

# International Northair Mines Ltd. Raises US\$4.0 Million on Royalty Transaction with Coeur Capital for La Cigarra Silver Project, Mexico

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 21, 2014) - **International Northair Mines Ltd. (TSX VENTURE:INM) (the "Company" or "Northair")** is pleased to announce that it has entered into a Net Smelter Return ("NSR") royalty agreement ("Royalty Agreement") with Coeur Capital, Inc. ("Coeur") for proceeds of US\$4.0 million. The 2.5% NSR is payable on future production from the La Cigarra silver project (the "Project"), located in north central Mexico.

"Northair is very pleased to raise funds allowing us to move forward without diluting our existing shareholders during this difficult time in the resource industry," said Fred Hewett, President and CEO of Northair. "We appreciate the support of Coeur and look forward to having them as a long term partner as we continue to advance La Cigarra. The funds will be used for a drill program to potentially increase our resource, explore other significant undrilled targets and to conduct further economic studies."

## ***Transaction Summary***

Under the terms of the Royalty Agreement, the Company will receive US\$4.0 million payable for a 2.5% NSR royalty on production from the La Cigarra silver project. Northair will receive US\$2,250,000 of the funds on the effective date of the Royalty Agreement, which will be followed by US\$1,750,000 payable as a second tranche on September 2, 2014.

Coeur's parent company, [Coeur Mining Inc.](#), currently owns 20,350,000 common shares representing 19.4% of the Company's issued and outstanding common shares and is an insider of the Company. As a result, this transaction is a related party transaction and subject to valuation and minority voting requirements of Policy 5.9 of the TSX Venture Exchange and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101").

As Northair is not listed or quoted on any prescribed exchange, the transaction is exempt from the formal valuation requirement of MI 61-101. Northair is relying on an exemption from the minority approval requirement of MI 61-101 as described in more detail below.

As previously disclosed, Northair needs to fund \$800,000 to exercise its option to acquire a 100% interest in the original concessions, certain concessions surrounding the Project and to pay for certain mineral concession and land taxes. These commitments are in excess of the Company's cash on hand, accordingly, the Company currently has neither sufficient funds nor reasonably available financing options to satisfy these commitments.

A special committee (the "Special Committee") of three independent directors of the Company was constituted to consider the entering into of the Royalty Agreement with Coeur. The Special Committee has determined unanimously that the Company is in serious financial difficulty due to its near term financial commitments, the Royalty Agreement with Coeur is designed to improve the financial position of the Company, and the terms of the Royalty Agreement are reasonable in the Company's current circumstances. Accordingly, the Special Committee recommended to the Board that the Royalty Agreement be approved and the Board accepted that recommendation.

## ***Use of Proceeds***

Proceeds from the Royalty Agreement will allow Northair to earn a 100% interest in certain key mineral rights

comprising the La Cigarra silver project, as well as carry out continued exploration that will include 4,000 metres of core drilling at San Gregorio and Las Carolinas. These two adjacent mineral zones currently host a Measured and Indicated silver resource of 50.5 million ounces grading 76 g/t. (see INM PR#13-05 dated February 26, 2013) defined over a strike length of 2.1 kilometres. The program will also include 1,700 metres of drilling to test multiple mineral showings and historic mine workings found at the Las Venadas and Las Chinas targets. These untested mineral showings lie to the south and extend the La Cigarra mineral trend an additional two kilometers.

Raymond James Ltd. assisted Northair in arranging this transaction with Coeur.

The transaction is subject to the approval of the TSX Venture Exchange.

***About International Northair Mines Ltd.***

[International Northair Mines Ltd.](#) is a mineral exploration company engaged in the acquisition and development of gold and silver properties in Mexico. Northair is focused on advancing its La Cigarra silver project located in the state of Chihuahua, which currently hosts a NI 43-101 Resource estimate of 50.4 million ounces of silver in the Measured & Indicated categories grading 76 g/t silver and 3.5 million ounces of silver in the Inferred category grading 61 g/t silver constrained by a Whittle pit shell at an economic cutoff grade of 30 g/t silver (assuming metallurgical recoveries of 84% silver). The La Cigarra silver deposit also contains appreciable amounts of lead, zinc and gold as referenced in the San Gregorio/Las Carolinas Resources Technical Report La Cigarra Project, Chihuahua Mexico dated effective February 26, 2013.

**ON BEHALF OF THE BOARD,**

**INTERNATIONAL NORTHAIR MINES LTD.**

**Fred G. Hewett, P.Eng., President & CEO**

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*This news release may contain forward looking statements which are not historical facts, such as resource estimates, anticipated results and costs, and discussions of goals and exploration results, and involves a number of risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, metal price volatility, volatility of metals production, project development, resources estimates, future anticipated resources and cost engineering estimate risks, geological factors and exploration results. See Northair's filings for a more detailed discussion of factors that may impact expected results.*

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