

# Philippine Metals Inc. Signs Letters of Intent to Acquire Copper Projects Located in Mexico

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 27, 2014) - [Philippine Metals Inc.](#) ("PMI" or the "Company") (TSX VENTURE:PHI)(FRANKFURT:PM7) is pleased to announce the execution of two separate letters of intent (the "Letters of Intent") establishing the terms and conditions upon which PMI will acquire certain highly prospective copper projects located in the state of Coahuila, Mexico (the "Transactions"). In completing the Transactions, PMI will consolidate two adjacent and contiguous groups of mining concessions covering an aggregate 17,267 hectares. These Transactions will significantly expand the Company's geographic focus on copper while reducing its current reliance on the challenging Philippine mining sector. The Transactions, if completed, will result in a Reverse Takeover ("RTO") of PMI as defined by the TSX Venture Exchange (the "Exchange"), and as such the shares of PMI will be halted pending receipt of all requisite approvals.

The letter of intent dated November 25, 2014 between the Company and Molycomex S.A. de C.V. (together with its subsidiaries, "Molycomex") sets out the proposed terms of the acquisition by PMI of 100% of the shares of Molycomex in exchange for the issuance of 29.0 million PMI treasury shares (the "Molycomex Acquisition"), representing approximately 81.6% of the pro forma enlarged share capital upon completion of the Transactions before taking account any shares to be issued in connection with the financing as detailed below. The PMI shares issued will be subject to escrow restrictions to be established by the Exchange.

Molycomex is a private Mexican company that controls five contiguous concessions totaling 14,859 hectares that lie along the foot of the Sierra San Marcos y Pinos range in the state of Coahuila, Mexico, approximately 50 kilometers to the southeast of the town of Cuatro Cienegas. Molycomex holds a 100% interest in the Apache 4 concession, and a 70% interest in each of the Apache 14, San Antonio, Jabali and Jabali 2 concessions. Collectively, these concessions are known as the Madero Project.

Since 2010, Molycomex has incurred over \$1.8 million of exploration expenditures on the Madero Project, including geochemical, geophysics and drilling activities. Molycomex has no material assets other than the Madero Project and no material liabilities other than approximately \$2.5 million in loans accumulated to June 30, 2014 (the "Loans"). In connection with the Molycomex Acquisition, the holders of these Loans, who are related parties to the shareholders of Molycomex, have agreed to forgive the Loans at closing of the Transactions.

Subject to Exchange approval, PMI will pay a finder's fee to an unrelated third party in connection with the Molycomex Acquisition by the issuance of 1.0 million treasury shares of the Company.

The letter of intent dated November 25, 2014 between the Company and [Santa Fe Metals Corp.](#) ("Santa Fe") contemplates PMI purchasing an option to acquire 100% of certain mining concessions located in the state of Coahuila, Mexico known as the Cuatro Ciénelgas Project from Santa Fe (the "Cuatro Ciénelgas Option"). The Cuatro Ciénelgas Project consists of six concessions totaling approximately 3,408 hectares and is located immediately adjacent to and contiguous to the Madero Project owned by Molycomex.

Pursuant to the Cuatro Ciénelgas Option letter of intent, PMI has agreed to make a \$25,000 cash payment to Santa Fe on signing of the letter of intent and a further \$25,000 cash payment on approval of the transaction by the Exchange. Additionally, PMI has agreed to pay a total further consideration of \$575,000 over a period of 24 months to be satisfied by the issuance of PMI shares, with the shares being issued at the then Market Price (as defined by the Exchange Policies).

Concurrent with the completion of the Transactions, the Letters of Intent contemplate that PMI will complete a private placement to raise a minimum of \$2.0 million and a maximum of \$3.0 million, subject to the consent of the Exchange and market conditions prevailing at the time of completion of the Transactions. Additionally,

the Company plans to effect a name change to better reflect the new focus of the business.

Concurrent with the completion of the Transactions, the Company will prepare and file on SEDAR in due course separate National Instrument 43-101 Technical Reports on each of the Madero and Cuatro Ciénelas Projects.

Completion of the Transactions is subject to a number of conditions, including Exchange acceptance and the approval by a majority of disinterested PMI shareholders. The Transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the Transactions will be completed as proposed, or at all. Investors are cautioned that, except as disclosed in the Management Information Circular and/or Filing Statement to be prepared in connection with the Transactions, any information released or received with respect to the RTO may not be accurate or complete and should not be relied upon. Trading in the securities of PMI should be considered highly speculative. The Exchange has in no way passed upon the merits of the proposed Transactions and has neither approved nor disapproved the contents of this press release.

### **Forward Looking Information**

This news release contains forward-looking statements and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the Transactions, the concurrent financing or any contemplated name change of the Company, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are risks detailed from time to time in the filings made by the Company with securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. As a result, the Company cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.

Neither the Exchange nor its regulation services provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

### **Contact**

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