

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb 15, 2017) - [Northern Empire Resources Corp.](#) (TSX VENTURE:NM) (the "Company" or "Northern Empire") today announced that the Company has entered into a Letter of Intent ("LOI") with Sterling Gold Mining Corporation ("SGMC"), a wholly owned subsidiary of [Imperial Metals Corp.](#) ("Imperial Metals")(TSX:III) to acquire a 100% interest in the Sterling property, located in Nye County, Nevada, and certain royalty rights for claims located in Nevada and California (the "Proposed Transaction").

Michael G. Allen, President, CEO and Director of Northern Empire commented, "Acquiring the Sterling property represents a company changing opportunity for the shareholders of Northern Empire. The next phase of open pit mining has been permitted at Sterling, and the properties have not seen significant exploration in 20 years. The Sterling land package consists of two claim blocks, Sterling and Daisy. Combined, the land package represents the acquisition of a gold district within Nevada, hosting 3 past producing open pit mines. The Sterling mine has previously operated as a high grade open pit and underground operation as recently as 2015, and is known for it's excellent run of mine heap leach recoveries. The site is staffed, with leach rinsing operations continuing. The Daisy claim block has indications of a large Carlin system, which has seen very little exploration since the late 1990s."

Acquisition Highlights

- High Grade Gold in Nevada. The Sterling mine has operated as both an open pit and underground operation. Historical records show that from 1980 to 2000 mining on the Sterling orebodies produced 194,996 oz gold ("Au") at an average grade of 7.44 g/t Au. Recoveries have averaged 88% without milling;
- Location. The Sterling property is located approximately 100 miles NW of Las Vegas on the eastern flank of the Bare Mountains. The mine is accessed via highway I-95 and gravel roads;
- Permitted to begin operations. The Bureau of Land Management has issued a Finding of No Significant Impact ("FONSI") and approved the next phase of mining at Sterling. This permit was issued on May 12, 2016 and has an indefinite term. Northern Empire will immediately undertake a resource estimate, on all deposits on the properties;
- Significant Engineering Completed by Imperial Metals. To achieve the FONSI, Imperial Metals created designs for the new pits and heap leach facilities that Northern Empire will be able to use going forward;
- Significant infrastructure in place. Imperial Metals ceased underground mining of a separate orebody in 2015. Processing facilities, mine offices and generators are on site and are currently being used to rinse heaps from prior operations.
- Near Mine - Exploration Potential. The complete Sterling property land package contains 3 past producing open pit mines, Sterling, Daisy West and Secret Pass. Significant exploration potential, based on historic drilling and known structural controls, exists along strike and adjacent to the permitted Sterling deposit. In the 1995 Annual Mineral Industry Survey by the Nevada Bureau of Mines Daisy West was reported to have a pre-mining, gold resource of 1.45 million tons grading 0.021 opt Au (1.3 million tonnes grading 0.72 g/t Au), in the same report, Secret Pass had a pre-mining gold resource of 36.6 million tons grading 0.018 opt (32.94 million tonnes grading 0.62 g/t Au). SGMC has permitted the next phase of open pit mining on the Sterling Site. After reviewing the available data, it is thought that potentially significant resources remain at Secret Pass, while Daisy West is largely mined out. The stratigraphy that hosted the Daisy West mine remains largely untested. Northern Empire reports these pre-mining historical resources for illustrative purposes only. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, and the Company is not treating the historical estimates as current mineral resources or mineral reserves. Northern Empire will be initiating an independent review of the data and resources on the Sterling property, the results of which will be released prior to the closing of the transaction.
- The following table summarizes significant drill results from the portion of the Sterling deposit yet to be developed

STERLING MINE SELECT IN GROUND DRILLHOLES

METERS

HOLE#	From	To	Length	Au g/t
ST-23	48.77	59.44	10.67	5.49
ST-38	48.77	62.48	13.72	6.80
SV8139	7.62	16.76	9.14	5.01
SV88053	41.15	50.29	9.14	2.05
SV89146	88.39	121.92	33.53	1.80
SV89148	126.49	149.35	22.86	2.14

- The following table summarizes significant drill results from the portion of the Secret Pass deposit yet to be developed

SECRET PASS SELECT IN THE GROUND DRILLHOLES

METERS

HOLE#	FROM	-TO-	LENGTH	Au g/t
D-204	85.34	150.88	65.53	0.79
D-206	85.34	178.31	92.96	1.36
D-313	80.77	163.07	82.30	0.90
D-314	91.44	158.50	67.06	0.90
D-320	96.01	173.74	77.72	1.02
D-164	44.20	100.58	56.39	3.13

