



Stock Alert - August 25, 2009

The Vulture Alert Sees an Opportunity to Buy Low!

Good evening investors,

Our latest stock alert is on: Sunridge Gold Corp., a company that is focused on the exploration and development of its 100% owned Asmara project in Eritrea, Africa. Since acquiring the project in 2003, Sunridge has drilled over 140,000 metres and defined four separate but closely located deposits with independently estimated NI43-101 compliant mineral resources containing: 1.28 billion pounds of copper, 2.5 billion pounds of zinc, close to 1 million ounces of gold and 31.2 million ounces of silver. A positive Preliminary Economic Assessment Study (PEA) was announced on June 4, 2009 for the largest deposit, the 62 million tonne Emba Derho copper-zinc-gold deposit.

Sunridge Gold Corp. (TSX.V: SGC)

Shares Out: 62.4M

Market Cap: \$28.0M

Recent Close: \$0.45

52 Week High/Low: \$0.55/\$0.06

www.sunridgegold.com

The study indicates a net present value of \$204 million using a discount rate of 10% and an internal rate of return of 21.6% with a 4-year payback on capital costs. The study calls for a 4 million tonnes per year open pit that would produce: 55,000 tonnes of zinc, 25,000 tonnes of copper, 20,000 ounces of gold and 600,000 ounces of silver. That's approximately \$69 of metal value per tonne of rock with total mining and milling costs estimated to be \$21.19 per tonne.

The study is based on just one of the 4 deposits contained within the Asmara project and does not include the northwest zone of the Emba Derho deposit. This zone, consisting of 17.3 million tonnes at an average grade of 0.96 per cent Cu, 1.26 per cent Zn, 0.18 gram per tonne Au and 8.84 g/t Ag, is not included in the Wardrop base case scenario. The addition of this zone could increase the mining rate from four million to six million tonnes per year.

Sunridge has two other advanced VMS (Volcanogenic Massive Sulphide) deposits with high-grade copper grades within the Asmara project with one having the potential to be incorporated into a mining plan for Emba Derho. Infrastructure is good with water, power, roads and a rail line close to the deposits. Needless to say, this company has abundant resources that are at an advanced stage. *So, why do we like it now?*

Nevsun Resources (TSX/AMEX: NSU), another company that is constructing a VMS mine in Eritrea is the subject of takeover rumours and has seen some good price action the last few days. Many of the same management formerly of Nevsun are also behind Sunridge and a large takeover of Nevsun would leave institutions and investors looking for another hot play in the area and Sunridge may just be that company.

Company Highlights and Catalysts:

- If takeover rumours are true for Nevsun, Sunridge should see price appreciation based on investors looking for another way to participate in an advanced company in Eritrea
- Multiple advanced VMS deposits that are 100% owned
- Good cash position of \$5M+ in the treasury allowing for continued advancement of projects
- Recently completed positive scoping study that indicates strong base case for open-pit mining
- Very successful and competent management team that have past wins under belt
- Good mining infrastructure in area

In Conclusion:

We see Sunridge Gold Corp. (TSX.V: SGC) as another way to participate in a possible buyout of Nevsun Resources in the mineral rich country of Eritrea. With past border tensions between landlocked Ethiopia and Eritrea, political risk was effecting the valuation and the ability of Nevsun to get their VMS mine into production. With a successful takeover, this could put some of these worries to rest and open the door for more institutional investment into other companies in the country. We think Sunridge will be the natural choice for investors. Even if a buyout doesn't happen for Nevsun in the short-term, we still like the continued exploration potential and cash position of Sunridge. The deposits have strong grades, abundant infrastructure and the ability to increase economics of a potential mining operation through additional work. The mandate of Contact Financial's Vulture Alert is to identify stocks that have the potential for triple digit growth within 12 months or less and we think Sunridge offers this opportunity now. We will be buyers in the market tomorrow.

Thank you,

Keir & Kirk

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