Duluth Metals Ltd. Agrees to Acquisition by Antofagasta PLC

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Duluth Metals Ltd. ("Duluth", "Duluth Metals") (TSX: DM) (TSX:DM.U) today announces that it has entered into a binding agreement (the "Acquisition Agreement") with Antofagasta plc ("Antofagasta") pursuant to which Antofagasta has agreed, subject to the terms of the Acquisition Agreement, to acquire through a wholly owned subsidiary, all of the outstanding common shares of Duluth Metals by way of a friendly take-over bid or a plan of arrangement at a price of CDN$0.45 per share in cash (the "Offer").

The Offer represents a 284% premium to the 20-day volume weighted average price of Duluth Metals' common shares on the TSX as at October 31, 2014.

Kelly Osborne, President and CEO of Duluth commented: "We are pleased to reach an agreement with our partner Antofagasta and enter into this acquisition transaction. During a difficult period for the mining industry, Duluth has been able to negotiate a significant premium to the current market share price."

Antofagasta has also entered into a lockup agreement with all of Duluth's directors and officers and with Wallbridge Mining Company Ltd. who collectively own approximately 10.9% of Duluth's currently outstanding common shares (136,767,985 common shares). In addition, Antofagasta, through its subsidiary, owns approximately 10.4% of Duluth's common shares

The Acquisition Agreement contains customary deal support provisions, including non-solicitation, superior proposal and right-to-match provisions in favour of Antofagasta and the payment to Antofagasta of a termination fee of CDN$3.5 million if the acquisition is not completed in certain specified circumstances. Antofagasta has also agreed to provide Duluth with a private placement of CDN$2.3 million at CDN$0.45 per share. In addition, Antofagasta has agreed to extend the term of the currently outstanding bridge loan from Antofagasta to Duluth by 12 months, with the repayment date subject to acceleration in certain circumstances. Duluth's Board of Directors has agreed that its directors' circular (if required) recommending the Offer will be mailed to shareholders at the same time as the mailing of the Antofagasta take-over bid circular. The Acquisition Agreement contemplates definitive agreements being entered into by November 21, 2014 and provides Antofagasta with a due diligence condition which must be satisfied or waived on or before the entering into of the definitive agreements. The Offer is subject to a 66-2/3% tender or approval condition.

Barclays is acting as financial advisor to Duluth and has rendered a fairness opinion to the Duluth Board of Directors in connection with the Offer. Bennett Jones LLP and McLean & Kerr LLP are acting as legal counsel to Duluth. The Special Committee of the Board of Directors of Duluth has retained RBC Capital Markets to prepare a formal valuation in accordance with the requirements of Multilateral Instrument 61-101. BMO Capital Markets and Rothschild are acting as financial advisors to Antofagasta and Cassels Brock & Blackwell LLP is acting as legal counsel to Antofagasta.

Analyst and Investor Conference Call

A conference call with senior management of Duluth Metals for the investment community has been scheduled for Monday November 3, 2014 at 11:00 a.m. EST. Christopher Dundas, Executive Chairman, and Kelly Osborne, President and CEO, will be available to answer questions during the call. To participate in the call, please dial-in five minutes prior to the call:

Participant Dial-In Number(s):
*Operator Assisted Toll-Free Dial-In Number: 1-888-231-8191
*Local Dial-In #: 647-427-7450

About Duluth Metals

Duluth Metals Ltd. is committed to acquiring, exploring and developing copper, nickel and platinum group metal (PGM) deposits. Duluth Metals has a joint venture with Antofagasta plc on the Twin Metals Project, located within the rapidly emerging Duluth Complex mining camp in north-eastern Minnesota. The Duluth Complex hosts one of the world's largest undeveloped repositories of copper, nickel and PGMs, including the

world's third largest accumulation of nickel sulphides, and one of the world's largest accumulations of polymetallic copper and platinum group metals. Aside from the Twin Metals Minnesota joint venture, Duluth Metals retains a 100% position on over 40,000 acres of mineral interests on exploration properties adjacent to and nearby the Twin Metals Project.

About Antofagasta Plc

Antofagasta plc is a Chilean-based copper mining group with significant by-product production and interests in transport and water distribution. The Antofagasta Group creates value for its stakeholders through the discovery, development and operation of copper mining operations. The Group is committed to generating value in a safe and sustainable way throughout the commodity cycle. Antofagasta Minerals S.A. is the corporate centre for the mining division of Antofagasta plc, based in Santiago, Chile. During 2013 its operations produced 721,200 tonnes of copper in concentrate and copper cathode, 293,800 ounces of gold and 9,000 tonnes of molybdenum in concentrate. Copper production is expected to be approximately 700,000 tonnes in 2014.

This press release contains forward-looking statements (including "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995. There is the transactional risk that the Offer may not close due to one or more conditions in the Acquisition Agreement not being satisfied or the Acquisition Agreement otherwise being terminated. A copy of the Acquisition Agreement will be filed on www.sedar.com.

Contact

Duluth Metals Ltd.
Mara Strazdins
Vice President Investor Relations and Corporate Communications
Telephone: (416) 369-1500 ext. 222
Email: mstrazdins@duluthmetals.com

Duluth Metals Ltd.
Kelly Osborne, President
Telephone: (651) 389-9990
Email: kosborne@duluthmetals.com
Webpage: www.duluthmetals.com

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