	1.00	1.00	0.80	0.83
Gold	1,400	1,400	1,250	1,449
Silver	25.00	25.00	21.00	24.00

Operating Costs

On site operating costs average $29.42 per tonne through life of mine.

Table 3: Average Operating Costs

	Heap-Leach Phase IB	Flotation Phase II & III
Mining $/t ore mined	2.46	13.35
Process $/t ore processed	8.68	17.64
TOTALS	11.14	30.99

Capital Costs

Initial capital costs for the DSO and heap-leach are projected at $46 million. The expansion capital for Phase II and Phase III is an additional $357 million. During the life of mine there will be capital requirements estimated at $227 million and closure costs are estimated at $36 million.

Table 4: Total Capital Expenditures per Phase

Phase I Phase II Phase III Total
$ million $ million $ million $ million

Pre-strip mining and mining equipment (includes
all costs incurred until initiation of copper
processing by flotation) – (excludes HL & DSO opex)
0 116.0 0 116.0

Phase I Plant and Equipment 49.5 0 0 49.5
Copper circuit facility 0 113.8 0 113.8
Zinc circuit facility 0 0 22.8 22.8
Site development, utilities and facilities 3.8 55.5 5.5 64.8
Water facilities 0.04 19.4 0 19.44
Tailings facilities 11.2 18.3 0.2 29.7
Debarwa facilities 0 9.8 0 9.8
Adi Nefas facilities 0 3.2 0 3.2
Gupo facilities 1.1 0 0 1.1
Adi Nefas development 0 17.0 17.1 34.1

Engineering, procurement, construction management (EPCM) 4.1 29.8 5.2 39.1
First fills (ie. fuel, reagents etc) 0.03 1.7 0 1.73
Owner’s cost’s 1.0 22.7 0 23.7
Contingency 5.5 21 3.6 30.1
SUBTOTALS 76.3 428.2 54.4 558.9
Sustaining Costs 56.0
Social Costs 14.8
Closure Costs 36.6
TOTAL 666.3

When the mining license is granted the Government of Eritrea will have a 10% carried interest in the project and ENAMCO (Eritrean National Mining Corporation) will be purchasing an additional 30%. ENAMCO will therefore be responsible for 33.33% of all capital and operating costs of the mine.

Table 5: Mineral Reserves by Classification

Rock type Tonnes (kt)

copper (%)

zinc (%)

gold (g/t)

silver (g/t)

Proven
Emba Derho Primary 4,337 0.9 1.7 0.2 11.6
Debarwa Oxide 1 - - 1.0 6.7
Debarwa Transition 94 - - 4.3 84.1
Debarwa Supergene 423 8.9 0.2 2.2 53.2
Debarwa Primary 6 1.6 2.8 0.6 15.6
Total proven 4,861

Probable

Emba Derho Oxide 1,886 - - 1.1 4.5
Emba Derho Supergene 1,200 1.0 0.4 0.3 14.9
Emba Derho Primary 44,497 0.7 1.6 0.3 9.2
Debarwa Oxide 163 - - 1.6 8.2
Debarwa Transition 428 - - 2.5 17.0
Debarwa Supergene 888 2.5 0.2 1.0 22.9
Debarwa Primary 514 1.9 4.0 1.1 25.4
Adi Nefas Primary 1,682 1.6 8.2 2.8 96.5
Gupo Oxide 399 - - 1.9 -
Gupo Sulfide 66 - - 2.4 -

Total Probable 51,723

Total Proven and Probable 56,584

The mineral reserves listed in Table 5 were created for Emba Derho, Debarwa and Gupo by generating Net Smelter Return (NSR) values (revenue minus royalty and smelting/selling costs) for each metal using Measured and Indicated Resources only. The net revenue of each block was compared to total cost. Each mining block becomes economical and is included in the processing schedule if it is above the total combined cost of processing, general administrative and applicable transport.

In the case of the Adi Nefas underground mine the mineral reserves were generated through a sequential process of NSR calculation, stope optimization, stope design, and development design. Stope optimization was applied using Snowden's Stopesizor software which modifies the resource to reflect minimum mining width for the NSR. The outcome is a set of blocks that reflect this recoverable resource. Unplanned dilution was added to the model through adding a fixed width of over break waste into the planned stopes.

The mineral reserve listed in Tables 5 was generated from the Measured and Indicated resource after the application of the economic cut-off grades for each rock type, open-pit design, external dilution and recovery parameters.

Social and Environmental Studies

Social and environmental baseline studies and stakeholder engagement programs are well advanced on all four deposits that are included in the Study. This work has been completed to comply with the Equator Principles and the International Finance Corporation Performance Standards for Social and Environmental Impact Assessment Studies, as well as the Eritrean Government "National Environmental Assessment Procedures & Guidelines". The work is being carried out by the Sunridge social and environmental staff and consultants (both international and national) and will lead to the publications of a Social and Environmental Impact Assessment (SEIA). It is expected that the SEIA will be completed and submitted to the government in September 2013.

Project Location and Access

All four deposits included in the Study are located within a 30 minute drive on paved roads from the capital city of Asmara with close proximity to power, water and an international airport. In addition, the Red Sea port city of Massawa is approximately 120 kms east of Asmara via paved road.

Project Opportunities

Opportunities to further enhance the economic value of the Asmara project will be investigated during an early phase of detailed engineering as part of Engineering, Procurement and Construction, Management (EPCM).

Sunridge will investigate opportunities to optimize process rates with existing equipment and increase value in the process schedule while reducing operating and cash flow risks.

Sunridge will continue to explore and evaluate other deposits and targets in the vicinity.

Feasibility Study Report

The Asmara Feasibility Study is NI 43-101 compliant and was completed by lead engineering company SENET under the direction of David Chambers, P.Eng (MBA) and approved by Neil Senior, P.Eng. with support from Snowden Group Inc. on mine design and mine planning and work by Knight Piésold Ltd. on water and waste management. Blue Coast Metallurgy Ltd. directed metallurgical test-work. The report will be filed on the Company's profile on www.sedar.com within 45 days of the Company's May 16, 2013 press release.

Qualified Person

The Asmara feasibility study results were reviewed by SENET under the direction of Study Manager, David Chambers, an Independent Qualified Person within the meaning of NI 43-101.

Michael Hopley, President and CEO of Sunridge Gold Corp. is the Company's Qualified Person responsible for the contents of this press release and has reviewed the information in the release and confirmed that it is consistent with that provided by the independent Qualified Person responsible for the Study.

About Sunridge:

Sunridge is a mineral exploration and development company focused on the acquisition, exploration, discovery and development of base and precious metal projects on the Asmara Project in Eritrea and exploration properties in Madagascar. Sunridge currently has approximately 175 million shares outstanding and trades on the TSX Venture Exchange under the symbol SGC. For additional information on the Company and its projects please view the slide show on our website at www.sunridgegold.com or call Greg Davis at the numbers listed below.

SUNRIDGE GOLD CORP.

"Michael Hopley"
Michael Hopley, President and Chief Executive Officer

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To view the Asmara Project Study Image, please click on the following link:
http://www.usetdas.com/pr/sunridgeAsmaraimg_001.jpg.

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