Mercator Minerals Reports Second Quarter 2013 Results

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(*All US$ unless otherwise specified*)

VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Aug 12, 2013) - Mercator Minerals Ltd. (TSX:ML) ("Mercator" or the "Company") today announced its financial results for the three months and six months ended June 30, 2013. During the second quarter 2013 ("Q2 2013"), the Company generated revenues of $64.2 million, cash flow from operations of $3.8 million, and net income of $8.8 million, or $0.03 per share. On an adjusted net earnings* basis, after adjusting for certain non-cash items, the Company reported a net loss of $10.7 million, or $0.03 per share.

"We continue to focus on optimizing all aspects our operations including increasing ore blending options to maximize head grades while also increasing throughput rates so we can meet our 2013 production guidance target of producing at least 93 million pounds of copper equivalent** production," commented D. Bruce McLeod, Mercator's President and CEO. "These operating initiatives, along with the continued focus of our cash preservation program to reduce spending to only what is required for the safe and efficient production of our products, should allow us to maximize cash flows through current market conditions."

Q2 2013 HIGHLIGHTS AND OTHER SIGNIFICANT ITEMS

- Copper equivalent** production of 22.7 million pounds, comprised of 9.9 million pounds of copper in concentrates and cathode and 2.8 million pounds of molybdenum in concentrates.
- Revenues of $64.2 million was 5% higher in Q2 2013 than Q2 2012 primarily a result of shipping 10.9 million pounds of copper and 2.8 million pounds of molybdenum in Q2 2013, 35% and 12% higher, respectively, than in Q2 2012, and partially offset by realized copper and molybdenum prices being 11% and 18% lower, respectively.
- Total cash cost, as determined on a co-product accounting basis, for Q2 2013 was $2.75 per pound of total copper produced and $10.46 per pound of molybdenum produced as compared to $2.35 per pound of copper produced and $10.79 per pound of molybdenum produced in Q2 2012. The increases in cash costs for copper is primarily due to mining harder ore, which resulted in lower throughput rates and increased operating costs, including an additional $1.9 million for increased drilling and blasting expenses.
- Cash flow from operating activities was $3.8 million, with $8.4 million from Mineral Park as stand-alone operation.
- Cash, including current restricted cash, at June 30, 2013 was $21.8 million.
- Further cash preservation program initiatives undertaken in the quarter include:
  - Reducing the Company's 2013 capital expenditures program (excluding capitalized pre-stripping expenditures) by 64% to $5.0 million from the previous announced $13.7 million forecast.
  - Reducing overhead expenses by 16% when comparing Q2 2013 to Q2 2012 administration expenses (excluding non-cash stock base compensation).
- Disclosed and subsequently filed on SEDAR on August 12, 2013, an updated Mineral Resource and Mineral Reserve estimate for Mineral Park Mine, which included an optimized 67-month mining plan for the period June 1, 2013 to December 31, 2018.

Overview

	Three months ended, June 30		Six months ended, June 30	
$ millions, unless otherwise noted	2013	2012	2013	2012
Revenues	64.2	61.3	118.7	126.5
Gross profit (loss)	(4.3)	4.7	(3.8)	26.9
Net income	8.8	22.1	10.5	1.6
Earnings per share, basic	0.03	0.09	0.03	0.01
Adjusted net (loss) income*	(10.7)	(3.5)	(19.7)	(2.0)
Adjusted (loss) earnings per share*	(0.03)	(0.01)	(0.06)	nil
Cash flow from operations	3.8	2.4	3.9	4.9

Shipments (million pounds)				
- Copper	10.9	8.1	18.8	16.0
- Molybdenum	2.8	2.5	5.1	4.8
Production (million pounds)				
- Copper	9.9	9.5	19.0	19.4
- Molybdenum	2.8	2.6	5.2	4.9
- Copper equivalent**	22.7	21.7	43.1	42.2
Throughput (tons per day)	45,177	46,638	43,964	47,652
Recoveries (%)				
- Copper	79.8	80.5	81.2	76.7
- Molybdenum	78.6	79.1	80.2	75.1
On-site operating costs ($/ton milled)	10.75	9.98	10.95	9.51
Cash costs* on a co-product basis ($/lb)				
- Copper	2.75	2.35	2.74	2.32
- Molybdenum	10.46	10.79	10.75	11.17
Average realized prices ($/lb)				
- Copper (excluding hedges)	3.05	3.43	3.27	3.75
- Molybdenum	10.64	13.04	10.84	13.45

