

TORONTO, Feb. 28, 2017 /CNW/ - [Kerr Mines Inc.](#) ("Kerr" or the "Company") (TSX:KER) is pleased to announce that consistent with its strategy to strengthen its balance sheet and reduce its debt, the Company has reached an agreement with [Jubilee Gold Exploration Ltd.](#) ("Jubilee") (TSXV:JUB) to settle the accrued advance royalty payable. The companies have also revised their existing royalty agreement to remove all future advance royalty obligations relating to the McGarry property located in northern Ontario ("McGarry").

Under the existing royalty agreement, Jubilee is entitled to a quarterly advance royalty payment of approximately \$25,000 relating to the McGarry property. Over the life of this agreement approximately \$1,000,000 remains unpaid and is reported as a long-term payable of the Company. Kerr and Jubilee have also agreed to settle this liability for approximately \$100,000 payable in cash upon closing of the agreement. The Company has also agreed to pay Jubilee \$100,000 in consideration for the cancellation of all future advance royalty obligations. Jubilee will retain a 4% net smelter return attributable to production from McGarry if the price of gold exceeds US\$800 per ounce.

"Kerr continues to strengthen the balance sheet and this agreement will result in a further reduction in liabilities of over \$1,000,000 as at December 31, 2016," said Chris Hopkins Interim President & Chief Executive Officer. "Additionally, the removal of all future advance royalties will make McGarry more attractive to prospective buyers as we look to monetize our non-core assets and focus on advancing Copperstone, our flagship asset in Arizona, back to production. "

About Kerr

Kerr is a North American gold exploration and development company based in Toronto, Canada. Kerr's core focus is to commence surface and underground exploration to target a restart of 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 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.](#)

Contact
Chris Hopkins, Interim President & Chief Executive Officer, Email: chopkins@kerrmines.com, Tel: 416.786.9793