

Mercator Minerals Ltd. Reports First Quarter 2014 Results

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(All \$ amounts in US\$ unless otherwise specified)

VANCOUVER, BRITISH COLUMBIA -- (Marketwired - May 13, 2014) - [Mercator Minerals Ltd](#) (TSX:ML) ("Mercator" or the "Company") today announced its financial and operating results for the three months ended March 31, 2014. For Q1 2014 the Company produced 16.2 million copper equivalent** pounds, comprised of 7.2 million pounds of copper in concentrates and copper cathode, 2.2 million pounds of molybdenum in concentrates and 89 thousand ounces of silver. For Q1 2014, the Company generated revenues of \$41.3 million, incurred an operating loss of \$12.8 million and a net loss of \$2.4 million (loss of \$0.01 per share, basic) or an adjusted net loss* of \$16.8 million (\$0.05 per share).

D. Bruce McLeod, President and CEO of Mercator comments, "Since receipt the bridge loan proceeds commencing in late December 2013, improved working capital levels have allowed operations at Mineral Park to gradually return towards normalized levels. April 2014 mining rates were 83,800 tons per day, or a 44% increase since the start of the year, while April 2014 mill throughput rates averaged 41,470 tons per day, or a 32% increase since the beginning of 2014. As a result of the operational improvements, unit costs are also improving, and when combined with recent improvements in copper and molybdenum prices, the outlook for Mineral Park has improved significantly."

FIRST QUARTER 2014 HIGHLIGHTS AND SIGNIFICANT ITEMS

- Recoveries of 80.1% and 82.5%, for copper and molybdenum, respectively, which continue to be above mill design rates.
- Average mill throughput of 35,984 tons per day ("tpd") was impacted by harder than expected ore mined, which had an average ore grind index of 13.5 kilowatt hour per ton ("kwh/t"), or 9% harder when compared to Q1 2013.
- Production was negatively impacted by a number of operating and financial constraints (see "*Mineral Park Mine*" discussion below), which resulted in lower equipment availability and lower working capital levels. Throughput rates and production levels are gradually returning towards normalized levels with the improvements funded by the draw downs of proceeds from the bridge loan agreement entered into with Daselina Investments Ltd. ("Daselina") in December 2013.
- Copper prices realized were negatively impacted by a mark-to-market provision of \$1.5 million (or \$0.23 per pound) adjustment for final settlements on copper concentrates sold.

OVERVIEW

\$ millions unless otherwise noted	Three months ended	
	2014	March 31, 2013
Revenues	41.3	54.5
Operating loss	(12.8)	(1.9)
Net (loss) / income	(2.4)	1.8
(Loss) / income per share (basic)	(0.01)	0.01
Adjusted net loss*	(16.8)	(9.0)
Adjusted loss per share* (basic)	(0.05)	(0.03)
Cash flow (used in)/from operations	(9.8)	0.2
Production (million pounds)		
- Copper	7.2	9.1
- Molybdenum	2.2	2.4
- Copper equivalent**	16.2	20.4
Total tons mined (millions)	5.7	7.2
Throughput (tons per day)	35,984	42,738
Ore grind index (kwh/t)	13.5	12.4
Recoveries (%)		
- Copper	80.1	82.5

- Molybdenum	82.5	82.3
On-site operating costs (\$/ton milled)	12.76	11.17
Cash costs* on a co-product basis (\$/lb)		
- Copper	3.38	2.72
- Molybdenum	11.58	11.08
Average realized prices (\$/lb)		
- Copper (excluding hedges)	2.90	3.58
- Molybdenum	10.29	11.04
Shipments (million pounds)		
- Copper	6.6	7.9
- Molybdenum	2.1	2.3

Comparing Q1 2014 to Q1 2013

Revenues were 24% lower in Q1 2014 than in Q1 2013, primarily due to lower metal prices (copper and molybdenum prices realized were 19% and 7% lower, respectively, as compared to the prior period) and lower shipment volumes (copper and molybdenum shipments were 16% and 9% lower, respectively, as compared to the prior period). The lower realized prices were consistent with lower benchmark prices, while the realized price for copper was also impacted by a mark-to-market provision of \$1.5 million (or \$0.23 per pound) adjustment for final settlements on copper concentrates sold. The lower shipment volumes were a result of lower production volumes. On-site operating costs were 14% higher in Q1 2014 than in Q1 2013 which, when combined with lower production volumes, resulted in cash costs* of production, on a co-product accounting basis, being 24% higher for copper and 5% higher for molybdenum. The higher costs were primarily a result of lower throughput rates, operating challenges and financial constraints that were experienced commencing in the second half of 2013 and into Q1 2014. During Q1 2014, production was impacted by financial constraints causing sub-optimal operating conditions and mining operations being conducted primarily in harder ore sections of the pit, all of which resulted in lower average throughput and lower recovery rates when comparing Q1 2014 to Q1 2013 (see *Mineral Park Mine* discussion below). As a result of the above noted operating factors and market conditions, the operating loss was \$12.8 million in Q1 2014, as compared to an operating loss of \$1.9 million in Q1 2013.

Mineral Park Mine

For Q1 2014, Mineral Park Mine ("Mineral Park") produced 7.2 million pounds of copper in concentrates and copper cathode and 2.2 million pounds of molybdenum in concentrates. Production during Q1 2014 at Mineral Park was impacted by a number of factors that were previously disclosed in Q4 2013, including, but not limited to, mining through harder sections of the mineral deposit and financial constraints at Mineral Park, resulting in lower equipment availability, all of which lowered throughput rates by 16% to 35,984 tpd in Q1 2014 when compared to Q1 2013. Metal recovery rates in Q1 2014 were 80.1% and 82.5% for copper and molybdenum, respectively, which were above mill design recovery rates of 80.0% for copper and 75.0% for molybdenum. Ore grades mined in Q1 2014 for copper and molybdenum were 0.13% and 0.041%, respectively as compared to ore grades in Q1 2013 of 0.13% for copper and 0.038% for molybdenum.

