

Thunder Bay, Ontario--(Newsfile Corp. - May 16, 2017) - [Kesselrun Resources Ltd.](#) (TSXV: KES) ("Kesselrun") is pleased to provide the following corporate update:

Proceedings Against First Mining

Kesselrun would like to update shareholders regarding its filed Notice of Application with the Ontario Superior Court of Justice - Commercial List (see Kesselrun press release dated October 27, 2016) in connection with its previously announced dispute with

[First Mining Finance Corp.](#) ("First Mining") and its wholly-owned subsidiary, Tamaka Gold Corporation ("Tamaka") concerning three senior unsecured convertible debentures of Tamaka held by Kesselrun in the aggregate principal amount of \$2,139,900 (the "Convertible Debentures").

Cross examinations have been completed and undertakings are currently proceeding. A hearing date is anticipated to be set in the near future.

The Convertible Debentures are automatically convertible into common shares of Tamaka at a prescribed rate upon the occurrence of a "Liquidity Event" (see Kesselrun press release dated November 20, 2013). As previously announced, Kesselrun believes that the transaction (the "Acquisition") pursuant to which Tamaka became a wholly-owned subsidiary of First Mining constituted a Liquidity Event and a change of control of Tamaka pursuant to the terms of the Convertible Debentures, and should have resulted in an automatic conversion of the Convertible Debentures effective immediately prior to the closing of the Acquisition. First Mining has asserted that there was no Liquidity Event.

Kesselrun has made an application for:

- a declaration that the Acquisition was a "Liquidity Event" pursuant to the Convertible Debentures;
- a mandatory and permanent injunction requiring the respondents to issue to Kesselrun approximately 5,636,122 common shares of First Mining;
- in the alternative, payment of an amount that will permit Kesselrun to purchase the First Mining common shares referred to above;
- in the alternative, damages for breach of contract;
- pre and post-judgment interest at the rate of 10% per annum in accordance with the Convertible Debentures;
- payment of all losses, costs and expenses (including, without limitation, reasonable solicitors' fees and disbursements) incurred in connection with the enforcement of the Convertible Debentures;
- costs of this proceeding on a substantial indemnity basis, plus all applicable taxes; and
- such further and other relief as the Honourable Court may deem just.

Cassels Brock & Blackwell LLP, a leading law firm in the mining sector, is representing Kesselrun in regards to the above matters.

Michael Thompson, President & CEO commented, "Cross examinations have been completed and undertakings are currently proceeding. We have been advised that a hearing date is anticipated to be set in the near future. We look forward to providing further updates as they become available".

About Kesselrun Resources Ltd.

Kesselrun Resources is a Thunder Bay, Ontario-based mineral exploration company focused on growth through property acquisitions and discoveries. Kesselrun's management team possesses strong geological and exploration expertise with particular experience in Northwest Ontario. For more information about Kesselrun Resources, please visit www.kesselrunresources.com.

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 news release.

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Forward Looking Statements - Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Kesselrun, including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, dependence upon regulatory approvals, the execution of definitive documentation, the availability of financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.