

## WCP EXERCISES OPTION ON THE AL HARIQAH GOLD PROJECT

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**Kelowna, Canada** – February 7, 2014 – **Cantex Mine Development Corp.** (CD : TSXV) (“Cantex” or the “Company”) is pleased to announce that WCP Resources Ltd (“WCP”) has exercised its option to farm-in to the Al Hariqah Gold Project, a prospective and potentially large scale gold project located in the Republic of Yemen.

### Introduction

The Al Hariqah Gold Project (**Project**) is a near-surface gold deposit located 130km northwest of Sana'a, Yemen. The Project is currently 100% owned by Cantex and comprises a granted exploration licence covering an area of approximately 957 square kilometres and is valid until 16 January 2016 with the option for two further 4 year extensions (providing 50% area relinquishments are carried out at the first extension).

On February 6, 2014 WCP exercised its option to earn-in to the Project. By meeting a series of expenditure commitments, WCP will be able to progressively earn up to a 70% interest in the Project.

### Commercial Terms

In December 2011, WCP and Cantex entered into an option and earn-in agreement (“**Agreement**”) regarding the Al Hariqah Gold Project which provides the following:

- (i) Upon the exercise of the Earn-in Option (“**Commencement Date**”), WCP may earn an interest in the Project by expending:
  - five million dollars (US\$5,000,000) (“**First Earn-in Expenditure**”) within 2 years of the Commencement Date to acquire a 40% interest in the Project;
  - ten million dollars (US\$10,000,000) (“**Second Earn-in Expenditure**”) within the following 2 years to increase its interest in the Project to 50%; and
  - fifteen million dollars (US\$15,000,000) (“**Third Earn-in Expenditure**”) within the following 3 years to increase its interest in the Project to 70%;
- (ii) Expenditure by WCP since the execution of the agreement in December 2011 will be included in calculation of the First Earn-in Expenditure;
- (iii) WCP will manage the Project during the Earn-in period and will be able to utilise Cantex’s existing in-country exploration team;
- (iv) Force majeure provisions (which include sovereign risk and conflict issues) may apply to the above time frames;

- (v) Prior to earning a 40% interest in the Project, WCP may withdraw from the Agreement at any time;
- (vi) An incorporated joint venture (“JV”) will be formed upon WCP earning an interest in the Project;
- (vii) Upon formation of the JV company, WCP's board representation will reflect its shareholding in that entity;
- (viii) Most matters of the JV will require a simple board majority (including decision to mine). However, some matters will require a unanimous decision of the board (including sale of the Project and surrender of the license);
- (ix) Upon earning a 70% interest in the Project, WCP will loan carry Cantex to initial production (at an agreed / market interest rate). In these circumstances, the first 80% of earning from the JV will be applied to repay WCP's loan to the JV;
- (x) Once the JV is formed, each party has pre-emptive rights over the other party's interest in the JV;
- (xi) If WCP only earns a 40% or 50% interest in the Project (i.e. does not earn a 70% interest in the Project), then each party must fund its own proportion to reach initial production. If a party does not do so, then its interest in the JV will be diluted; and
- (xii) Upon initial production by the JV (whether solely funded by WCP or not), dilution will apply to a parties' interest in the JV if it does not continue to contribute in accordance with its interest at that time.

Cantex is pleased to have WCP's continued involvement in the Al Hariqah project. The recent drill results released on January 23, 2014 indicate that the gold mineralization which has been defined by significant drilling in the northern kilometre of the deposit may extend for up to a further three kilometres to the south.

The technical information and results reported here have been reviewed by Mr. Chad Ulansky P.Geol., a Qualified Person under National Instrument 43-101, who is responsible for the technical content of this release.

Signed,

*Charles Fipke*

Charles Fipke  
Chairman

### **About the Company**

Beyond the Al Hariqah gold project Cantex has projects in the Yukon and Nevada. In the Yukon recent work has identified the potential for the claims area to host Carlin-style mineralization. In Nevada the Company has five drill ready properties along known trends of gold mines and is currently seeking joint venture partners to advance the projects.

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