

VANCOUVER, June 20, 2016 /CNW/ - [Nevada Sunrise Gold Corp.](#) ("Nevada Sunrise" or the "Company") (TSXV: NEV) is pleased to announce that it signed a letter of intent (the "LOI") to grant an option to North South Petroleum Corp ("North South") (TSXV: NAS.H) to earn working interests in five of its lithium exploration projects located in Esmeralda County, Nevada. North South will also have an option to acquire State of Nevada water right Permit 44411 (the "Permit") by assuming the Company's financial obligations related to its purchase of the Permit.

Terms of the LOI

North South will be granted the option (the "Initial Option") to earn the following interests in the Jackson Wash, Clayton Northeast, Aquarius Properties (collectively, the "Optioned Projects", or the "Projects") and the Gemini Property, as follows:

- 51% of Nevada Sunrise's interest in the Jackson Wash Property (subject to the Jackson Wash underlying option);
- 51% of Nevada Sunrise's interest in Clayton Northeast Property (subject to the Clayton Northeast underlying option);
- 51% of the Aquarius Property (subject to Nevada Sunrise retaining a 3% gross overriding royalty ("GOR") for divesting its interest); and
- 50% of the Gemini Property (subject to the terms of the joint venture agreement with [Eureka Resources Inc.](#) ("Eureka") and to Nevada Sunrise retaining a 2% GOR for divesting its interest).

Initial Option Consideration

North South will earn up to a 51% working interest from Nevada Sunrise in the Optioned Projects if North South makes the following cash and share payments to Nevada Sunrise and incurs exploration expenditures at the Projects as follows:

1. Cash payments totaling CDN\$600,000 as follows (the "Cash Payments"), which includes a non-refundable cash payment of CDN\$100,000 due upon execution of this LOI, and an additional cash payment of CDN\$500,000 upon receipt of TSX Venture Exchange ("TSXV") acceptance of this LOI (the "Effective Date");

2. Issuing common shares of North South (the "Consideration Shares") equal to 4.9% of the issued and outstanding common shares of North South, such percentage to be calculated on the day following the completion of the next equity financing by North South totalling not less than CDN\$2.0 million (the "Issuance Date"). The Consideration Shares shall be issued to Nevada Sunrise on the Issuance Date, but subject to hold periods expiring as follows:

- 25% of the Consideration Shares shall be released from the hold period ("Released") on the later of the Issuance Date and the Effective Date;
- 25% of the Consideration Shares shall be Released on the date that is 12 months after the Effective Date;
- 25% of the Consideration Shares shall be Released on the date that is 18 months after the Effective Date; and
- 25% of the Consideration Shares shall be Released on the date that is 24 months after the Effective Date.

3. Within 24 months of the Effective Date, completing minimum exploration expenditures of CDN\$1,500,000 on the Projects (the "Initial Expenditures"), such Initial Expenditures to include claim maintenance fees for all of the Projects that are or become payable to the US Bureau of Land Management and Esmeralda County.

Subject to North South making all of the payments when due to an underlying property owner, upon North South completing the Cash Payments, issuing the Consideration Shares, and completing the Initial Expenditures, North South will have earned a 51% interest in each of the Optioned Projects. Thereafter, North South will have the option to either form a joint venture with Nevada Sunrise in respect of the Optioned Projects, or to proceed with the Second Option.

The Second Option

If North South has exercised the Initial Option, North South will have the right to increase its interest in the Optioned Projects to a 70% interest, by completing, within 48 months of the Effective Date, exploration expenditures totalling C\$3,000,000 (which includes the Initial Expenditures). Thereafter, the parties will form a joint venture with North South holding a 70% interest, and Nevada Sunrise holding a 30% interest, for the purposes of the further development of the Optioned Projects.