- Historic Resources - Exploration Potential. In addition to the unmined portion of Secret Pass, two additional unmined deposits are located in the northern portion of the property Daisy South and SNA. In the 1995 Annual Mineral Industry Survey by the Nevada Bureau of Mines, Daisy South was reported to have in a resource of 0.76 million tons grading 0.097 opt Au (0.68 million tonnes grading 3.33 g/t) and in the same report, the SNA deposit was reported to have a historic resource of 2.87 million tons at 0.039 opt Au (2.58 million tons at 1.34 g/t Au). Northern Empire reports these historical estimates for illustrative purposes only. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, and the Company is not treating the historical estimates as current mineral resources or mineral reserves. Northern Empire will be initiating an independent review of the data and resources on the Sterling Property, the results of which will be released prior to the closing of the transaction.
- The following table summarizes significant drill results from the portion of the Daisy South deposit yet to be developed

DAISY SOUTH SELECT IN THE GROUND DRILLHOLES

	METERS			
HOLE#	FROM	-TO-	LENGTH	Au g/t
D-81	121.92	156.97	35.05	4.63
including	126.49	146.30	19.81	7.37
D-97	126.49	196.60	70.10	2.16
including	179.83	190.50	10.67	4.97
D-135	111.25	192.02	80.77	2.10
including	152.40	167.64	15.24	5.87
D-145	129.54	198.12	68.58	2.02
including	161.54	169.16	7.62	8.35

- The following table summarizes significant drill results from the portion of the SNA deposit yet to be developed

SNA SELECT IN THE GROUND DRILLHOLES

	METERS			
HOLE#	FROM	-TO-	LENGTH	Au g/t
ML165	70.10	85.34	15.24	1.60
ML261	22.86	38.10	15.24	0.71
MR008	25.91	32.00	6.10	1.39
and	41.15	65.53	24.38	1.12
SN09-087	46.82	74.68	27.86	0.87

- District Scale - Exploration Potential. Surface mapping and sampling by previous workers on the property suggests that the historic deposits are open and there is a high potential for significant new discoveries on the property. In addition, significant drilling has been done on the "Shear Zone" which appears to be the upper levels of a zoned epithermal system.
- The following table summarizes significant drill results from the portion of the Shear Zone deposit yet to be developed

SHEAR ZONE SELECT IN THE GROUND DRILLHOLES

	METERS			
HOLE#	FROM	-TO-	LENGTH	Au g/t
ML007	44.21	54.88	10.67	1.98
ML010	42.68	50.30	7.62	2.24
ML016	33.54	48.78	15.24	0.27
ML020	53.35	56.40	3.05	0.36
ML026	77.74	97.56	19.82	1.06
INCL	77.74	88.41	10.67	1.73
ML027A	85.37	99.09	13.72	0.48
ML031	83.84	92.99	9.15	1.66
and	97.56	100.61	3.05	0.48
ML049	39.63	44.21	4.57	1.58

- Data rich property. The history of Sterling can be traced back to the early 1970s. Significant underground workings, surface mining, metallurgical work and drilling have been completed on the properties to date. The Sterling block features in excess of 10,000 drillholes and underground channel samples while the Daisy block features 716 drillholes totaling over 10,000 meters.

Summary of Proposed Transaction

Under the terms of the Proposed Transaction with SGMC, the Company will acquire:

- A 100% interest in the Sterling Mine Property (the "Sterling Property") located in Nye County, Nevada being comprised of 707 unpatented mining claims encompassing approximately 14,605 acres.
- A four percent (4%) Net Smelter Return Royalty on the Hoodoo Canyon Property (the "Hoodoo Property") located in Nye County, Nevada, being comprised of 209 unpatented mining claims encompassing approximately 4,318 acres. [Newmont Mining Corp.](#) through Fronteer Development Inc. have assumed the lease and the obligations for an annual advance royalty payment.
- A three percent (3%) Net Smelter Return Royalty up to a limit of US\$1,250,000 on the Tenabo (Robertson) Property located on Lander County, Nevada. By agreement dated June 20, 2016, the subject property was purchased by Barrick Cortez Inc. from [Coral Gold Resources Ltd.](#)
- A ten percent (10%) Net Profits Royalty Interest ("NPR Interest") on the Blue Moon Property located in Mariposa County, California.

