

TORONTO, ONTARIO--(Marketwired - July 11, 2016) - [Kerr Mines Inc.](#) ("Kerr" or the "Company") (TSX:KER) is pleased to announce the initial results of its debt restructuring efforts. As previously disclosed, with the assistance of outside advisors, Kerr has initiated negotiations with both secured and unsecured creditors of the Company to reduce and restructure amounts owing in order to address its current significant working capital deficiency.

The Company has reached settlement agreements with trade creditors and certain debt holders representing C\$8.4 million of the C\$22.6 million of current liabilities outstanding as at March 31, 2016. The total amount of cash, common stock and future consideration paid in settling these debts is C\$2.5 million.

The Company has issued or agreed to issue a total of 5,997,914 million common shares for certain debt settlement agreements, subject to final TSX approval. Kerr has used the convertible grid promissory note (see March 11, 2016 news release) from an existing director, shareholder and creditor to fund current cash payment requirements.

Kerr is continuing negotiations with the remaining secured and unsecured debt holders and will update the market as warranted.

"Kerr is pleased with its progress to date in attempting to restructure its debt and correct its working capital deficiency," stated Chris Hopkins, Interim President and CEO of Kerr Mines. "While we still have additional settlement agreements to complete, the Company is encouraged by the initial results."

*This news release contains forward-looking statements, including current expectations on the timing of the commencement of production and the rate of production, if commenced. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, the strength of the Canadian economy; the price of gold; operational, funding, and liquidity risks; the degree to which mineral resource estimates are reflective of actual mineral resources; and the degree to which factors which would make a mineral deposit commercially viable are present; the risks and hazards associated with underground operations. Risks and uncertainties about Kerr Mines' business are more fully discussed in the company's disclosure materials, including its annual information form and MD&A, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com) and readers are urged to read these materials. Kerr Mines assumes no obligation to update any forward-looking statement or to update the reasons why actual results could differ from such statements unless required by law.*

*No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

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