



Kutcho Copper Corp. | 717 – 1030 West Georgia Street | Vancouver, British Columbia | Canada | V6E 2Y3
Telephone: (604) 628-5623 | www.kutcho.ca

Kutcho Copper Commences Field Mobilization

Vancouver, B.C., May 15, 2018. Kutcho Copper Corp. (TSXV: KC) (OTC: KCCFF) (“Kutcho Copper” or the “Company”) is pleased to announce it has commenced field mobilization of heavy equipment, camp facilities and drill rigs for the upcoming 2018 field program.

Rob Duncan, COO of Kutcho Copper stated, “We are excited to get underway on the 2018 field program and are looking forward to the first drill turning in the coming weeks. This program will supply Kutcho Copper with key data necessary to expand the size of the project and to complete the feasibility study.”

Equipment consisting of heavy machinery, site support vehicles, two diamond drill rigs and camp expansion materials are currently being mobilized to site utilizing overland trail access to the project. Additional materials and fuel are being hauled into site via air transport. Camp construction and commissioning is anticipated to be completed by June 1st when various baseline studies, geological initiatives and geotechnical studies will ramp up to support the feasibility with commencement of drilling on June 15th. The 2018 field program will look to expand resources through infill drilling for inclusion in the feasibility study, and to provide data for the optimization of metallurgical recoveries and geotechnical parameters.

Under the engineering lead of Ausenco, the feasibility study team consists of: Sim Geological Inc. for resource modeling, Holland & Holland for metallurgical engineering and process design, Terrane Geoscience Inc. for geotechnical engineering, SRK Consulting for open pit and underground mine design, ERM Consultants Canada Inc./Rescan Tahltan Environmental Consultants for environmental baseline studies and permitting, Lorax Environmental for hydrology and hydrogeological modeling and OnSite Engineering Inc. for road design and engineering, as previously announced on April 24, 2018.

On June 15, 2017, the Company announced results of an updated prefeasibility study (PFS) prepared in accordance with National Instrument 43-101 for the Kutcho project. The base case estimate of this study generates an after-tax net present value (NPV) at an 8% discount rate of C\$265 million and an internal rate of return (IRR) of 27.6% using metal prices of US\$2.75/lb copper, US\$1.10/lb zinc, US\$17.00/oz silver and US\$1,250/oz gold and a currency exchange rate of 0.75 USD/CAD based on Reserves generated from Measured & Indicated Resources that are 49% smaller than currently stated in the 2017 PFS.

Vince Sorace, President & CEO stated, “The Kutcho project already demonstrates robust economics based on the 2017 prefeasibility study results. Through cut-off grade optimization, as well as exploration and infill drilling, our goal is to significantly expand the size of the project and optimize results for the feasibility study.”

The Kutcho project is also well financed with the support of Wheaton Precious Metals Corp. which has provided over C\$100 million towards the acquisition, exploration and development of the Kutcho project through a C\$20 million convertible term debt loan, a US\$65 million precious metals purchase agreement and a C\$4 million equity investment, as previously announced on August 31, 2017 and October 31, 2017.

2017 PFS Highlights

- Pre-tax NPV (8% discount rate) of C\$423 million and IRR of 34.6%
- After-tax NPV (8% discount rate) of C\$265 million and IRR of 27.6%
- Life of mine (“LOM”) net pre-tax cash flow C\$801 million and LOM free cash flow (after-tax) C\$533 million
- 12 year mine life with 2,500 tonne per day production rate for a total life-of-mine payable production of 378 million pounds of copper and 473 million pounds of zinc
- Average annual production of 33 million pounds of copper and 46 million pounds of zinc
- Initial capital costs, including 15% contingency, for a 100% owner-operated mine are estimated at C\$220.7 million excluding sunk capital to the start of construction
- Operating costs of C\$73.72/tonne of material milled
- Unit operating costs of US\$0.59/lb copper net of by-products
- Pre-tax payback of 3.3 years and post-tax payback of 3.5 years
- Probable Mineral Reserve⁽¹⁾ at cut-off grades of 1.5% Cu and 1% Cu at the Main Deposit and Esso Deposit respectively, resulted in 10.4 million tonnes averaging 2.01% copper, 3.19% zinc, 0.37 g/t gold and 34.61 g/t silver and is based on the 2011 mine plan.

Mineral Resource Cut-Off Grade

As part of the 2017 PFS, a detailed review of cut-off grade sensitivities was undertaken that resulted in a cut-off grade of 1.0% copper being selected for reporting mineral resources (Table 1). The lower cut-off grade increases the Measured and Indicated Mineral Resource tonnage by 49% and the Inferred Mineral Resources tonnage by 432% as compared to the 2011 Prefeasibility Study, with corresponding copper equivalent grade reductions of only 13% and 24% respectively. The Main deposit mineral reserves have not been recalculated at the lower cut-off grade and remain at 1.5% Cu for the 2017 PFS. This updated mineral resource estimate provides a robust foundation on which to move forward with a Feasibility Study that will contemplate optimizing the project in terms of production capacity. Historically, mineral resources at Kutcho have had a high rate of conversion into Proven and Probable Mineral Reserves and Kutcho Copper’s management is confident that this strong conversion rate will be maintained when applied to the updated Measured and Indicated Mineral Resources.

Table 1: Kutcho Project Resource Summary (inclusive of Mineral Reserves)

Class	Kutcho Project - Mineral Resource Estimate at a 1.0% Copper Cut-Off for All Deposits ⁽¹⁾									
	Tonnes (kt)	Grade				CuEq (%) ⁽²⁾	Contained Metal			
		Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)		Copper (M lb)	Zinc (M lb)	Gold (k oz)	Silver (k oz)
Measured (M)	7,695	1.89	2.61	0.31	28.7	2.60	320.6	442.8	77	7,093
Indicated (I)	9,158	1.89	3.09	0.39	36.3	2.80	381.8	624.2	116	10,674
M&I	16,853	1.89	2.87	0.36	32.8	2.71	700.8	1,067.6	195	17,768
Inferred ⁽³⁾	5,798	1.33	1.64	0.24	23.2	1.79	170.0	209.2	45	4,326

Notes: ¹Numbers may not total due to rounding.