Revenues were 5% higher in Q2 2013 than in Q2 2012, primarily due to shipping 35% more copper and 12% more molybdenum in the current quarter than the comparable quarter. The increase in revenues was partially offset by realized prices for copper and molybdenum being 11% and 18% lower, respectively. Cash costs* of production, when comparing Q2 2013 to Q2 2012, on a co-product accounting basis, were 17% higher for copper and 3% lower for molybdenum. On-site operating costs of $10.75 per ton milled in Q2 2013 were 8% higher and primarily a result of mining in harder ore sections of the pit, resulting in lower throughput rates and higher operating costs, including an additional $1.9 million for drilling and blasting expenses (see *Mineral Park Mine* discussion below for further details). As a result of the above noted operating factors, gross profit was a loss of $4.3 million in Q2 2013, as compared to a gross profit of $4.7 million in Q2 2012. In addition to the impact of the mining operations, variations in net income achieved in Q2 2013 of $13.3 million, as compared to Q2 2012, were impacted by cost reductions in administration expenses, realized and unrealized gains/losses on derivative instruments, and non-cash share based compensation and taxes. Administration expenses, excluding non-cash share based compensation expenses, were 16% lower in Q2 2013 when compared to Q2 2012.

MINERAL PARK MINE

For Q2 2013, Mineral Park Mine ("Mineral Park") produced 9.9 million pounds of copper in concentrates and copper cathode and 2.8 million pounds of molybdenum in concentrates. Production during Q2 2013 at Mineral Park was impacted by mining through harder sections of the mineral deposit while also completing the dewatering of the Ithaca pit. The completion of these tasks permitted mining to resume in the Ithaca pit later in Q2 2013. Now that the pit has been dewatered, ore from Ithaca, which has higher copper grades than the other areas being mined, has provided, and is expected to continue to provide, additional blending options for the various ore types at the mine.

Grinding optimizations to Mineral Park's SAG mills made earlier in 2013 have helped increase throughput rates during Q2 2013 to an average of 45,177 tpd, which was 6% higher when compared to the Q1 2013. The increased throughput rates were achieved despite processing ore with a grind ore index of 11.8 during Q2 2013, which was 19% harder than ore processed in Q1 2013. When processing ore at the plan average grind ore index of 11.2, Mineral Park has sustained design throughput rates of 50,000 tpd or more. After de-watering the Ithaca pit early in Q2 2013, the first bench of the pit, which contained acidified ore and was originally intended to be wasted, was processed through the mill. Metallurgical testing indicated that economics favoured milling of this higher grade material, despite the potential for lower recoveries. Given Mineral Park's complex ore body, the focus is to continue to determine the optimal blend of high grade ore from the Turquoise pit, the altered but higher grade softer ore from Ithaca pit and the softer but lower grade ore from the Central pit to achieve sustained throughput rates of 50,000 tpd.

Mineral Park 2013 Outlook

2013 Production Forecast *(all in million pounds)*	Actual			Forecast	Total 2013 Forecast
	Q1 2013	Q2 2013	1H 2013	2H 2013	
Copper in concentrate	8.2	9.1	17.3	21.2	38.5
Cathode copper	0.9	0.8	1.7	1.3	3.0

Total Copper	9.1	9.9	19.0	22.5	41.5
Molybdenum in concentrate	2.4	2.8	5.2	5.8	11.0
Copper equivalent**	20.4	22.7	43.1	49.9	93.0

As part of the 2013 mine plan, the Company expects copper and molybdenum grades to be higher in the second half than in the first half of 2013 as it mines a higher portion in the Turquoise and Ithaca pits of the deposit where grades are higher. With the head grades expected to be mined and projected metal recoveries, Mineral Park continues to be on track to meet the low end of previously announced guidance of 93.0 million pounds of copper equivalent** production in 2013, despite processing harder ore which is expected to impact throughput rates to approximately 46,000 tpd in 2H 2013.

On the basis of further operating efficiencies being achieved, higher head grades expected to be mined and the cash preservation program in place, the Company expects lowering cash costs* of production for copper to $2.50 per pound and for molybdenum to $9.45 per pound in 2H 2013.

As a result of the recent throughput improvements, the Company has deferred the $5.0 million pebble crusher included in the previously announced capital expenditures program. The Company now expects full year 2013 capital expenditures, excluding capitalized pre-stripping expenditures, to be $5.0 million, down from previous guidance of $13.7 million, with $0.9 million expected to be spent in the second half of 2013 ($0.5 million at Mineral Park and $0.4 million at El Pilar). No estimate of capitalized pre-stripping costs is included in the second half 2013 capital forecast or in the previously announced $13.7 million capital expenditures program for 2013.

