

Sunridge Gold Corp

Final Assay Results from Gupo Drilling Campaign Support an Upgrade and Increase of the Current 189,000oz Gold Resource

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News

Sunridge Gold Corp ('Sunridge') has released assay results from the final 63 drill holes of the recently completed drilling program at the Gupo Gold deposit. The total drill program consisted of 99 drill holes for a total of 8,100m. The objective of the drilling programme was to upgrade the current Inferred resource to Measured and Indicated categories acquiring the geotechnical data necessary to support the ongoing pre-feasibility study on the Asmara North Assets.

Sunridge has released some impressive results with drill intersections including:

- 28m at 3.05 g/t gold (GG-116-R)
- 13m at 3.08 g/t gold (GG-125-R)
- 19m at 2.77 g/t gold (GG-128-R)
- 12m at 5.72 g/t gold (GG-142-R)
- 22m at 2.31 g/t gold (GG-156-R)
- 19m at 5.30 g/t gold (GG-160-R)
- 13m at 10.09 g/t gold (GG-168-R)

The mineralisation at Gupo consists of the Gupo Main area with the southern part of the deposit dividing into two separate sub-parallel limbs each 30 to 50m wide. To better define the mineralisation at Gupo close space reverse-circulation (RC) drill holes were utilised along with twin holes (1 to 2 metres from original holes) were also drilled to validate historic drilling. The Gupo South gold mineralisation occurs 500m from the southern limit of the Gupo Main mineralisation as a result of a 500m wide hiatus in gold mineralisation. The gold mineralisation in Gupo South has been defined by drilling over a zone of 30 to 120m over a strike length of 400m to a depth of 80m.

Ocean Comment

The final impressive drill results released by Sunridge today support the Company's goal to upgrade the current 189,000oz inferred gold resource to higher resource categories supporting the PFS on the Asmara North assets, but also increase the overall size of the resource. Speaking with the team on the ground in Eritrea during our site visit in Nov'11 it was clear that the size of the resource is going to increase and the results today suggest the size of the deposit at Gupo has the potential to grow to 300,000oz of gold.

Ore from Gupo is going to be processed at the Emba Derho processing complex and the pending PFS on the Asmara North assets will provide more details regarding production profiles and capital estimates providing an early stage valuation on the Asmara North assets. Optimisation studies analysing the blending of material from Emba Derho, Adi Nefas, Gupo and Debarwa are also being evaluated in the PFS.

Sunridge is set for a big H1'12; the Company is expecting to release the results of a Feasibility Study (FS) on the Debarwa VMS project which includes a Direct Shipping Ore (DSO) copper zone providing early cash flow. Released to the market will be an appropriate valuation of the Debarwa project including a production schedule with initial Direct Shipping Ore (DSO) copper production to ensure quick ramp up and access to early cashflow. In addition to the Debarwa FS, Pre-Feasibility Studies (PFS) on the Northern Asmara assets (Emba Derho, Adi Nefas and Gupo) are scheduled to be released to the market in early Q2'12.

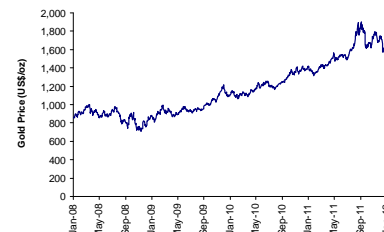
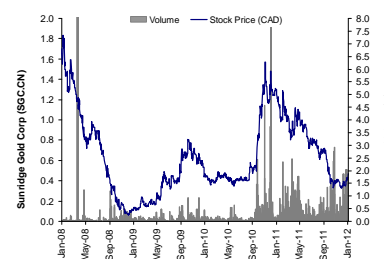
Resource upgrades are also scheduled to coincide with the upcoming feasibility studies. 20,000m of drilling has recently been completed. The purpose of this campaign is to upgrade the resource at Emba Derho into a Measured category to support further feasibility studies.

OCEAN EQUITIES

Base + Precious - ERITREA

26th January 2012

Market Cap	C\$58.7m
Listing:Ticker	TSX:SGC
Share Price	C\$0.50
Shares o/s	117.5m
52 week High/Low	C\$1.33 / C\$0.315
Net Cash/(Debt)	~\$13m



Source: Bloomberg

Highlighted Related Research:

17th Jan'12: Feasibility Study on Debarwa and Pre-Feasibility Study on Northern Asmara Assets to Kick Start 2012

22nd Dec'11: Site Visit – Debarwa and Northern Asmara Feasibility Studies Steaming Ahead

6th Dec'11: Further Positive Drilling Results from Gupo Gold Deposit and UN Sanctions on Eritrea Not to Restrict Mining Investment

3rd Nov'11: Positive Initial Assay Results from 7,000m drill program at Gupo Gold Deposit

19th Sept'11: Completion of Drilling Campaign Company 50% stake in Grass Roots Besakoa Project in Madagascar

7th Sept'11: OEL Conference Update: 2nd Mover Advantage in Eritrea & VMS Discovery in Madagascar

1st Sept'11: Latest drilling results from Adi Nefas

18th Aug'11: New resource estimate for Debarwa

26th July'11: Drilling results from Gupo Gold project

23rd Jun'11: 5,000m drilling campaign underway at Besakoa VMS targets

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