

- Proceeds to be used for dewatering of Copperstone Mine -

TORONTO, Dec. 13, 2016 /CNW/ - [Kerr Mines Inc.](#) ("Kerr" or the "Company") (TSX:KER) is pleased to announce that it has agreed to sell 8,000,000 common shares (the "Bonterra Shares") in the capital of [BonTerra Resources Inc.](#) ("Bonterra") (TSX-V: BTR) at a price of \$0.25 per Bonterra Share for gross proceeds to the Company of CDN \$2,000,000. Kerr agreed to sell 4,000,000 Bonterra Shares to each of Braydon Capital Corporation, a company controlled and owned by Claudio Ciavarella who is a director of the Company ("Braydon") and Trans Oceanic Minerals Company Ltd., a company controlled by Fahad Al Tamimi, the Company's Chairman of the board of directors ("TOMCL"). Completion of the transaction remains subject to final acceptance by the TSX.

"Proceeds from the sale of our non-core assets will be used to execute our strategy aimed at re-starting production at our flagship Copperstone mine," said Chris Hopkins, Interim President and CEO of Kerr Mines. "Efforts at dewatering, mine rehabilitation and production re-start planning are now underway. We look forward to providing regular updates as key milestones are achieved."

The sale of the Bonterra Shares to each of Braydon and TOMCL constitutes a related party transaction as each of Braydon and TOMCL are insiders of the Company. However, such related party transaction is exempt from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 &#8211; Protection of Minority Security Holders in Special Transactions ("MI 61-101") on the basis of the "Fair Market Value Not More Than 25% of Market Capitalization" exemptions contained in ss. 5.5(a) and 5.7(1)(a) of MI 61-101. In particular, at the time the transaction was agreed to, neither the fair market value of the Bonterra Shares to be acquired by each of Braydon and TOCML nor the fair market value of the consideration paid by each of Braydon and TOCML for such Bonterra Shares exceeded 25% of the Company's market capitalization.

#### About Kerr

Kerr is a North American gold exploration and development company based in Toronto, Canada. Kerr's core focus is to commence operations at the Copperstone Mine in Arizona. The Copperstone Mine produced nearly 500,000 ounces of gold through open pit mining. Existing infrastructure which remains from this time, or which has been subsequently installed by the Company's predecessor and wholly owned subsidiary, [American Bonanza Gold Corp.](#), is considerable and serves to reduce the current capital requirements for the mine. Existing infrastructure includes a power line and substation, and three water wells, all sufficient for the proposed operations at Copperstone. Additional infrastructure on site includes offices, maintenance shops and a laboratory building permitted tailings facility, processing facility and mill.

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.

Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release and no stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

SOURCE [Kerr Mines Inc.](#)

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