

TORONTO, March 2, 2017 /CNW/ - [Kerr Mines Inc.](#) ("Kerr" or the "Company") (TSX:KER) today announced that it has successfully completed its de-watering program at its flagship Copperstone mine in Arizona and has started the next phase of its plan to define and expand current resources, and establish a new production plan.

"We continue to make significant progress with our turnaround strategy and completed the dewatering program on time and budget," said Chris Hopkins, Interim President and CEO. "With mine access now reestablished, we are well positioned to aggressively pursue our updated resource modelling, mine plan and production restart program."

Completion of the dewatering program has allowed for underground rehabilitation work to provide access for underground activities consisting of diamond drilling (expansion and definition) and additional mine development. The Company intends to pursue concurrent underground development and exploration programs to define and expand current resources, and establish a new production plan for underground mining at Copperstone.

Existing underground development allows for access to initial development and diamond drilling of the C, B and A Zones. The C, B and A Zones have not yet been developed or drilled from underground, however they have been drilled extensively from surface and open pit stations. All of the above zones were mined from open pit yielding approximately 500,000 ounces to a depth of slightly over 100 meters or 4,700 ounces per vertical meter. The dewatering program and subsequent rehabilitation at Copperstone has been completed in order to begin this next phase of activity.

As previously announced, the Company engaged JDS Energy and Mining Inc. ("JDS") to provide engineering and economic evaluation consulting services in support of the Company's Copperstone mine. JDS, together with Kirkham Geosystems, has retrieved and converted all historic data to a geological model that will be used as a basis for the definition drilling and development program expected to begin in Q2 2017.

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.

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