Canadian Junior Secures $138 Million Deal With Freeport Nevada

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VANCOUVER, British Columbia, Aug. 18, 2014 (GLOBE NEWSWIRE) -- Quaterra Resources' (TSX-V:QTA) (OTCQX:QTRRF) recently announced Membership Interest Option Agreement covering the Yerington, Nevada Copper District with Freeport-McMoRan Nevada LLC an indirect subsidiary of Freeport-McMoRan Inc. deserves a closer look, because there are many reasons to be optimistic about copper in general and Quaterra in particular.

Merely finding copper is no longer a guaranteed path to a profitable mine. Resource nationalism and environmental issues now dictate that it is more about where one *can* mine, versus where one *wants* to mine. Consider that grades continue to decline while production costs are rising and permitting has become more expensive and time consuming. Copper inventories in LME warehouses are currently at their lowest levels in six years. That leaves copper prices open to upward price pressure due to short-term supply disruptions.

Given the optimistic prognosis for the copper market, the outlook for Yerington to once again become a significant copper producing district is positive. Historically, it was a significant producer when the Anaconda Company mined copper from the Yerington open pit for 25 years beginning in the early 1950's. The documented 43-101 and historic resources in Yerington, along with a large land position and water rights controlled by Quaterra's wholly owned subsidiary Singatse Peak services (SPS) provide an excellent opportunity for expanding the Company's copper resources. The fact that Nevada is one of the world's most favorable mining jurisdictions and that Yerington has in-place infrastructure and community support reinforces the positive outlook.

"Quaterra's strategic plan focuses on working with the best partners to deliver exceptional shareholder value," stated Steven Dischler, President and CEO. "To that end, we intend to advance our large Yerington Project with Freeport McMoRan Nevada LLC. Based on prices recently paid for in situ copper resources, we believe that continued work at Yerington has the potential to create significant shareholder value."

In June 2014, Quaterra and SPS reached a Membership Interest Option Agreement (Agreement) with Freeport-McMoRan Nevada LLC. The benefit for Quaterra is that, should Freeport elect to complete its investment, the Company will retain 25 to 45% of a large and potentially district scale copper asset at no additional cost to shareholders.

Under the agreement, after conducting additional due diligence about SPS over the next year, Freeport has the right to earn an initial 55% interest in SPS by providing funds to SPS to complete three staged investigation and work programs totaling US$38,600,000 in project funding. During these stages, Freeport provides funding to SPS for property maintenance, G&A, environmental compliance and, in later stages, exploration. Freeport can earn a further 20% interest in SPS (increasing its holding to 75%) should it elect to fund SPS with a further US$100,000,000 of spending, or complete a feasibility study, whichever comes first.

Quaterra also has three other agreements with Freeport-McMoRan subsidiaries covering projects in Utah, Nevada and Texas. The long and ongoing history with major miners such as Freeport and Goldcorp speak to the growth potential of Quaterra. Quaterra management's focus on Yerington is expected to continue and could include monetization of its gold and silver assets particularly the Nieves Silver Project in Mexico and the Herbert Gold project in Alaska.

As far as management track record, Quaterra President and CEO Steven Dischler brings over 3 decades of successful mining and natural resource experience. Chairman Dr. Tom Patton has a successful track record of making mineral discoveries over a 40 year career. Backed by a Board with decades of mining finance and exploration success with senior and junior mines, Quaterra appears a solid component within a junior mining investment portfolio.

Data from Morningstar shows that some of the largest natural resources funds, including JPM Natural Resources and BGF World mining, have increased their exposure to copper companies in the last few months. Recent transactions for in situ copper resources at Rosemont in Arizona and Taca Taca in Argentina suggest that Yerington is an undervalued asset with significant upside potential.

Investors should note that approximately 16% of Quaterra is owned by financial institutions including AGF,

UBS, Investors Group and 4% by Goldcorp. Management owns 7%.

Quaterra recently closed at US$0.045 with a market cap of approximately $8.7 million.

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