Gemini Property Option

A definitive agreement will provide that the Parties will agree to make the expenditures required to be made by Nevada Sunrise in order for Nevada Sunrise to maintain its interest in the Gemini Joint Venture with Eureka, with any such expenditures being deemed to be Initial Expenditures. Provided that North South has made sufficient expenditures to maintain Nevada Sunrise's interest in the Gemini Joint Venture, upon exercise of the Initial Option by North South, Nevada Sunrise will assign to North South Nevada Sunrise's interest in the Gemini Joint Venture in consideration for a 2% GOR in the same form as that provided by Nevada Sunrise to the underlying vendor in the Neptune property agreement.

Neptune Property Option

Nevada Sunrise will also grant North South the right to earn up to a 50% interest in the Neptune Property, subject to:

- [Resolve Ventures Inc.](#) ("Resolve") waiving its right to earn a further 25% interest in the Neptune Property;

- Nevada Sunrise, Resolve and North South entering into an amending agreement to the Neptune agreement with Resolve on terms acceptable to all three parties;
- North South incurring exploration expenditures of CDN\$700,000 on the Neptune Property; and North South exercising the Initial Option.

Expenditures made by North South on the Neptune Property will be included as part of the calculation of total expenditures required to be made to earn its interest in the Projects.

Following the expenditure of \$700,000 by North South, a joint venture would form between North South (50%), Nevada Sunrise (25%) and Resolve (25%), on the terms set out in the current agreement Nevada Sunrise holds with Resolve.

Aquarius Property Royalty

Upon formation of a joint Venture, the joint venture will grant to Nevada Sunrise a 3% GOR on the Aquarius Property.

Exploration Expenditures

Excess exploration expenditures incurred in any one period shall be credited to expenditures requirements in the following period. The expenditures may be accelerated at any time at the sole option of North South and its interests acquired earlier. During the period that North South is incurring exploration expenditures:

- North South shall be the operator on the Projects and shall have the right to determine budgets and exploration programs for the purposes of completing exploration expenditures; and
- Nevada Sunrise shall be the manager of all exploration programs on the Projects and will be entitled to charge a fee of 10% on all exploration expenditures.

Underlying Payments

In order to maintain the Initial Option and the Second Option, North South will assume responsibility for all government and contractual maintenance costs and all payments required to maintain the Projects and underlying agreements in good standing.

For location and exploration maps of the Company's lithium projects, please visit "Projects – Nevada Lithium" at: <http://www.nevadasunrise.ca/projects/nevadalithium/>

Water Rights

Intor Resources Corp. ("Intor"), a wholly owned subsidiary of Nevada Sunrise, holds a 100% interest in the Permit, subject to the terms of a water rights purchase agreement between Robert E. Mori ("Mori"), Nevada Sunrise and Intor dated March 15, 2016, which was assigned by Mori in April 2016 to Dedicated Mining Technology, Inc. ("DMT").

In consideration for the Permit, Nevada Sunrise has paid to the vendor US\$125,000 in cash as the first installment of an agreed purchase price of US\$1.3 million, and has issued 200,000 common shares (of an agreed 2.0 million shares to be issued over a 5-year period (the "Water Rights Share Payments")) and 2,250,000 common share purchase warrants exercisable at \$0.50, \$0.75, and \$1.00 over a 5-year period, in connection with the purchase of the Permit.

Nevada Sunrise will grant to North South the option to acquire a 100% interest in the Permit (the "Water Rights Option"), exercisable for a period of 120 days after the later of the date that North South exercises the Initial Option, and the date that the Nevada State Engineer approves the application to transfer the Place of Use and Point of Diversion of the Permit to the Aquarius Property.

In order to maintain the Water Rights Option, North South shall:

- Make all Water Rights Cash Payments required to be made after the date of this LOI and until the exercise of the Water Rights Option;
- Pay all legal and other costs associated with the application to transfer the Place of Use and Point of Diversion of the Permit; and
- Pay all legal and other costs required to maintain the Permit.

