Alexandria Minerals Corporation to Acquire Murgor Resources Inc.

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TORONTO, ONTARIO -- (Marketwired - Dec 23, 2014) - Alexandria Minerals Corp. (TSX VENTURE:AZX) (FRANKFURT:A9D) ("Alexandria") and Murgor Resources Inc. (TSX VENTURE:MGR) ("Murgor") are pleased to announce that they have entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which Alexandria will acquire all of the outstanding common shares of Murgor (the "Murgor Shares") by way of a plan of arrangement under the Canada Business Corporations Act (the "Arrangement").

Summary of Transaction Terms

- Alexandria to acquire Murgor for all-share consideration: Murgor shareholders to receive 0.5 of an Alexandria share for each Murgor share, representing a premium of approximately 50% over current market price.
- Directors, officers and certain significant shareholders of Murgor, representing 10.1% of the outstanding Murgor shares, have agreed to support the transaction.
- Following completion of the transaction, current Murgor shareholders will own approximately 25.7% of the outstanding Alexandria shares.
- Following final Murgor shareholder approval, the subsequent Company will have significant Gold-Copper mineral resources in the well-known Canadian mining districts of Val d'Or, Quebec, and in Flin Flon and Snow Lake, Manitoba.

Eric Owens, President and CEO of Alexandria, in his assessment of the acquisition stated, "This is a great transaction for shareholders of both Alexandria and Murgor, as both substantially increase their exposure to additional mineral resources with minimal cost. We are building for the future with this acquisition, in anticipation of improved markets."

André C. Tessier, President and Chief Executive Officer of Murgor, said, "We believe the enlarged Alexandria gold and copper exploration and development company will have a greater market visibility and penetration, allowing the company to move forward with more certainty for the development of the quality assets in its portfolio. The Board of Directors of Murgor supports the Arrangement and is committed to the success of the new enlarged company. The opinion received from our independent financial advisor, RWE Growth Partners, Inc., confirms that the Arrangement is fair to Murgor shareholders. While we recognize the difficult market trading and financing environment for junior exploration companies at present, we believe the quality of the combined assets of the two companies will allow value to be unlocked in the future."

Summary of Transaction Benefits

- Combination of the two companies each with significant mineral resources will lead to a substantial increase in mineral resources for the combined company
- The increase in resources resulting from the combination will occur at a substantially lower cost than equivalent exploration
- In addition to exploration properties in the well-known and prolific mining camps of Red Lake, Ontario, and Flin Flon-Snow Lake, Manitoba, larger combined strategic land packages will form in Matachewan, Ontario, Chibougamau, Québec and Val d'Or, Québec where both companies have land assets
- Management with successful track record of capitalizing exploration projects as shown by Alexandria's discovery and sale of the West Zone Au-Cu deposit (Alexandria Press Release January 13, 2014)
- Maintaining a Made-in-Canada approach, one of the world's safest and most reliable jurisdictions

More Resources Under One Roof

In addition to combining strategically situated exploration properties in well-known Canadian mining districts of Quebec, Manitoba and Ontario, the proposed transaction also brings together mineral resources with much upside potential. Currently, Alexandria Minerals reports the following resources according to National Instrument ("NI") 43-101 Standards of Disclosure for Mineral Projects on its large, 35 km long Cadillac Break Property Package in Val d'Or, Quebec:

	Measured			Indicated			Inferred		
	Tonnes	Grade (g/t Au)	Au (oz.)	Tonnes	Grade (g/t Au)	Au (oz.)	Tonnes	Grade (g/t Au)	Au (oz.)
Akasaba Underground				609,274	5.93	116,158	1,475,622	5.58	264,886
Akasaba Open Pits				3,009,214	1.37	132,475	219,882	1.93	13,653
Orenada	4,148,739	1.44	192,101	6,125,236	1.29	254,790	7,399,643	1.27	302,469
Sleepy (uncapped)							1,885,500	5.10	307,350

Notes to table:

