

NEX Symbol: BCU.H

VANCOUVER, May 17, 2016 /CNW/ - [Bell Copper Corp.](#) ("Bell" or the "Company") (NEX: BCU.H) is pleased to announce that it has started drilling hole K-12 on its Kabba porphyry copper project in Arizona. Drillhole K-12 is targeting a zone of coincident electrical geophysical anomalies in the concealed hangingwall block of the faulted porphyry system. Funding for the drilling is being provided by Kennecott Exploration Company (KEX). Kennecott's expenditure will accrue toward its obligation under the earn-in agreement announced on April 19.

Under the agreement, Kennecott Exploration Company (KEX), part of the Rio Tinto Group, has the right to earn a 51% interest in the Company's Kabba porphyry copper project by spending US\$ 3,000,000 on the project over the next 5 years. If KEX earns 51% in the first option, KEX has a second option to earn an additional 19% in the project by spending an additional US\$ 10,000,000 over the eight years following the first option period.

Kabba Project

The Company's Kabba porphyry copper-molybdenum project lies on a productive porphyry copper trend between Freeport's Bagdad mine and Origin Mining's Mineral Park mine in northwestern Arizona, a state that has produced ten percent of the world's copper. Porphyry-style alteration has been intersected in drillholes K-8 through K-11 and was predicted to be present beneath gravel-covered hills based on a fault model linking it with an outcropping porphyry root zone 8 kilometers to the west. Drillhole K-11, completed in the summer of 2015, cut nearly 900 meters of altered and mineralized porphyry that is interpreted to be the pyritic shell surrounding a more copper-rich central zone. Planned drillhole K-12 will offset a 14-meter-thick supergene chalcocite enrichment blanket that was cut in K-11. The K-12 site shows coincident electrical geophysical anomalies across a 600-meter width that may represent a thicker version of the K-11 enrichment blanket perched on the top of a primary copper shell.

Option Agreement

As first announced on April 19, Bell and Kennecott structured the agreement by first moving the Kabba properties into a limited liability company—MMDEX, LLC (MMDEX)—owned wholly by Bell. Upon signing, KEX acquired a 5% interest in MMDEX. KEX must spend US\$3,000,000 in exploration expenditures over the next 5 years to earn up to 51%. KEX could terminate the option at any point or accelerate completion of the option by making cash payments to Bell. If KEX terminates the option before it earns its full 51%, it will resign as a member of MMDEX and convey its 5% initial ownership to MMDEX. During the option period, KEX will maintain all relevant leases, permits, and rentals.

The agreement allows for a second option under which KEX will have the right to earn an additional 19% (70% in total) in the project by spending an additional US\$ 10,000,000 on the project within 8 years after completing the first option. Again, under the second option KEX could terminate the option at any point, and could also accelerate completion of the option by making cash payments to Bell.

If KEX acquires the first option (51%) or second option (70%), the parties will jointly advance the project through MMDEX pursuant to a shareholder operating agreement, with KEX as manager. The parties will fund MMDEX in proportion to their interest in the project (either 51/49 or 70/30). Any member of MMDEX who fails to contribute its share of project costs would be subject to dilution and other remedies. Any member whose interest falls below 10% will have its interest converted to a 1% Net Smelter Return royalty capped at US\$ 30,000,000. KEX has the right to assign any or all of its interest in MMDEX, whereas Bell's right to assign its interest is subject to a right of first refusal by KEX.

Work Program

A work plan for the remainder of 2016 includes completion of K-12 in the second quarter. Concurrent with the drilling effort, geological logging and assay of 5000 meters of previously unassayed core from historic drillholes K-1 through K-11 will be completed. Permitting efforts to conduct a thorough, property-wide program of surface and downhole electrical geophysics will be started immediately, with the goal of conducting the geophysical surveys in the second half of 2016. Bell will cooperate at the highest level to allow KEX's exploration efforts to be as productive as possible.

Financing

As first announced on January 28, the Company has an open non-brokered private placement of up to 3 million units at a price of five cents per unit (\$0.05) to raise proceeds of up to \$150,000. Each unit will consist of one common share and one common share purchase warrant (the "Unit Warrants") with each Unit Warrant entitling the holder to acquire one additional common share at a price of eight cents (\$0.08) per share for twelve (12) months from closing. To date the Company has received approximately \$135,000 of these funds.

The Company may pay finders' fees on the private placement proceeds to certain parties in accordance with the policies of and

subject to the approval of the TSX Venture Exchange. The proceeds of the private placement will be allocated toward general working capital purposes.

Qualified Person

The technical content of this release has been reviewed and approved by Timothy Marsh, PhD, PEng., the Company's CEO and President. No mineral resource has yet been identified on the Kabba Project. There is no certainty that the present exploration effort will result in the identification of a mineral resource or that any mineral resource that might be discovered will prove to be economically recoverable.

"The clearest path toward building value for our shareholders is to leverage the Company's hard-won drilling experience at Kabba to expeditiously complete the K-12 test. I have again pitched my tent at Kabba to oversee the work on this critical activity."

On behalf of the Board of Directors of
Bell Copper Corporation

"Timothy Marsh"

Timothy Marsh, President, CEO & Director

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 release.

SOURCE [Bell Copper Corp.](#)

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