In order to exercise the Water Rights Option, North South shall pay to Nevada Sunrise an amount equal to the sum of:

- The Water Rights Cash Payments made by Nevada Sunrise prior to the grant of the Water Rights Option;
- The value of the Water Rights Share Payments made by Nevada Sunrise before the exercise of the Water Rights Option (which shall be established by multiplying the number of Nevada Sunrise shares issued by the 20-day volume weighted average price immediately prior to the date such Water Rights Share Payments were made);
- The legal and other costs incurred by Nevada Sunrise to acquire and make the application to transfer the location of the Permit; and
- USD\$200,000, payable in cash or a calculated value in shares, at North South's option (the "Water Rights Option Payment").

After exercise of the Water Rights Option, North South shall be solely responsible for making all remaining Water Rights Cash Payments and Water Rights Share Payments.

Completion of the Transaction will be subject to the following conditions precedent, which must be completed no later than 60 days after the execution of this LOI by all parties (the "Outside Date"):

- Execution of a definitive agreements;
- The receipt of all required regulatory approvals, including the approval of the TSX Venture Exchange;
- The receipt of the consent of the underlying property and water right vendors, and Resolve and Eureka as provided in this LOI;
- Completion of due diligence on the Projects by North South;
- Completion of the Initial Financing by North South; and
- Receipt by North South of a National Instrument 43-101 compliant Report on an Optioned Project identified by North South recommending a minimum of \$500,000 Phase 1 work program within three weeks of the later of execution of this LOI and the date North South identifies the Optioned Project.

Definitive Agreements

The definitive agreements shall reflect the terms hereof and such other terms as are customary and do not conflict herewith, and shall include such representations, warranties, covenants and conditions as are customary in connection with such agreements. The Parties shall negotiate in good faith and make reasonable commercial efforts to complete the definitive agreement before the Outside Date.

About Nevada Sunrise

Nevada Sunrise is a junior mineral exploration company with a strong technical team based in Vancouver, BC, Canada, that holds interests in nine mineral exploration projects in the State of Nevada, USA. Nevada Sunrise began acquisitions of Nevada lithium properties in September 2015, which include options to earn 100% interests in the Neptune and Clayton Northeast projects, and a 100% interest in the Aquarius Project, all located in the Clayton Valley area. The Company also holds options to earn 100% interests in the Jackson Wash and Atlantis projects, and has a 50% participating interest in the Gemini project, each located in playas proximal to the Clayton Valley.

The Company's three key gold assets include a 21% interest in a joint venture with [Pilot Gold Inc.](#) (TSX: PLG) at Kinsley Mountain near Wendover, a 100% interest in the Golden Arrow project near Tonopah, and a 100% interest in the Roulette gold property in the southeastern Carlin trend near Ely, with each of the properties subject to certain production royalties.

FORWARD LOOKING STATEMENTS

All statements in this release, other than statements of historical fact, are "forward-looking information" with respect to [Nevada Sunrise Gold Corp.](#) ("Nevada Sunrise") within the meaning of applicable Canadian securities laws, including statements that address the proposed transaction with North South Petroleum Corp., the successful transfer of Place of Use and Point of Diversion of water rights, proposed exploration and development of our exploration properties and the estimation of mineral resources. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Nevada Sunrise to differ materially from those anticipated in such forward-looking information.

Such factors include, among others, risks related to the interpretation and actual results of historical exploration at its lithium properties, reliance on technical information provided by third parties on any of our exploration properties, including access to historical information on its lithium properties, current exploration and development activities; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labor disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of exploration, as well as those factors discussed in the section entitled "Risk Factors" in the Company's Management Discussion and Analysis for the Six Months ended March 31, 2016, which is available under Company's SEDAR profile at www.sedar.com.

Although Nevada Sunrise has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Nevada Sunrise disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. Accordingly, readers should not place undue reliance on forward-looking information.

Forward-looking statements are made as of the date hereof and accordingly are subject to change after such date. Except as otherwise indicated by Nevada Sunrise, these statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better

understanding of our operating environment. Nevada Sunrise does not undertake to update any forward-looking statements that are included in this document, except in accordance with applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The Securities of [Nevada Sunrise Gold Corp.](#) have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to the account or benefit of any U.S. person.

SOURCE [Nevada Sunrise Gold Corp.](#)

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