1. Resources for Akasaba (2013) and Sleepy (2014) calculated by Christian d'Amours of Geopointcom, and for Orenada (2009), Geologica, Inc.
2. Cut-Off grades used: Akasaba Undereground, 2.25 g/t Au; Akasaba Open Pits and Orenada, 0.50 g/t; Sleepy, 3.00 g/t Au.
3. Mineral resources which are not mineral reserves have not demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues, although the Company is not aware of any such issues.
4. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them.
5. Eric Owens, President and CEO, PGeo, and Philippe Berhtelot, Vice President Exploration, PGeo, are the Qualified Persons for the technical contents presented in this press release and have approved of the disclosure of this information herein.

Murgor currently reports resources according to NI 43-101 Standards of Disclosure for Mineral Projects from its WIM and Hudvam projects in the Snow Lake and Flin Flon areas, respectively, of northern Manitoba:

		Grade				Contained Metal			
Deposit	Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu (lbs)	Au (oz)	Ag (oz)	Zn (lbs)
Indicated Category									
Hudvam	854,076	1.22	3.82	13.84	1.78	23,008,000	105,000	380,000	33,541,000
WIM	2,776,787	1.94	1.88	7.53	0.30	118,763,000	168,000	672,000	18,365,000
Inferred category									
Hudvam	502,901	0.79	3.25	6.96	1.33	8,759,000	53,000	113,000	14,746,000
WIM	*445,999*	1.12	2.11	5.06	0.43	11,013,000	30,000	73,000	4,228,000

Notes to Table:

1. Resources Calculated by Golder Associates Ltd., in 2008
2. Cut-off grade of 2% Copper Equivalent based on US$1.75/lb Cu, US$0.80/lb Zn, US$700/oz Au, and US$10/oz Ag.
3. Andre C. Tessier, President and CEO of Murgor, PGeo, is the Qualified Person of the foregoing technical information relating to the Murgor projects presented in this press release, and has approved of this technical information herein.

Unanimous Murgor Board Approval

The Arrangement has been unanimously approved by the Board of Directors of Murgor. In doing so, the Board of Directors has determined that the Arrangement is fair to Murgor shareholders and is in the best interests of Murgor and its shareholders. As a result, the Murgor Board of Directors has authorized the submission of the Arrangement to Murgor securityholders for approval at a special meeting of securityholders and recommends that Murgor securityholders vote in favour of the Arrangement. In reviewing the proposed transaction, the Board of Directors received an opinion from RWE Growth Partners, Inc. to the effect that the consideration to be received by Murgor shareholders under the Arrangement is fair from a financial point of view to them.

Murgor Shareholder Support

All directors and officers of Murgor, as well as certain significant Murgor shareholders, collectively holding approximately 10.1% of the outstanding Murgor Shares, have agreed pursuant to support and voting agreements to support and vote in favour of the Arrangement. The support and voting agreements will terminate only upon termination of the Arrangement Agreement.

Transaction Terms

Under the Arrangement, Murgor shareholders will receive 0.5 of an Alexandria common share for each Murgor Share held. There are currently 123,425,590 Murgor Shares and 5,546,005 Murgor stock options issued and outstanding. The share exchange ratio represents a premium for the Murgor Shares of approximately 50% over their closing price on the TSX Venture Exchange on December 22, 2014 and a premium of 52.48% over the volume-weighted average price of the Murgor Shares on the TSX Venture Exchange for the past 10 trading days. The total aggregate consideration for Murgor under the Arrangement is approximately $2.77 million. The Arrangement Agreement provides that all outstanding Murgor stock options will be converted into Alexandria stock options (the "Replacement Options") on the same ratio as the Murgor Shares. The Replacement Options will have an exercise price of $0.12 and will expire twelve months following the effective date of the Arrangement.