Financial Statements and Management Discussion & Analysis (MD&A)

This news release should be read in conjunction with the MD&A and Financial Statements for the three and six month period ended June 30, 2013 which has been posted on Mercator's website (www.mercatorminerals.com/s/FinancialStatements.asp) and on SEDAR (www.sedar.com) under the Company's profile.

Webcast/Conference Call

Mercator's senior management will hold a conference call and a live webcast on August 13, 2013 at 8:30 a.m. Pacific time to discuss results for Q2 2013. To participate in the call, dial 800-565-0813 (North America) and 800-6578-9898 (International). To listen to the live webcast, visit http://www.gowebcasting.com/4362. A presentation will accompany the call and will be available on the company's website under http://www.mercatorminerals.com/s/Presentations.asp.

An archived recording of the conference call will be available for playback after the event until August 27, 2013 by dialling 1-800-408-3053 (North America), 800-3366-3052 (International) with conference pass code 8395555#.

***Alternative Performance Measures**

This press release refers to "cash costs" and "adjusted net income (loss)" which are not performance measures recognized as having a standardized meaning under IFRS. The Company discloses these performance measures, which have been derived from the financial statements on a consistent basis, because the Company believes they are of assistance in understanding the results of Mercator's operations and financial position, and are meant to provide further information about the Company's financial results to the investors. These performance measures may not be comparable to similar data presented by other mining companies. This information should not be considered in isolation or as a substitute for measure of performance prepared in accordance with IFRS. Readers should refer to "Alternative Performance Measures" section on page 20 of the Q2 2013 MD&A for additional information.

****Copper equivalent production**

All references to copper equivalent production for 2013 and 2012 is calculated using a molybdenum/copper ratio of 4.65, based on the Company's beginning of year estimated 2013 metals prices, including adjustments for copper hedging.

Quality Assurance/Quality Control

The Technical Information contained in this news release of has been prepared under the supervision of, and its disclosure has been reviewed by Gary Simmerman, BSC, Mining Eng., FAusIMM, former employee and current consultant to the Company, who is deemed to be Qualified Persons under NI 43-101.

About Mercator Minerals Ltd.

Mercator Minerals Ltd., a TSX listed base metals mining company, operates the wholly-owned copper/molybdenum/silver Mineral Park Mine in Arizona, USA. Mercator also wholly-owns two development projects in Sonora, Mexico: the copper heap leach El Pilar project and the molybdenum/copper El Creston property.

For further information please visit www.mercatorminerals.com.

On Behalf of the Board of Directors MERCATOR MINERALS LTD.

D. Bruce McLeod, P.Eng.
President and CEO

National Instrument 43-101 Compliance

Unless otherwise indicated, Mercator has prepared the technical information in this news release ("Technical Information") based on information contained in the technical reports, news releases, material change reports and quarterly and annual consolidated financial statements and management discussion and analysis (collectively the "Disclosure Documents") available under Mercator Minerals Ltd.'s company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administration ("NI 43-101"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Forward-Looking Information

This press release contains certain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this press release and include without limitation, statements regarding discussions of future plans, guidance, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the size, grade and quality of the Company's mineral reserves and mineral resources, potential mineralization, and possible extensions of zones. In addition, estimates of mineral reserves and mineral resources may constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if a property is developed. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity and power prices, changes in interest and currency exchange rates, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third-party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this press release, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) market fundamentals will result in sustained copper and molybdenum demand and prices; (2) the current copper leach operations at Mineral Park remain viable, operationally and economically; (3) the milling operations at Mineral Park will continue to be viable, operationally and economically; (4) the financing, construction and operation of the El Pilar Project *will proceed as expected; and (5) any additional financing needed will be available on reasonable terms. The Company's ability to progress the El Pilar and El Creston projects towards a construction decision and eventually into production is dependent on the Company's ability to arrange for sufficient funds to cover the capital and start-up related costs. There can be no assurance that the Company will be successful in arranging such funding. Statements concerning mineral reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that may be encountered during current or future operations. The words "guidance", "expect", "anticipate", "estimate", "may", "will", "should", "intend", "believe", "target", "budget", "plan", "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The risks and assumptions are described in more detail in the Company's Annual Information Form, audited financial statements and MD&A for the year ended December 31, 2012 on the SEDAR website at www.sedar.com. The Company does not assume the obligation to revise or update these forward-looking statements after the date of this news release or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.*

Contact

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