

# Manicouagan Minerals Inc. and Flemish Gold Corp. Announce Proposed Business Combination

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Toronto, January 17, 2013 - [Manicouagan Minerals Inc.](#) (MAM - TSX Venture), ("Manicouagan") and [Flemish Gold Corp.](#) ("Flemish") are pleased to announce that they have entered into a merger agreement dated January 16, 2013 (the "Merger Agreement") providing for, subject to the completion of satisfactory due diligence by both parties and other conditions, the acquisition by Manicouagan of all of the issued and outstanding common shares of Flemish (the "Transaction"). Flemish is a private company incorporated under the federal laws of Canada which is principally engaged, through its wholly-owned subsidiaries, in the exploration of mineral resource properties in Burundi and Uganda.

In anticipation of the closing of the Transaction, Manicouagan proposes to consolidate all of its currently issued and outstanding common shares on the basis of one new share for each six existing shares (subject to the receipt of shareholder and regulatory approval). Following the share consolidation, Manicouagan will acquire all of the issued and outstanding common shares of Flemish in exchange for post-consolidation common shares of Manicouagan on a 1:1 basis. In connection with the Transaction, all convertible securities of Flemish will be exchanged for equivalent securities of Manicouagan which will thereafter entitle the holders to acquire securities of Manicouagan in lieu of securities of Flemish based on the same terms and subject to the same conditions as the existing convertible securities of Flemish. Manicouagan also proposes to effect a name change in connection with the Transaction, subject to the receipt of all applicable shareholder and regulatory approvals.

There are currently no shareholders of Flemish who own 20% or more of all of the issued and outstanding common shares of Flemish. There are no current non-arm's length parties of Manicouagan who are insiders of Flemish or presently hold any direct or indirect beneficial interest in either Flemish or any of its assets, other than (i) Mr. Erik Martin who serves as the Chief Financial Officer of each of Manicouagan and Flemish; and (ii) certain directors and officers of Manicouagan who hold, in the aggregate, 1,962,500 common shares and 1,412,500 convertible securities of Flemish representing approximately 3% of all of the issued and outstanding common shares of Flemish as of the date of this release (or approximately 5% on a partially diluted basis, assuming exercise of the convertible securities of Flemish held by such directors and officers only).

Flemish was incorporated on March 19, 2007. Its principal properties are the Gakere, Giteranyi and Muhwazi properties which are comprised of three exploration permits covering approximately 1,583, 759 and 863 square kilometres, respectively, in north-eastern Burundi. Flemish also holds an exploration permit for the property known as the Tora-Kibenzi property comprising approximately 1,139 square kilometres covering known alluvial gold artisanal mining locations as well as a large gold soil geochemical anomaly covering approximately 1.2 by 3 kilometres and numerous rare earths indications. In addition, Flemish, through its subsidiary Pearl Mining Limited, also holds a 100% interest in three exploration permits and has made an application to acquire an additional exploration permit, collectively comprising the property known as the Murchison project in Uganda covering approximately 972 square kilometres.

Manicouagan is a Canada-based exploration company focused on advancing its aluminous clay property in the Gaspé Peninsula of Quebec, which also contains significant values of rare earths (REE), and its gold projects in the Pickle Lake Gold Belt, Ontario. Manicouagan also has commodity projects including the Brabant Lake Zinc deposit in Saskatchewan, and the Mouchalagane Nickel/Copper/PGE and HPM/Forgues Nickel/Copper/Cobalt projects in Quebec. For further details on the current exploration activities of Manicouagan, please refer to the website of Manicouagan at [www.manicouaganminerals.com](http://www.manicouaganminerals.com) and SEDAR at [www.sedar.com](http://www.sedar.com). For further details concerning Manicouagan, including financial information, please refer to the annual audited financial statements of Manicouagan for the year ended December 31, 2011 as well as the unaudited interim financial statements of Manicouagan for the nine month period ended September 30, 2012, together with the accompanying management's discussion and analysis for each such period, all available on SEDAR at [www.sedar.com](http://www.sedar.com).

