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NEWS RELEASE

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Fancamp subsidiary Magpie Mines Inc. signs MOU with China's Pangang Group

Fancamp Exploration Ltd. ("Fancamp" or the "Company") is pleased to announce that its 46.7% owned Magpie Mines Inc., has signed a Memorandum of Understanding ("MOU") with the Pangang Group Limited of Panzhihua, Sichuan Province, China ("Pangang"), following a recent Magpie delegation visit to Pangang.

The delegation met senior officials of Pangang and discussions between both parties included the possibilities of technology exchanges with respect to Pangang's smelting and beneficiation processes and their possible applications for the Magpie Titanium-Vanadium-Chromium magnetite mineralization ("Magpie"), as well as the Hydrochloric Acid ("HCL") leaching technologies -adopted by both companies.

The agreement ensures the exchange of information on these topics and outlines Pangang's commitment to use its proprietary technologies and experience for the development of the Magpie mineralization. Magpie will provide Pangang with samples for further test work, a process that should take 6 to 8 months.

Dr. Fouad Kamaledine, PhD, P. Eng., Fancamp's VP of Research and Development stated, "*We are very pleased to announce the signing of this MOU with Pangang, which could have significant benefits for both parties. Magpie will benefit from Pangang's experience in mining and processing of complex vanadium-titanium-magnetite ores like*

Magpie, as well their R&D expertise in the production of titanium, vanadium and chrome products and alloys. Pangang, on the other hand, appreciates the size of the Magpie mineralization, as well as its grade compared to their local deposits. The MOU still represents an early stage of discussions between the parties, but is considered a significant step towards fostering a strong relationship between the two companies.”

Magpie is located along the Lower North Shore of Quebec, some 200 km northeast of Sept-Îles and 150 km northwest of Havre-St-Pierre. Magpie hosts National Instrument 43-101 Indicated Mineral Resources of 635.2 million tonnes grading 42.49% FeT (60.78% Fe₂O₃), 11.20% TiO₂, 0.30% V₂O₅ and 2.61% Cr₂O₃ with additional Inferred Mineral Resources of 293.2 million tonnes of 42.29% FeT (60.49% Fe₂O₃), 11.21% TiO₂, 0.32% V₂O₅ and 2.54% Cr₂O₃ (both based on a 15% FeT cut-off grade) (refer to the Fancamp news release dated April 18, 2012).

About the Pangang Group

The Pangang Group or the Panzhihua Iron & Steel Group is a large-scale, state-owned enterprise specializing in vanadium-titanium-magnetite mining and smelting. It is the largest steel maker in western China, the largest vanadium product manufacturer in China and the second largest in the world. It is also the largest titanium concentrate producer and among the top titanium product manufacturers in China.

Since it was founded in 1965, Pangang Group has developed a series of proprietary technologies and has become a global leader of blast furnace technologies and in recent years, the group's research institute has made significant breakthroughs in the comprehensive utilization of chrome-vanadium-titanium magnetite ores.

About Fancamp Exploration Ltd (www.fancampexplorationltd.ca)

Fancamp Exploration Ltd. is a Canadian junior mineral exploration company that continues to evolve into a holder of shares in partner companies and royalties on near-term producing mines. These assets are designed to generate free cash flow without further shareholder dilution. Fancamp has an exceptional inventory of resource projects at various stages of development covering more than 1,710 km² in three provinces. The commodities include hematite-magnetite iron formations, titaniferous magnetite, hematite, nickel/copper/PGM, chromite, Volcanogenic Massive Sulphides and gold.

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