²Copper Equivalent (CuEq%) is calculated as copper equivalent recovered and based on metal price assumptions of US\$2.75 per pound of copper, US\$1.10 per pound of zinc, US\$17 per ounce of silver and US\$1,250 per ounce of gold. Recoveries are 84.7%, 75.7%, 48.0%, and 41.2% for copper, zinc, silver, and gold, respectively.

³The economic analysis contained in the 2017 PFS does not include inferred resources.

Source: JDS (2017).

Table 2: Mineral Reserve Estimate by Deposit

Deposit	Diluted Tonnes (kt)	Grade				CuEq (%) ⁽²⁾	Contained Metal			
		Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)		Copper (M lb)	Zinc (M lb)	Gold (k oz)	Silver (k oz)
Probable Main ^{4,5}	8,106	1.92	2.51	0.31	28.0	2.59	344	449	81	7,302
Probable Esso ^{4,6}	2,335	2.32	5.53	0.59	57.5	4.05	119	285	44	4,315
Total	10,441	2.01	3.19	0.37	34.6	2.92	463	734	125	11,618

Notes: ⁴A Probable Mineral Reserve is the economically mineable part of an Indicated Mineral Resource, and in some circumstances a Measured Mineral Resource, demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

⁵1.5% Cu cut-off grade for the Main deposit.

⁶1.0% Cu cut-off grade for the Esso deposit.

Source: JDS (2017).

Potential Exploration Upside

While the Kutcho area has been extensively explored, most drilling has been focused in and around the three known deposits. However, significant exploration upside has been identified through a review of historic work, including several priority drill ready targets prospective for additional resources. These prospective targets include:

- Mineralized drill intersections along strike and down plunge to the west from the Esso deposit (one of three VMS deposits comprising the Kutcho project) including 7.1 metres @ 1.96% copper, 5.24% zinc, and 18.0 g/t silver in DDH 94-B3. These intercepts could represent extensions to the high-grade Esso deposit or a potential new deposit.
- The FWZ, a relatively narrow sulphide lens (2 to 5 metres thick) which lies beneath the Main zone and which was subject to an historic estimate⁷ prepared as an internal document for Esso Minerals in 1979, of 230,000 tonnes averaging 1.47% copper, 5.52% zinc, 0.4 g/t gold and 43.7 g/t silver. The FWZ may have potential along strike and down dip for additional mineral resources. This mineralized zone demonstrates that additional horizons across the property are productive for VMS style mineralization.
- Main mineralization is open down-dip along 800 m, or 57%, of the total strike for this deposit, indicating potential for resource expansion down-dip.
- Esso mineralization is open down-dip along 300 m, or 50%, of the total strike for this deposit, and is open up-dip along 125 m or 20% of the total strike, indicating potential for resource expansion both up- and down-dip.
- Favourable untested stratigraphy east of the Main Zone, and on the southern portion of the property where the Kutcho time equivalent sulphide horizon is repeated by folding.

⁷A Qualified Person has not completed sufficient work to classify the historic estimate tabulated above as current mineral resources and the issuer is not treating the above mineral estimates as current mineral resources. The historic estimate is uncategorized and does not use the categories (“Inferred”, “Indicated” or “Measured” mineral resource, or “Probable” or “Proven” mineral reserve) set out in Sections 1.2 and 1.3 of NI 43-101 as defined by the Canadian Institute of Mining, Metallurgy and Petroleum, are not compliant with the NI 43-101. The historical estimate is relevant to obtain a reference to mineral potential present on the property. The Company has not undertaken any verification of the historical data upon which the historical estimates are based on.

Kutcho Copper is also pleased to be working with Tahltan Central Government in accordance with the Exploration Agreement and Communication Agreement previously announced on April 17, 2018.

About Kutcho Copper Corp.

Kutcho Copper Corp. is a Canadian resource development company focused on expanding and developing the Kutcho high grade copper-zinc project in northern British Columbia. Committed to social responsibility and the highest environmental standards, the Company intends to progress the Kutcho Project through feasibility and permitting to a positive construction decision.

Vince Sorace
President & CEO, Kutcho Copper Corp.

For further information regarding Kutcho Copper Corp., please email info@kutcho.ca or visit our website at www.kutcho.ca.

Cautionary Note Regarding Forward-Looking Statements

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.

This news release contains certain statements that may be deemed “forward-looking statements” with respect to the Company within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although Kutcho Copper believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, the Company’s ability to raise sufficient capital to fund its obligations under its property agreements going forward, to maintain its mineral tenures and concessions in good standing, to explore and develop the Kutcho project or its other projects, to repay its debt and for general working capital purposes; changes in economic conditions or financial markets; the inherent hazards associated with mineral exploration, and mining operations, future prices of copper and other metals, changes in general economic conditions, accuracy of mineral resource and reserve estimates, the ability of the Company to obtain the necessary permits and consents required to explore, drill and develop the Kutcho project and if obtained, to obtain such permits and consents in a timely fashion relative to the Company’s plans and business objectives for the projects; the general ability of the Company to monetize its mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company’s operations, compliance with environmental laws and regulations, aboriginal title claims and rights to consultation and accommodation, dependence on key management personnel and general competition in the mining industry. Forward-looking statements are based on the reasonable beliefs, estimates and opinions of the Company’s management on the date the statements are made. Except as required by law, the Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.