Given the financial constraints at Mineral Park, significant emphasis in the quarter was placed on prudently managing working capital levels. Lower working capital levels negatively impacted production levels in the second half of 2013 and into Q1 2014 as the focus has been to pay suppliers in a timely manner and to lower spare part inventory levels. The lower spare part inventory levels caused increased downtime due to lower mining and milling equipment availability and lower levels of grinding media, reagents and lower blasting materials available.

Since receiving funds under the bridge loan agreement entered into in December 2013, throughput rates, equipment availability and production levels through Q1 2014 are gradually returning towards normalized levels.

Intergeo Transaction Update

As announced on December 12, 2013, Mercator entered into an arrangement agreement ("Arrangement") with Intergeo MMC Ltd ("Intergeo") pursuant to which the parties will effect a business combination. As part of the transaction, Daselina, Intergeo's largest shareholder, has agreed to invest \$100.0 million, including

any bridge loan proceeds, by way of a private placement in the new combined company, which is to be called Intergeo Mining Ltd. Also on December 12, 2013, Mercator announced that Mineral Park's lenders have agreed to an amended and restated credit facility enhancing the Company's financial flexibility.

Since the announcement of the Arrangement, the Company has:

- Received shareholder approval of the Arrangement (see April 7, 2014 press release);
- Received Supreme Court of British Columbia and all necessary Canadian and US governmental regulatory approvals, and has responded to a request for information regarding the terms and conditions of the Arrangement from the Russian Federal Anti-Monopoly Services ("FAS"), the federal executive body responsible for foreign investments in the Russian Federation (see April 17, 2014 press release);
- Agreed with Intergeo and Daselina for additional interim funding by up to an additional \$4.0 million under the bridge loan agreements with Daselina and to extend the completion deadline up to August 1, 2014. The extension of the completion deadline provides FAS with additional time to complete its review of the response provided by Mercator and Intergeo to its request for additional information regarding the terms and conditions of the Arrangement (see April 29, 2014 press release); and
- Received \$12.0 million of bridge loan financing from Daselina.

Completion of the Arrangement remains subject to final acceptance by the Toronto Stock Exchange ("TSX") and the satisfaction or waiver of all remaining conditions precedent, all of which are expected on a timely basis.

Due to the ongoing nature of the Intergeo Transaction, Mercator management will not be hosting a webcast/conference call to discuss Q1 2014 operating and financial results.

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

This press release should be read in conjunction with the MD&A and Financial Statements for the three months ended March 31, 2014. These documents will be posted on SEDAR (sedar.com) under the Company's profile and on the Company's website (mercatorminerals.com).

*** Alternative Performance Measures**

This press release refers to "cash costs" and "adjusted 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 in the March 31, 2014 MD&A for additional information.

**** Copper equivalent production**

All references to copper equivalent production for 2013 are 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. All references to copper equivalent production for 2014 are calculated using a molybdenum/copper ratio of 4.15, based on the Company's beginning of year estimated 2014 metals prices, including adjustments for copper hedging.

Quality Assurance/Quality Control

The Technical Information contained in this press release has been prepared under the supervision of, and its disclosure has been reviewed by, Gary Simmerman, BSC, Mining Eng., FAusIMM, a consultant to Mercator, a Qualified Person 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 project.

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 press release ("Technical Information") based on information contained in the current technical reports, annual information form, press 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. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs regarding future events of management of Mercator. When used in this document, the words "anticipates", "may", "can", "believes", "expects", "projects", "intends", "likely", "will", "to be" or the negative of these terms and any similar expressions and any other statements that are not historical facts, in each case as they relate to Mercator, the Intergeo Transaction or the combined company are intended to identify those assertions as forward-looking information and statements. In making such statements, the Company believes that its expectations are based on reasonable assumptions. However, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected or anticipated. 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 receipt of any and all necessary regulatory approvals, third party consents and authorizations 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, the successful completion of the Intergeo Transaction, and the ability to meet obligations under certain credit facilities and other debt instruments, the timing and receipt of 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) the receipt of necessary consents and approvals and satisfaction of all conditions precedent for the completion of the Intergeo Transaction in a timely manner; (2) market fundamentals will result in sustained copper, molybdenum and nickel demand and prices; (3) the current copper leach operations at Mineral Park remain viable, operationally and economically; (4) the milling operations at Mineral Park will continue to be

viable, operationally and economically; (5) the receipt of any necessary approvals and consents in connection with the development of any new properties; (6) the availability of financing on suitable terms for the development, construction and continued operation of any mineral properties; (7) the presence of and continuity of metals at Mineral Park and at the Company's other properties at modelled grades; (8) the capacities of various machinery and equipment; (9) the availability of personnel, machinery and equipment at estimated prices; (10) exchange rates; (11) tax rates applicable to the mining operations; (12) cash costs; (13) anticipated mining profits; (14) metals recovery rates; (15) reasonable contingency requirements; and (16) sustained commodity prices such that any properties in or put into operation remain economically viable. 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. Certain of the risks and assumptions are described in more detail in the Mercator's Annual Information Form, Audited Financial Statements and MD&A for the year ended December 31, 2013 on the SEDAR website at www.sedar.com. The actual results or performance by Mercator could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of Mercator. Except as required by law, the Company is under no obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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