

January 18, 2017

**To all the proven creditors of
Mercator Minerals Ltd.**

Dear Sirs:

**Re: In the Matter of the Bankruptcy of Mercator Minerals Ltd.
Notice of Interim Distribution**

On September 5, 2014, Mercator Minerals Ltd. ("Mercator") was deemed to have filed an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada). Deloitte Restructuring Inc. was appointed as Trustee in Bankruptcy of the estate of Mercator (in such capacity, the "Trustee").

On January 17, 2017, the Trustee declared an interim distribution to all proven creditors in the amount of CDN\$32.1 million or CDN\$0.255 per CDN\$1.00 (25.5%) of all admitted unsecured claims.

As previously reported in our letter of December 7, 2016, the Trustee intends to pay the interim distribution through issuing US dollar denominated cheques. Dividends paid in US dollars will be converted at the US dollar to Canadian dollar exchange rate in effect on the date the distribution was declared, being 1.3060. **The Trustee intends to issue the dividend cheques in the week commencing February 6, 2017.**

Attached to this letter is a copy of the Trustee's Third Report to Creditors dated January 18, 2017 providing a brief update regarding the activities of the Trustee since the Trustee's Second Report to Creditors dated September 16, 2015 and outlining the next steps in the administration of the estate. **Attached to the report as Appendix B is a dividend sheet showing the amounts that creditors will receive from the interim distribution, net of the prescribed levy to the Office of the Superintendent of Bankruptcy.**

Should you have any questions regarding these proceedings or the payment you will be receiving, please do not hesitate to contact Mr. Paul Chambers at (604) 640-3368.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the Trustee in Bankruptcy of
Mercator Minerals Ltd. and not in its personal capacity.

Per: 

Huey Lee, MBA, CPA, CMA, CIRP
Licensed Insolvency Trustee