

White Rock, British Columbia (FSCwire) - [Sunridge Gold Corp.](#) (the "Company" or "Sunridge") (SGC: TSX.V/SGCNF: OTCQX) is pleased to announce that the Asmara Mining Share Company ("AMSC") has signed a Mining Agreement with the Eritrean Ministry of Energy and Mines ("MEM") and as a result three mining licenses will subsequently be issued to AMSC. These licenses will cover the four advanced projects (Emba Derho, Adi Nefas, Gupo Gold and Debarwa) that make up the Asmara copper-zinc-gold project in Eritrea. An additional 83.12 square kilometers of exploration licenses will be retained by AMSC which include the Adi Rassi copper-gold deposit and the Kodadu gold deposit.

The Asmara Project is held by AMSC, a joint-venture company of which Sunridge owns 60% and the Eritrean National Mining Corporation ("ENAMCO") owns 40%.

The Mining Agreement covers every aspect of the planned mining operations on the Asmara Project including the timing of the start of development and commercial production, design capacity and production amounts, reporting requirements, royalty calculations, the use of expatriate employees, contractors and sub-contractors, financing and fiscal arrangements, safety issues, community relations, as well as reclamation and closure issues.

A summary of the most important terms of the AMSC Mining Agreement are as follows:

- The Mining Agreement was signed on September 11, 2015 in Asmara by the Minister of Energy and Mines, His Excellency, General Sebat Ephrem, representing the State of Eritrea and Michael Hopley, Chairman of the Board of Directors of AMSC;
- The Mining Agreement gives AMSC exclusive rights to the mineral title and exclusive rights to conduct mining operations within the license areas for a 20 year term;
- The Emba Derho, Debarwa and the Adi Nefas Mining Licenses will cover a total area of 19.3 square km;
- Planned mining operations of the Mining Licenses are based on the Asmara Project Feasibility Study dated May 16, 2013 and amended March 2014;
- Development work leading to production has to commence within 6 months of been awarded the Mining Licenses and commercial production has to be reached within 36 months; and
- The terms of the Mining Agreement approves the initiation of all of AMSC's proposed reclamation and closure plans contained in the Asmara Project Social and Environmental Impact Assessment ("SEIA") report dated January 2014.

"We are very happy to have achieved this major milestone; after a comprehensive review of Sunridge's feasibility study and SEIA by the MEM and other government departments, including an independent third party review, the signing of the Mining Agreement and the subsequent issuance of being awarded the three Mining Licenses to AMSC is a validation of all this work over the past several years by Sunridge. These Mining Licenses will allow AMSC to move forward with all plans for the Asmara Project including the completion of the financing plans for Phase 1 – the mining and shipping the direct shipping ore (DSO) from Debarwa"; stated Michael Hopley, President and CEO of Sunridge.

Phase 1A Project Financing

The signing of the Mining Agreement and the issuance of the Mining Licenses will allow AMSC to continue to secure debt financing to fund the development of Phase 1A. The program and budget for Phase 1A had been approved earlier in 2015 by the directors and shareholders of AMSC for approximately US\$32 million, of which Sunridge is responsible for funding two-thirds and ENAMCO one-third. Included in this budget is approximately US\$18 million to purchase mobile equipment, crushers and ancillary equipment for the capital cost of the planned Phase 1A mining operation. Sunridge management, with advisors Endeavour Financial, have been reviewing all options for project financing for AMSC with the goal of finalizing the optimum financing structure after the signing of the Mining Agreement and receipt of the Mining Licenses. These options include debt from private investment institutions and development banks, equipment financing and financing from commodity off-take groups. At this stage several financing options are under consideration. Also in the Shareholders' Agreement (see Sunridge News Release dated June 27, 2014), the parties have agreed that ENAMCO will fund the next approximately US\$6 million to AMSC for its portion of retroactive Sunridge contributions to the project.

AMSC expects to begin extraction and shipping of the DSO in the third quarter of 2016. In Phase 1A, the high-grade copper DSO will be mined from the Debarwa deposit by open-pit methods, crushed and loaded into containers and transported 140 km to the port facility at Massawa for shipping and sale to a smelter.

Phase 1A DSO Copper-Gold Mining

This DSO zone at Debarwa hosts 116,000 tonnes of high-grade material with an average grade of 15.6% copper, 2.96 g/t gold, and 76.8 g/t silver, containing 39 million lbs copper, 11 thousand ounces of gold, and 286 thousand ounces of silver. The C1 cash cost for Phase 1A is expected to be \$0.70 to \$0.80 per pound of copper. The key assumptions used in the calculation include \$1.10 per liter of diesel fuel, as well as by-product revenues calculated at \$1,200 per ounce gold and \$15 per ounce silver.

In addition there appears to be significant market interest by smelters and metal traders in a lower grade $\pm 12\%$ copper DSO

material of which there is significantly more tonnage. Using a lower cut-off grade there is 220,000 tonnes with an average grade of 12.8% copper, 2.68 g/t gold, and 68.0 g/t silver in the current planned DSO pit.

Qualified Person

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 Asmara Project Feasibility Study.

[Sunridge Gold Corp.](#)

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