

Nevada Sunrise Announces Albemarle Corporation Protest of Water Rights Transfer in Clayton Valley, Nevada



VANCOUVER, May 16, 2016 /CNW/ - **Nevada Sunrise Gold Corporation** ("Nevada Sunrise" or the "Company") (TSXV: NEV) announced today that **Albemarle Corporation** of Baton Rouge, Louisiana, USA ("Albemarle") (NYSE: ALB) has filed an official protest with the Nevada Division of Water Resources ("NDWR") against the Company's application to transfer the Place of Use and Point of Diversion of its recently acquired water right in the Clayton Valley of Nevada. Albemarle is one of the world's largest producers of lithium chemical products and currently operates the only producing lithium mine in North America in the Clayton Valley at Silver Peak, Nevada.

Nevada Sunrise exercised its option to purchase water rights to complement its Clayton Valley lithium brine projects by executing a definitive purchase agreement with an arms-length vendor (see Nevada Sunrise news release dated March 20, 2016). The pre-existing certificated water right allows for 1,770 acre/feet of water use for mining and milling per year (the "Permit"). On April 22, 2016, Nevada Sunrise, through its Nevada subsidiary Intor Resources Corporation, filed an application to transfer the Permit from its current location in the adjacent mountain range to a location due east on the desert floor within the boundaries of the Company's Aquarius Project. The proposed Place of Use and Point of Diversion lies directly between a road and a powerline, located approximately 5 kilometres (3 miles) from the town of Silver Peak, Nevada and Albemarle's Silver Peak lithium mine and 8 kilometers (5 miles) from its nearest lithium brine production well.

"It would appear that Albemarle Corp. does not wish to allow future competition for lithium brine production in the Clayton Valley basin," said Warren Stanyer, President and CEO of Nevada Sunrise. "Albemarle is the largest consumer of groundwater in the Clayton Valley, and our existing Permit, senior to many of Albemarle's own permits, is the only remaining appropriation of groundwater in the Clayton Valley that is potentially available for a lithium brine extraction operation. Nevada Sunrise will respond to Albemarle's protest in due course and outline the reasons why our application to transfer a certificated water right should not be unfairly prejudiced by Albemarle's action."

To access the protest document filed by Albemarle at the NDWR, please click here:

<http://images.water.nv.gov/images/protests/86141T/ALBEMARLE%20CORPORATION.pdf>

Nevada Sunrise acquired the water right prior to commencing exploration for lithium brines in the Clayton Valley. The Company believes that the acquisition of water rights is a prerequisite for future lithium brines development in the area. In December 2015, Nevada Sunrise received a written appraisal from an independent appraiser certified in the State of Nevada, which valued the Permit at US\$1.42 million. According to the appraisal report, the Clayton Valley basin is currently "over-appropriated", and stated that any new application for water use in an over-appropriated basin would be carefully reviewed by the NDWR, and that it is uncertain if any new applications for water rights would be granted.

Nevada Sunrise currently has three lithium exploration projects in the Clayton Valley: Neptune, Aquarius and Clayton NE. Exploration by Nevada Sunrise for lithium brines is ongoing - a drilling permit for the Neptune Project was obtained in December 2015 from the U.S. Bureau of Land Management, and the Company began drilling in March 2016 (see Nevada Sunrise news release dated April 19, 2016).

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) 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 the Permit.

For further information on the Company's lithium properties, see the Nevada Sunrise website under "Projects-Nevada Lithium" at:

<http://www.nevadasunrise.ca/projects/nevadailithium/>

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 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. 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.

Our 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 Corporation ("Nevada Sunrise") within the meaning of applicable Canadian securities laws, including statements that address the potential acquisition of water rights, the potential results of the relocation of water rights, the potential value or importance of the Company's water rights for mining in the Clayton Valley, future mineral production, reserve potential, potential results of exploration drilling, the future price of lithium, potential quantity and/or grade of minerals, potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, or other study, 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 potential acquisition and/or transfer of water rights including challenges from third parties; the interpretation and actual results of historical exploration at Nevada Sunrise's exploration properties; the results of exploration activities, including drilling, may be unsuccessful, reliance on technical information provided by third parties on any of our exploration properties, including access to historical information on exploration 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 Three Months Ended December 31, 2015, 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

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 Corporation 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 Corporation

Image with caption: "Nevada Sunrise Gold Corporation (CNW Group/Nevada Sunrise Gold Corporation)". Image available at:
http://photos.newswire.ca/images/download/20160516_C5118_PHOTO_EN_690773.jpg

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