Vancouver, British Columbia (FSCwire) - Sunridge Gold Corp. (the “Company” or “Sunridge”) (SGC: TSX.V/SGCNF: OTCQX) is pleased to announce that it has received conditional approval from the TSX Venture Exchange to sell its 60% interest in the Asmara Project as reported in a Sunridge news release on November 6, 2015. On that day the Company reported that it had executed a share purchase agreement (“SPA”) to sell its 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 a 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) (the “Deferred Payment”) owed to the Company by Eritrean National Mining Corporation (“ENAMCO”). The Deferred Payment will paid in two installments with the first installment of US$6 million paid on closing the SPA and the second and final installment of US$7.33 million paid six months after closing the SPA.

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 plans a cash distribution of all remaining funds by way of return of capital to shareholders.

The conditions to closing include:

- Sunridge shareholders approving the transaction at a meeting to be called and held on January 22, 2016;
- Receipt of the remaining final regulatory approvals within China, including but not limited to Sichuan provincial government, Sichuan State-Owned Asset Supervision and Administration Commission of the State Council (“SASAC”), National Development and Reform Commission, the Ministry of Commerce and the State Administration of Foreign Exchange; and
- Receipt of final 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.

Final approval from the TSX Venture Exchange will be granted upon receipt of Sunridge shareholder approval, and the other closing conditions being met.

Shareholder Vote

The sale of the shares of AMSC represents the sale of substantially all the assets of the Company and therefore 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 on January 22, 2016 (the “Shareholder Meeting”).

The board of directors of Sunridge (‘the Board”) will be recommending to the shareholders at the Shareholder Meeting that Sunridge should distribute the resulting net cash as a return on capital to shareholders in two tranches (each a “Distribution” and collectively, the “Distributions”), and that, after satisfying all of its liabilities, Sunridge should dissolve its corporate existence.

Shareholders of record at December 18, 2015 will be entitled to vote at the Shareholder Meeting. The proxy materials for the Shareholder Meeting will be mailed and filed on SEDAR and the Company’s web site by December 24, 2015.

The amount of net cash available to be distributed to shareholders is subject to a number of risks and uncertainties, including the timing of closing the SPA, transaction costs, settlement of obligations of the Company, taxation, currency exchange rates and stock option and share purchase warrant exercises, which make it impossible to be definitive at this time, however management currently expects that the aggregate amount of the Distributions to shareholders will be not less than C$0.35 per share, payable in two Distributions. The obligations of the Company that must be settled prior to Sunridge’s voluntary dissolution will include payment of the severance packages to its terminated employees, exercise and payment of the US$1.5 million option to purchase and cancel the 2% net profits royalty interest on the Asmara Project held by the Perry Estate, settlement of the WMC (Overseas) Pty Limited entitlement to the first US$860,000 of revenue derived from the sale of any minerals mined from the Debarwa license, payment of applicable income taxes and any other applicable taxes or other liabilities. After the settlement of such obligations, all of the directors except one will resign and the Company will go on care and maintenance for approximately six months until the receipt of the final US$7.33 million portion of the Deferred Payment, plus accrued interest, required to be paid six months after closing the SPA.

The first Distribution will be distributed shortly after closing the SPA (outside date for the closing is currently February 29, 2016) and the second tranche approximately six months later, after receipt of the final installment of the Deferred Payment.

Shortly after closing the SPA the Board will determine and publicly announce the record date for, and the expected amount of, the first Distribution. The Company will likely de-list its shares from trading on the TSX Venture Exchange on or about that record date. The second tranche Distribution will be distributed to shareholders of record after the final proceeds from the SPA are in hand and all obligations of the Company are settled. The Company will then voluntarily dissolve.

Warrantholder vote

The Company currently has outstanding 60,972,954 common share purchase warrants (the “Warrants”), that are subject to a warrant indenture dated October 18, 2012 and a supplemental warrant indenture dated October 21, 2013 (collectively, the “Warrant Indenture”), and are listed for trading on the TSX Venture Exchange under the symbol “SGC.WT”. Each Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.35 (the “Exercise Price”) until October 18, 2017 (the “Expiry Date”). The Warrant Indenture includes covenants by the Company that until the Expiry Date, it will use reasonable commercial efforts to maintain its corporate existence and carry on its business in the ordinary course, and that, subject to certain exceptions; it will maintain the listing of the Warrants and its common shares on the TSX Venture Exchange.

In light of the sale of the sole material asset of the Company and its intended voluntary dissolution, the Board has carefully considered and looked to balance the interests of the shareholders and the holders of the Warrants (the “Warrantholders”) in arriving at the proposed treatment of the Warrantholders, which the Board considered fair and reasonable to all parties.

The Company has called an extraordinary meeting of the Warrantholders pursuant to the terms of the Warrant Indenture, for January 22, 2016, at which the Company will put forward a special resolution of the Warrantholders to approve, subject to completion of the transactions under the SPA, that the Company will be authorized to de-list the Warrants, wind up its business, complete the Distributions, and voluntarily dissolve and that any Warrants that have not been exercised on or before the Delisting Date will be automatically cancelled, in consideration for the payment to the holders of such Warrants of a cash amount of $0.02 per Warrant.

Warrantholders of record at December 18, 2015 will be entitled to vote at the Warrantholder Meeting. The proxy materials for the Warrantholder Meeting will be mailed and filed on SEDAR and the Company’s web site by December 24, 2015.

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”

Michael Hopley, President and Chief Executive Officer

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains certain statements or disclosures that may constitute forward-looking statements or information (“forward-looking statements”) under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management or the directors of the Company, anticipate or expect may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by terms such as “may”, “will”, “expect”, “anticipate”, “believe”, or other comparable terminology.

Forward-looking statements presented in such statements or disclosures may, among other things, relate to: the structure and effects of the share purchase agreement with Sichuan Road & Bridge Mining Investment Development Corp. Ltd. (“the SPA”), the proposed use of the proceeds from the SPA, the timing and completion of the SPA, the estimated costs of the SPA, plans and objectives of management post-completion of the SPA, the timing and amounts of any cash Distributions to be made by the Company, and the planned dissolution of the Company. Risks and uncertainties relating to such matters include, Chinese regulatory approvals, approvals of the Company’s security holders and other risks and uncertainties of completing complex international transactions.

The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The Company is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on forward-looking statements or disclosures.

To view this press release as a PDF file, click onto the following link:
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