Mercator Minerals Advances Exploration of Strategic Alternatives

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Mercator Minerals Announces Amendment to Mineral Park Credit Facility

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 30, 2013) - Mercator Minerals Ltd. (TSX:ML) ("Mercator" or "Company") announces that in light of the commodity price environment, capital market conditions and the challenges these pose for the Company, the board of directors has advanced and accelerated its ongoing process to review strategic alternatives. Its special committee of the board of directors (comprised of Robert J. Quinn, Stephen P. Quin and Ron Vankoughnett) will oversee the process on behalf of and in consultation with the full board. In addition, BMO Capital Markets has been engaged as financial advisor in connection with the process. The strategic alternatives being considered include, but are not limited to, a sale of the Company, a business combination with another entity, a sale of all or a portion of the assets of the Company, a strategic investment in the Company or any combination thereof.

The Company has conducted discussions with, executed confidentiality agreements with, and received non-binding proposals from a number of interested parties. At present, there can be no assurance as to what, if any, strategic alternatives might be pursued by the Company. The Company does not intend to disclose further details with respect to its review of strategic alternatives unless and until the board of directors has approved a specific transaction or it otherwise determines that disclosure is appropriate.

In addition, the Company and its indirect wholly owned subsidiary, Mineral Park Inc. ("MPI" or "Mineral Park"), have entered into amending and ancillary documentation with the syndicate of lenders (the "Lenders") under the MPI credit facility ("Credit Facility") which facilitates the review of strategic alternatives.

The Credit Facility, originally entered into by MPI and the Lenders in April 2010, has undergone a number of amendments since that time in order to, among other things: consolidate the original term and revolving loans into a single term loan; defer and extend principal payments; establish maximum allowable overdue vendor account balance requirements; and establish a debt service reserve account.

The Credit Facility currently consists of a term loan that has a principal amount outstanding of approximately US$86.8 million. Highlights of recent developments concerning the agreement include:

- MPI will have the right to withdraw up to US$5.0 million from the restricted cash in the debt service reserve account (US$3.0 million having been drawn) through to and including October 31, 2013, which will be used to fund ongoing operating activities at MPI.

- Mineral Park will not be making the principal payment of US$4.8 million which is scheduled to be paid on September 30, 2013, and the requisite Lenders have agreed to forbear in exercising any remedies under the Credit Facility until October 31, 2013. The forbearance can be extended beyond October 31, 2013 with the approval of the requisite Lenders.

- The requisite Lenders have further agreed to waive certain other covenants until October 31, 2013 which will enable the Company to pursue strategic alternatives.

"We are pleased to have the support of our lenders who recognize Mineral Park's long-term value despite the near-term operating challenges," commented D. Bruce McLeod, Mercator's President & CEO. "The impact of the concessions made under the Credit Facility should allow Mineral Park to continue to operate in this challenging environment which in turn will facilitate the review of strategic alternatives currently underway."

Since December 31, 2010 to September 30, 2013, MPI has repaid a total of US$56.6 million of debt principal, US$43.2 million of which was for the Credit Facilities.

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

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 successful completion of strategic alternatives and the ability to meet obligations under the Credit Facility may constitute forward-looking statements. 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; and (3) the milling operations at Mineral Park will continue to be viable, operationally and economically. 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 and the quarter ended June 30, 2013 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.

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