

White Rock, British Columbia (FSCwire) - [Sunridge Gold Corp.](#) (the “Company” or “Sunridge”;) (SGC: TSX.V/SGCNF: OTCQX) has executed a share purchase agreement (“SPA”) to sell its 60% interest in the Asmara Mining Share Company (“AMSC”), holder of the Asmara Project in Eritrea, to Sichuan Road & Bridge Mining Investment Development Corp. Ltd. (“SRBM”) for an upfront purchase price of US\$65 million cash (at current exchange rates approximately C\$85 million). In addition, SRBM has assumed the obligation to pay Sunridge the remaining principal of the deferred payment of US\$13.33 million (approximately C\$17.4 million) owed to the Company by Eritrean National Mining Corporation (“ENAMCO”). The obligations of the parties to complete the transaction are subject to conditions described below being satisfied or waived prior to closing. Once the final cash payment from SRBM is received by Sunridge and all transaction costs and other obligations of the Company have been settled, the Company currently anticipates a cash distribution by way of return of capital to shareholders.

The SPA was signed today in a ceremony in Asmara attended by a large delegation of about 20 persons from China including Mr. Liu Jie, Vice Governor of Sichuan Province and Mr. Sun Yun, Chairman of the Board Sichuan Railway Investment Group. The SPA was signed by Mr. Sun Tiandong General Manager of SRBG Overseas Company and Michael Hopley, President and CEO of Sunridge.

Transaction Details

On closing (expected to be in the first quarter 2016), SRBM will pay Sunridge US\$71 million in cash comprising the US\$65 million purchase price and the first US\$6 million of the deferred payment owed by ENAMCO. ENAMCO will pay Sunridge the interest accrued on the US\$6 million from June 27, 2014 to the date of closing. SRBM will also deliver a bank guarantee to Sunridge for the remaining US\$7.33 million deferred payment to be paid to Sunridge within 6 months of closing. ENAMCO will be responsible for interest owing to Sunridge on the US\$7.33 million payment.

Michael Hopley, President and CEO of Sunridge commented “*The US\$65 million purchase price for our 60% interest in AMSC, to be paid by SRBM or Cdn\$85 million at the current exchange rates equates to a significant premium to the present market value of Sunridge and under the continuing challenging market conditions for junior resource companies we believe that this is an attractive cash offer.*”

SRBM has conducted extensive and detailed financial, technical and legal due diligence on the Asmara Project and AMSC over the past several months. This work is now completed and the SPA is not subject to any further due diligence work.

The SPA has been approved by the boards of directors of both Sunridge and SRBM. Prior to its execution, the parties received approval in principle from the Sichuan Provincial Regulatory body, Sichuan State-Owned Asset Supervision and Administration Commission of the State Council (“SASAC”). Sunridge’s partner ENAMCO has also given its consent to the transaction.

The conditions to closing include:

- Sunridge shareholders approving the transaction at a meeting to be called and held in January 2016; and
- Receipt of the remaining final regulatory approvals within China, including but not limited to final SASAC approval and approval of the National Development and Reform Commission, the Ministry of Commerce and the State Administration of Foreign Exchange; receipt of regulatory approvals in Canada, including the TSX Venture Exchange and receipt from the Ministry of Energy and Mines of the Government of Eritrea of notice of its approval of the transaction.

Under certain limited conditions a mutual termination fee of US\$1 million would be payable; including acceptance of a superior offer by Sunridge, Sunridge shareholder approval not being received, or failure by either party to receive regulatory approvals.

Shareholder Vote

The sale of the shares of AMSC represents the sale of substantially all the assets of the Company and will require the approval of at least two-thirds of the votes cast by the shareholders of Sunridge at the special shareholder meeting called for Vancouver in January 2016.

Post-Closing

The Board of Directors of Sunridge will include its recommendation to shareholders in the information circular for the planned shareholders meeting as to the disposition of net cash once it is received and all obligations of the Company have been settled but currently expects to distribute all the available cash to shareholders as a return of capital.

SRBM

SRBM is a subsidiary of Sichuan Road & Bridge (Group) Corporation (“SRBG”) a large-scale state-owned enterprise based in Chengdu, China and one of the core subsidiary companies of Sichuan Railway Investment Group Co., Ltd. whose main business is the construction of transportation infrastructure such as highways and railways, the development of hydropower and land and mineral resources projects. Since the mid 1990’s SRBG has been active in infrastructure projects in Eritrea and is also a partner with ENAMCO in a mineral exploration project in the country.

Transaction Fee

As financial advisor to Sunridge, Tempest Capital will be paid a 1.5% Transaction Fee on the US\$65 million purchase price.

Advisors and Legal Counsel

Tempest Capital acted as Sunridge’s financial advisor. Deloitte Corporate Finance. acted as financial advisor to SRBM.

Axiom Law Corporation served as Sunridge’s Canadian legal counsel and K&L Gates LLP served as Sunridge’s Chinese legal counsel. Zhong Lun Law Firm served as SRBM’s Chinese legal counsel and Fasken Martineau DuMoulin LLP served as SRBM’s Canadian legal counsel.

About Sunridge:

Sunridge is a mineral exploration and development company focused on the exploration, discovery and development of base and precious metal projects on the Asmara Project in Eritrea. Sunridge currently has approximately 210 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 number listed below.

[Sunridge Gold Corp.](#)

“Michael Hopley”

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This news release contains forward-looking statements that are based on the Company’s current expectations and estimates. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “suggest”, “indicate” and other similar words or statements that certain events or conditions “may” or “will” occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Forward looking statements may include the timing and ultimate completion of complex international business transactions. Risk and uncertain factors include, among others; delays in obtaining governmental and regulatory approvals, , uncertainties in negotiating and completing commercial arrangements with government entities; and fluctuations in currency exchange rates. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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