

## West Melville Metals Inc.

Suite 1430 – 800 West Pender St., Vancouver, BC V6C 2V6

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West Melville Metals Inc. Announces Option to Joint Venture Agreement to Acquire the Wels Property in Western Yukon and a Proposed \$2.0M Financing

Vancouver, BC – August 15, 2016 – West Melville Metals Inc. (“**West Melville**” or the “**Company**”) (TSX-V: WMM) is pleased to announce that it has signed a definitive agreement with Gorilla Minerals Corp. (“**Gorilla**”), an unlisted reporting issuer, (the “**Option Agreement**”) to acquire a 90% joint venture interest (subject to an existing 3% NSR) in certain mineral property interests located in the Yukon Territory and generally referred to as the “Wels Property” (the “**Wels Property**”). The Company also wishes to announce that, in conjunction with the Option Agreement, it will undertake a non-brokered private placement financing of up to \$2,000,000.

### The Wels Property

The Wels Property consists of two separate claim blocks totalling 239 quartz claims (4,995.88 hectares), located 50 kilometers east of Beaver Creek and 180 kilometers south of Dawson City in west-central Yukon; and is 20 kilometres east of the Snag airstrip which is serviced by an all-weather road. It hosts a newly discovered reduced intrusion related gold mineralizing system, similar in age and style to Kinross’s Fort Knox deposit in Alaska and Victoria Gold’s Eagle Gold Project, Yukon.

### The Option Agreement

The Option Agreement calls for West Melville to make cash payments aggregating \$350,000 staged over 24 months, and issue 3.0 million West Melville common shares (“**WMM Shares**”) staged over a 30-month period. The Option Agreement does not require West Melville to make any minimum amount of exploration expenditures.

Upon completion of these payments and shares issuances, WMM and Gorilla will proceed under the terms of a joint venture agreement prescribed by the Option Agreement (the “**Joint Venture**”). The Joint Venture terms will require West Melville to fund the project fully through to the completion of a preliminary economic assessment, following which project expenditures will be funded on a 90/10 proportionate basis as between the Company and Gorilla, respectively, with the Company acting as the project manager and holding voting control of the Joint Venture project committee. If, at any time, either party’s Joint Venture interest is diluted to less than 1.0%, that diluted party’s interest will be cancelled and the Joint Venture will terminate.

The existing 3.0% NSR royalty encumbering the Wels Property is governed by a 2011 agreement between Gorilla and two arm’s length holders, Roger Hulstein and Farrell Andersen. That royalty agreement provides that 2% of the 3% NSR may be purchased from the royalty

holders for lump-sum cash payment of \$1,500,000. Pursuant to the Option Agreement, the Company will pay the \$20,000 annual advance royalty due under that 2011 agreement.

### **The Financing**

In conjunction with the Option Agreement, West Melville proposes to carry out a non-brokered private placement financing (the “**Financing**”) to raise gross proceeds of up to \$2,000,000. The Financing proceeds will be raised by the issuance of up to 8,000,000 units at a price of \$0.25 per unit (the “**Unit Offering Price**”).

Each unit will consist of one WMM Share and one-half of one WMM Share purchase warrant. Each whole warrant will entitle the holder to purchase one additional WMM Share at a price of \$0.35 per share for a period of 18 months following the date of closing, subject to an acceleration provision under which, if at any time from four months and one day after the closing of the Financing, the volume weighted average trading price of WMM Shares on the TSX Venture Exchange over a period of 10 consecutive trading days exceeds \$0.50, the Company may, within five days of such event, provide notice (the “**Notice**”) to the holders of the Warrants that the Warrants will expire on the date which is 30 calendar days after the date of the Notice.

The proceeds of the Financing will be used to fund the option payments under the Option Agreement, the Company’s exploration of the Wels Property, and for general working capital purposes.

The Company has commissioned Mr. R. Allen Doherty, P.Geol. to prepare an updated technical report compliant with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) to be filed in support of its submissions to the TSX Venture Exchange (“**TSXV**”).

### **Required Approvals**

The Option Agreement and the Financing are subject to the prior acceptance of the TSXV. The proposed acquisition under the Option Agreement will constitute a “Fundamental Acquisition” by the Company under the Policies of the TSXV. The acceptance of the TSXV will require, among other things, the completion and filing of the updated NI 43-101 compliant technical report on the Wels Property noted above.

All of the securities to be issued in connection with these transactions will be subject to a four-month hold period running, in each case, from the distribution date of such securities. Finder’s fees may be paid by the Company on a portion of the Financing.

On behalf of the Board of Directors

“*John Robins*”

Chairman  
West Melville Metals Inc.

For further information about West Melville Metals Inc. or this news release, please visit our website at [www.westmelville.com](http://www.westmelville.com) or contact us at 604-682-4750, or by email at [info@westmelville.com](mailto:info@westmelville.com).

### **Forward-Looking Statement Cautions:**

This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, relating to, among other things, the Company's plans for the acquisition of the above-described Wels Property, the completion of the proposed Financing, and the future exploration of the Wels Property. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur, or are those statements, which, by their nature, refer to future events. The Company cautions that Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except to the extent required by applicable securities laws and the policies of the TSX Venture Exchange, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include, the Company's inability to secure the acceptance by the TSX Venture Exchange for the above-described option agreements, delays faced by the Company in completing the NI 43-101 technical reports, accidents and other risks associated with mineral exploration operations, the risk that the Company will encounter unanticipated geological factors, the possibility that the Company may not be able to secure permitting and other governmental or First Nations clearances, or complete the financing necessary to carry out the Company's exploration plans, and the risk of political uncertainties and regulatory or legal changes in the jurisdictions where the Company carries on its business, including the Yukon Territory, that might interfere with the Company's business and prospects. The reader is urged to refer to the Company's reports, publicly available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) for a more complete discussion of such risk factors and their potential effects

The securities described herein have not been and will not be registered under the *United States Securities Act of 1933, as amended*, and may not be offered or sold in the United States except pursuant to registration or an available exemption from registration under such Act.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.