The purchase price for the assets will consist of:

- US\$10 million cash, including a US\$250,000 non-refundable deposit due within 5 days of the execution of the LOI;
- 5 million shares of Northern Empire. Northern Empire will also issue additional shares to SGMC to allow SGMC to maintain its pro-rata percentage interest in Northern Empire post transaction if, at any time prior to a construction financing, Northern Empire issues additional shares pursuant to an equity financing, subject to a maximum of 5 million additional shares;
- Northern Empire shall grant SGMC a two percent (2.0%) Net Smelter Returns royalty ("NSR") on the portions of the Sterling Property not currently burdened by a pre-existing NSR. Northern Empire has the right to purchase 50% of the NSR for US\$7.5 million, and has a right of first refusal on any sale of the NSR.
- If Northern Empire elects to utilize the specific bioleaching technology developed by SGMC on the existing leach pads on the Sterling Property, then Northern Empire agrees to immediately reimburse SGMC for all expenses incurred by SGMC up to closing. In addition, SGMC shall be entitled to receive fifty percent (50%) of Net Operating Profits ("NOP") on the bioleaching production from these existing leach pads. SGMC shall be entitled to receive a ten percent (10%) NOP on revenue from bioleaching, associated with rinsing/reclaiming of any pads built to treat ores mined by Northern Empire subsequent to closing.

Conditions of Closing

The completion of the transaction is subject to a number of conditions to closing including, but not limited to Northern Empire's satisfactory completion of legal, title and environmental due diligence with respect to the Sterling Property, completion of various financings to raise adequate funds to make the purchase, board and regulatory approvals, and other customary conditions in the mining industry for similar asset purchase and sales.

Related Financings

In relation to the Proposed Transaction, the Company will be arranging a bridge financing of convertible debentures. The proceeds of the bridge financing will be used to pay the US\$250,000 deposit due to SGMC, complete an updated NI 43-101 technical report on the Sterling property and for due diligence and working capital purposes. The interest free convertible debenture will convert into a unit of the Company consisting of a share and a half warrant (each full warrant, a "Warrant") upon the closing of the Proposed Transaction, or, if the Proposed Transaction doesn't complete, upon resumption of trading of the Company's shares. The conversion price shall be equal to (a) the price for which the Company completes the Subsequent Financing, as set out below, or (b) if the Proposed Transaction doesn't complete, \$0.175. Each Warrant shall be exercisable into a common share of Northern Empire at a price of 33 1/3% premium to the conversion price for a period of 2 years following the closing of the convertible debenture financing.

In the event that the Company files a prospectus in connection with the Acquisition Financing, it will use reasonable commercial efforts to qualify the issuance of the Units under the prospectus.

In addition, the Company intends to complete a subsequent financing (the "Acquisition Financing") to complete the Proposed Transaction, the proceeds of which will be used to fund the purchase price for the proposed Acquisition, for ongoing exploration work on the Sterling Property and for general working capital. Further details regarding the Acquisition Financing will be released in due course.

Advisors

The Company has engaged Cormark Securities Inc. as its financial advisor in connection with the proposed transaction and Acquisition Financing.

McCullough O'Connor Irwin LLP and Parsons Behle and Latimer are acting as legal advisors on the transaction.

The Company has engaged JDS Energy and Mining and Norwest Corporation as technical advisors.

About Northern Empire

Northern Empire is an aggressive, Vancouver based, gold explorer working to take advantage of the current improving market conditions by assembling a value driven portfolio of properties.

Qualified Persons

Michael G. Allen, President of Northern Empire, and a Qualified Person as defined by NI 43-101, has reviewed the information contained in this news release. He is the non-independent qualified person for this new release and has verified the data.

ON BEHALF OF THE BOARD OF [Northern Empire Resources Corp.](#)

Michael G. Allen, President, CEO and Director

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Certain information set forth in this news release contains "forward-looking statement", and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include the Company's expectations about the completion of the Proposed Transaction and the related financings, future performance based on current results and expected cash costs and are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "will", "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which, may cause the Company's actual performance and financial results in future periods to differ materially from any projects of future performance or results expressed or implied by such forward-looking statement. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological risks, the financial markets generally, the results of the due diligence investigations to be conducted by the Company, the ability of the Company to complete the related financings or obtain requisite Exchange acceptance. There can be no assurance that forward-looking statement will prove to be accurate, and actual results and future events could differ materially from those anticipate in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

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