Toronto, Ontario--(Newsfile Corp. - September 22, 2016) - Kerr Mines Inc. (TSX: KER) ("Kerr" or the "Company"), is pleased to announce that it has closed the previously announced restructuring transactions with various creditors to restructure amounts owing and to address working capital deficiencies.

Further to the Company's press release of August 25, 2016 ("August Press Release"), the Company has now closed the following previously announced transactions:

- the issuance of 27,000,000 common shares in the capital of the Company ("Common Shares") to Trans Oceanic Minerals Company Ltd ("Trans Oceanic") with respect to the conversion of the entire C$1,350,000 of principal outstanding pursuant to a previously issued convertible promissory note in December 2015 (the "TOMCL Debt Conversion");
- the issuance of 10,000,000 Common Shares to Trans Oceanic to settle certain liabilities related to the restructuring initiatives incurred by Trans Oceanic and payable by Kerr of $1,576,318 (the "TOMCL Private Placement");
- the issuance of 18,500,000 Common Shares to Braydon Capital Corporation ("Braydon") to convert C$1,500,000 of principal outstanding under a previously issued promissory note (the "Braydon Private Placement"); and
- the issuance of 1,000,000 Common Shares with Todd Morgan ("Morgan") to settle a portion of the aggregate of $513,515.53 of indebtedness owed to Morgan ("Morgan Settlement").

Following the issuance of Common Shares pursuant to the TOMCL Debt Conversion, TOMCL Private Placement, Braydon Private Placement and Morgan Settlement an aggregate of 56,500,000 Common Shares has been issued by the Company to the various parties and following such issuances the Company now has 190,968,865 issued and outstanding Common Shares.

The Company has obtained the required disinterested shareholder approval by way of a written consent in lieu of a shareholders meeting as previously stated in the August Press Release for the TOMCL Private Placement, Braydon Private Placement and Morgan Settlement and have submitted the final closing documents to the TSX for final approval.

The TOMCL Private Placement and Braydon Private Placement constitutes a related party transaction within the meaning of Multilateral Instrument 61-101 ("MI 61-101") as insiders of the Company, namely Braydon, a company controlled and owned by Claudio Ciavarella who is a director of the Company, and Trans Oceanic, a company controlled by Fahad Al Tamimi, the Company's Chairman of the board of directors (the "Board"), received an aggregate of 28,500,000 Common Shares under the respective transactions. The Company is relying on the exemption from the formal valuation requirement in section 5.5(a) of MI 61-101 and the exemption from the minority approval requirement in section in section 5.7(1)(f) of MI 61-101 as a result of the transactions having a fair market value of less than 25% of the Company's market capitalization.

Website

Kerr Mines is pleased to announce it has launched a new website. Details of the Board and the strategy to focus and develop its core asset, the Copperstone Mine, is available at www.kerrmines.com.

For further information contact:

Chris Hopkins
Interim President and CEO
Kerr Mines Inc.
Email: chopkins@kerrmines.com

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 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.