Manicouagan believes that the proposed Transaction provides significant opportunity to increase shareholder value in light of current market conditions, by providing Manicouagan with a more diverse asset base and, as a result, greater flexibility and value, and potentially the enhanced ability to raise capital. For

more information about Flemish including its current assets and detailed results, please visit the website at [www.flemishgold.com](http://www.flemishgold.com). Following the Transaction, it is anticipated that Manicouagan will continue to operate in the mineral resource sector with a focus on the development of the Flemish assets, in an effort to enhance overall shareholder value.

It is anticipated that immediately following the closing of the Transaction (and assuming that there are no changes to the outstanding common shares or convertible securities of either company), an aggregate of approximately 71,530,482 common shares of Manicouagan will be issued and outstanding, of which it is anticipated that 65,495,274 common shares will be held by former Flemish shareholders and 6,035,208 common shares will be held by existing Manicouagan shareholders. It is also anticipated that Flemish may complete a private placement in connection with the Transaction upon terms to be determined. Additional details of the private placement will be provided once confirmed. Furthermore, based upon the number of convertible securities of each of Manicouagan and Flemish currently outstanding, it is anticipated that a further 26,546,500 common shares of Manicouagan will be reserved for issuance pursuant to outstanding convertible securities following the closing of the Transaction.

There are currently an aggregate of 121 shareholders of Flemish, three of which beneficially own, directly or indirectly, or control or direct more than 10% of the issued and outstanding common shares of Flemish, to the knowledge of Flemish, as of the present date, as follows: (i) Mr. J.C. Potvin owns and controls an aggregate of 9,542,301 common shares, representing approximately 14.6% of all issued and outstanding common shares; (ii) Goodman Investment Counsel Inc. ("GIC"), on behalf of the portfolios of investment funds and client accounts managed by it, exercises control or direction over 8,650,000 common shares, representing approximately 13.2% of all issued and outstanding shares; and (iii) Mr. Robert McEwen directly and indirectly owns and controls an aggregate of 6,975,000 common shares, representing approximately 10.6% of all issued and outstanding shares. Based on the current shareholdings and present knowledge of each of Manicouagan and Flemish, it is anticipated that following the closing of the Transaction, no person or company will beneficially own, directly or indirectly, or control or direct more than 10% of the issued and outstanding common shares of Manicouagan other than (i) Mr. J.C. Potvin who will own and control 9,542,301 common shares representing approximately 13.3% of all issued and outstanding shares; and (ii) GIC which, on behalf of the portfolios of investment funds and client accounts managed by it, will exercise control or direction over 8,650,000 common shares, representing approximately 12.1% of all issued and outstanding shares.

Upon completion of the Transaction and subject to receipt of all necessary approvals, it is expected that (a) Mr. J.C. Potvin will be appointed as President and Chief Executive Officer of Manicouagan; (b) Mr. Erik Martin will continue in his role as Chief Financial Officer of Manicouagan; and (c) the board of directors of Manicouagan will be comprised of six members, five of whom shall be nominees of Flemish and one of which shall be a nominee of Manicouagan. For further details on the proposed directors and officers of Manicouagan following the Transaction, please refer to the press release of Manicouagan dated December 21, 2012 available on SEDAR at [www.sedar.com](http://www.sedar.com).

In connection with the Transaction and as required by the policies of the TSXV, the common shares of Manicouagan were halted on December 20, 2012. In accordance with the TSXV policies, trading in the common shares of Manicouagan will remain halted pending the satisfaction of all applicable requirements of the TSXV. There can be no assurance that trading in the common shares of Manicouagan will resume prior to the completion of the Transaction.

Completion of the Transaction is subject to a number of conditions, including the approval of the TSX Venture Exchange (the "TSXV"), the completion of satisfactory due diligence, the requisite regulatory approvals, and the requisite majority approval of shareholders of each of Manicouagan and Flemish. The Transaction cannot close until the approval of shareholders of each of Manicouagan and Flemish and all required regulatory approvals are 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 any management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Manicouagan should be considered highly speculative. The TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

**For further information, please contact:**

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### **Forward-Looking Statements**

*Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Manicouagan and Flemish, including, but not limited to, the impact of general economic conditions, industry conditions, dependence upon regulatory and shareholder approvals and the uncertainty of obtaining additional financing. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.*

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