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RYS.H: TSX Venture Exchange

**Rhys Clarifies Size and Offering Exemptions for Announced Private Placement
in Connection with RTO Acquisition of TNM Cobalt Project**

VANCOUVER, BC: Rhys Resources Ltd. ("Rhys" or the "Company") announces that further to its press release dated July 5, 2017 announcing a non-brokered private placement (the "Offering") generating aggregate proceeds of not less than \$2 million, the Company has arranged a placement of up to 11,428,571 units (each a "Unit") at \$0.35 per Unit for gross proceeds of \$4 million.

Each Unit will entitle the holder to receive one common share of the Company (each a "Common Share") plus one half of one transferable share purchase warrant, each whole warrant (a "Warrant") entitling the holder to acquire one common share of the Company at an exercise price of \$0.50 per share for a period of twenty (24) months, subject to accelerated expiry provisions whereby in the event the closing price of the Company's common shares exceeds \$0.70 per share for a period of 20 consecutive trading days, at the Company's election, the 24 month period within which the Warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their Warrants for a period of 30 days commencing on the day the Company provides notice of same.

The Company intends to pay cash commission of up to 7.0% of gross proceeds and broker warrants equal in number to up to 7.0% the number of Units sold, payable to registrants. Each broker warrant shall have the same terms as the Warrants, provided however that they will be non-transferable.

The Company also intends to complete a portion of the Offering pursuant to Multilateral CSA Notice 45-318 Prospectus Exemption for Certain Distributions through an Investment Dealer ("CSA 45-318") and the corresponding instruments, orders and rules implementing CSA 45-318 in the participating jurisdictions (collectively with CSA 45-318, the "Investment Dealer Exemption"). In addition to conducting the Offering pursuant to the Investment Dealer Exemption, the Company will also accept subscriptions for Units where other prospectus exemptions are available.

In accordance with the Investment Dealer Exemption, the Company advises that, as at the date hereof, there is no material fact or material change in respect of the Company that has not been generally disclosed. Additionally, the Company advises that there is no minimum number of Units being offered pursuant to the Offering.



The net proceeds of the Offering will be used to fund the Company's proposed acquisition of the TNM cobalt property located in Indonesia, and for general working capital.

All securities distributed pursuant to the Offering will be subject to a statutory hold period of four months and a day from the date of issuance. Closing of the Offering is subject to receipt of all necessary regulatory approvals.

Trading Halt

Trading in the Rhys common shares has been halted and is expected to remain halted pending completion of the Transaction. There can be no assurance that trading in the common shares of Rhys will resume prior to the completion of the Transaction. Further details concerning the Transaction, CPA (including additional financial information and technical information respecting the TNM Project) and other matters will be announced if and when a definitive agreement is reached.

Name Change

Following the completion of the Transaction, Rhys expects to change its name to 'Pacific Rim Cobalt Corp.' or such other name as the parties may determine. A new trading symbol would also be assigned.

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Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.



FORWARD-LOOKING STATEMENTS

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in both Rhys' periodic filings with Canadian securities regulators. When used in this news release, words such as "will", "plan", "estimate", "expect", "intend", "potential", "should," and similar expressions, are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Forward-looking statements include, without limitation, statements regarding the completion of the Transaction and Financing, the timing for the completion of the Transaction and Financing, as well as the definitive agreements associated therewith, and other statements that are not facts. Forward-looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which Rhys operates, are inherently subject to significant operational, economic and competitive uncertainties and contingencies, including, among others, that: they may not have access to financing on acceptable terms or at all in order to complete the Transaction; Rhys may not receive all necessary regulatory approvals for the Transaction; the Financing may not be sufficient to develop the project; the conditions to Transaction may not be satisfied or the definitive agreement for the Transaction may not be entered into; and other risks inherent with transactions of this type and the exploration industry generally.



Such forward-looking statements should therefore be construed in light of such factors.

Although Rhys has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and Rhys disclaims any intention or obligation to update or revise such information, except as required by applicable law, and Rhys does not assume any liability for disclosure relating to any other company herein.

This news release also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in metal or mineral prices; (ii) results of drilling; (iii) results of studies; and (iv) the possible failure to receive required permits, approvals and licences.

Completion of the Transaction is subject to a number of conditions, including stock exchange acceptance and disinterested Shareholder approval. The Transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the Listing Statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Rhys should be considered highly speculative. The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

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 news release.