The Arrangement will be carried out by way of a court-approved statutory plan of arrangement under the *Canada Business Corporations Act*, subject to approval by Murgor securityholders at a special meeting which is expected to be held in late February 2015. The plan of arrangement will be subject to the approval of at least 66 2/3% of the votes cast by the holders of Murgor Shares and stock options, voting as a single class. If approved by Murgor securityholders, the plan of arrangement will be subject to final approval by the Superior Court of Québec. Alexandria and Murgor expect to complete the Arrangement in early March 2015.

The Arrangement is subject to certain other customary conditions set out in the Arrangement Agreement, including the approval of the TSX Venture Exchange and Murgor's compliance with covenants relating to its operations until closing. The Arrangement Agreement contains customary provisions prohibiting Murgor from soliciting any other acquisition proposals and providing Alexandria with a right to match any unsolicited acquisition proposal from a third party that the Board of Directors of Murgor determines, in the exercise of its fiduciary duties, to be superior to the Arrangement. In the event that Alexandria does not match such a superior proposal, the Board of Directors of Murgor will be entitled to change its recommendation and terminate the Arrangement Agreement.

The Arrangement Agreement provides that Murgor must pay Alexandria a termination fee of $300,000 in certain circumstances. The Arrangement Agreement also provides that Alexandria must pay Murgor a reverse termination fee of $300,000 in certain circumstances.

Following completion of the Arrangement and based on the current number of shares outstanding for each company, it is expected that current Murgor shareholders will own approximately 20% of the outstanding Alexandria shares, not including shares, if any, issued by Alexandria after completion of the Arrangement upon exercise of Replacement Options.

Murgor will mail a management information circular to the securityholders of Murgor in advance of the special meeting. The circular will include a copy of the fairness opinion of RWE Growth Partners, Inc., a description of the various factors considered by the Board of Directors of Murgor in its decision to approve the Arrangement, as well as other relevant background information and information on Alexandria. The management information circular, Arrangement Agreement, plan of arrangement, support and voting agreements and certain related documents will be filed and available on SEDAR at www.sedar.com as part of Murgor's and Alexandria's public filings.

Miller Thomson LLP is acting as legal counsel to Alexandria and Fasken Martineau DuMoulin LLP is acting as legal counsel to Murgor in connection with the Arrangement.

Forward-Looking Statements

This press release contains forward-looking statements relating to the Arrangement. Statements based on the current expectations of Murgor's and Alexandria's management contain known and unknown inherent risks and uncertainties and no assurance can be given that potential future results or circumstances will be achieved or will occur. In particular, the timing and completion of the proposed Arrangement are subject to certain conditions, termination rights and other risks and uncertainties. Accordingly, there can be no assurance that the proposed Arrangement will occur, or that it will occur on the timetable or on the terms and conditions contemplated. The reader should not place undue faith on forward-looking information. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or circumstances.

About Alexandria Minerals Corporation

Alexandria Minerals Corp. is a Toronto-based junior gold exploration and development company with one of the largest portfolios of properties along the prolific, gold-producing Cadillac Break in Val d'Or, Québec. Global gold resources are distributed among three projects on its Cadillac Break Property package, Akasaba, Sleepy, and Orenada, the details of which can be found on the Company's website at www.azx.ca. Agnico-Eagle Mines Ltd., with three producing gold mines in the region, owns approximately 9% of the Company. Further information about Alexandria is available on Alexandria's website or our social media sites listed below:

Facebook: https://www.facebook.com/pages/Alexandria-Minerals-Corporation-AZXTSXV/186115074772628
Twitter: https://twitter.com/azxmineralscorp
YouTube: http://www.youtube.com/AlexandriaMinerals
Flickr: http://www.flickr.com/alexandriaminerals/

About Murgor Resources

Murgor Resources Inc. is a mineral exploration and development company focused on gold and copper exploration in Canada. The Company owns a 100% interest in two gold-copper deposits in the Snow Lake and Flin Flon mining districts of Manitoba. The Company further owns a portfolio of high-potential gold properties in proven mining districts of Canada, such as the Gullrock property and its newly-acquired Wydee Property in Ontario.

Neither 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.

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