



SECUTOR

CAPITAL MANAGEMENT CORPORATION

COMPANY SUMMARY

Location:	Quebec
Flagship:	Bachelor Lake Mine and Mill
Ownership:	100%
Commodity:	Gold
Status:	Production
Reserves:	200 K oz @ 7.38 g/t Au (April 2011)
Catalysts:	potential PEA on Barry deposit, ongoing drilling results from Moroy zone

MARKET DATA

Price:	\$0.07
Market Cap:	\$30 M
Common Shares:	431.4 M
Fully Diluted:	522.2 M
52 Wk Range:	\$0.025 - \$0.125
90 Day Avg Vol:	1,365,890



SIGNIFICANT SHAREHOLDER

After acquiring 8.7 M shares in March 2016 at prices ranging from \$0.0788 to \$0.095, Eric Sprott owns 9.2% of the issued and outstanding shares and approximately 13.3% on a partially-diluted basis.



Source: quotemedia.com

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Company Update

June 30, 2016

Metanor Resources Inc.

V-MTO

Quebec-Focused, Catalyst-Rich Gold Producer

Metanor is a Val-d'Or, Quebec-based mining company focused on the Bachelor Lake underground mine and Barry open pit project in the prolific Abitibi Subprovince of central Quebec.

Bachelor Lake has produced over 100,000 ounces since commercial production was declared in the fall of 2013. The mill feed rate increased 12%, and the grade increased 7%, during the most previous quarter as ore from the wider, higher-grade Hewfran zone began feeding the mill. Tonnes mined and the head grade should gradually increase in the following months as more production is mined from this zone. Management expects Bachelor Lake to produce over 34,000 ounces of gold in 2016. In the latest quarter, all-in sustaining costs (AISC) were C\$1,360 per ounce, well below the current Canadian dollar gold price of C\$1,717 per ounce.

The fully-permitted Barry deposit is located 116 kilometres by road from the Bachelor Lake mill. In June 2016, management announced an updated resource estimate that included an in-pit resource of 5.24 million tonnes at 2.07 g/t Au for 347,350 ounces at a strip ratio of 2.29 to 1. A preliminary economic assessment on Barry may be published later this year that could outline material being trucked to Bachelor Lake mill at a rate of 30,000 to 35,000 ounces of gold per year.

Mining could commence at Barry as early as spring 2017. With material from Barry being softer than Bachelor Lake, the mill could run at 1,200 tpd. Not only would this reduce overall company risk by having a second source of ore feeding the mill and allowing for better head grade control, but material from Barry is not subject to a gold stream that requires selling 20% of production from Bachelor Lake at US\$500/oz to Sandstorm Gold, hence Metanor could sell all gold produced from Barry at the market price.

With a market cap of just \$34 million and an enterprise value of \$43 million, Metanor offers investors a 100%-owned gold mine, a fully-permitted gold project, the only fully permitted mill within a 100 kilometer radius in central Quebec, resources of more than 1.5 million gold ounces, potential resumption of mining at the Barry deposit, ongoing exploration drilling at the Moroy zone at Bachelor Lake, and tax-loss carry-forwards that management estimates could generate \$15 million to \$17 million in tax credits.

Well-known gold investor Eric Sprott increased his stake in Metanor to 9.2% in market through buying in the market at prices higher than the current share price.

METANOR RESOURCES

Metanor is a Val-d'Or, Quebec based mining company focused on the Bachelor Lake underground mine and Barry open pit project in central Quebec.

Location of Metanor's Mine and Projects



Source: Company Reports

The Fraser Institute's 2015 Annual Survey of Mining Companies ranks Quebec as the eighth best region for mining out of 109 jurisdictions in its Investment Attractiveness Index.

The company had \$1.1 million in working capital at March 31, 2016, \$9 million convertible debentures (10% interest rate, convertible at \$0.28/share) due August 22, 2017 and \$50 million in tax loss-carry-forwards.

Metanor is led by President and Chief Executive Officer Ghislain Morin, who has been involved in planning, management, monitoring, construction and evaluation of various mining projects since 1974.

Serge Roy, Executive Chairman of the Board, is a residential and commercial construction contractor and founder of Metanor.

Ronald Perry, VP and Treasurer, has 30 years of business services experience including accounting, statutory reporting, internal controls, legal aspects as well as all administrative responsibilities. Since 2000, he has been the Founder and President of Briolijor Corporation, a financial consulting company to both private and public corporations.

Pascal Hamelin, VP Operations, has 25 years of experience in surface and underground mining operations. From 1991 to 2007 he worked for Inco at the Stobie, McCreedy East, Copper Cliff North and Garson mines. He was Mine Manager of the Lamaque mine from 2007 to 2009 and the Lake Pelletier project and Lac Herbin mine from 2009 to 2010.



BACHELOR LAKE MINE and MILL

The Bachelor Lake mine is located in central Quebec, 225 kilometres north east of Val d'Or, 90 kilometres north-east of Lebel-sur-Quévillon and four kilometres south east of the village of Desmaraisville.

The mine is connected to Hydro-Quebec's electrical grid and is just four kilometres from Highway 113.

The Bachelor Lake deposit is located within north-east trending, steeply dipping volcanic rocks around the O'Brien granitic pluton of the prolific Abitibi Subprovince. Gold mineralization occurs along an east-southeast trending, southwest dipping, silicified shear zone

Between 1982 and 1989, the mine produced 130,341 gold ounces at a head grade of 5.0 grams per tonne gold (g/t Au).

Metanor acquired the project in 2005 and published a pre-feasibility study in 2011 that delineated resources and reserves.

2011 Reserves and Resources			
Category	Tonnes	Au g/t	Ounces
P&P Reserves	843,772	7.38	200,177
Measured & Indicated	841,591	7.79	210,857
Inferred	426,148	6.52	89,366

The company poured its first gold bar from Bachelor Lake in May 2012 and commercial production was achieved in November 2013.

Metanor holds a 100% interest in the 4,838 hectare property package. The claims on which the Bachelor Lake deposit is located are subject to 1% net smelter return (NSR) royalty.

To fund putting the mine and mill back into production, Metanor signed a deal with Sandstorm Gold (T-SSL) in January 2011 whereby Sandstorm provided an upfront payment of US\$20 million in return for a gold stream agreement to purchase 20% of the life of mine gold produced from Bachelor Lake at a price of US\$500 per ounce. The stream encompasses any gold production within a 1.5 kilometre radius of the mine, including the adjacent Hewfran and Moroy zones.

Metanor has successfully completed a US\$20 million cash flow guarantee to Sandstorm and is no longer obligated to run only Bachelor Lake ore through the mill. Instead it can now process ore sourced from anywhere it wishes from outside Bachelor Lake without penalty from Sandstorm.

We note that Bachelor Lake has the only fully permitted mill within a 100 kilometer radius.

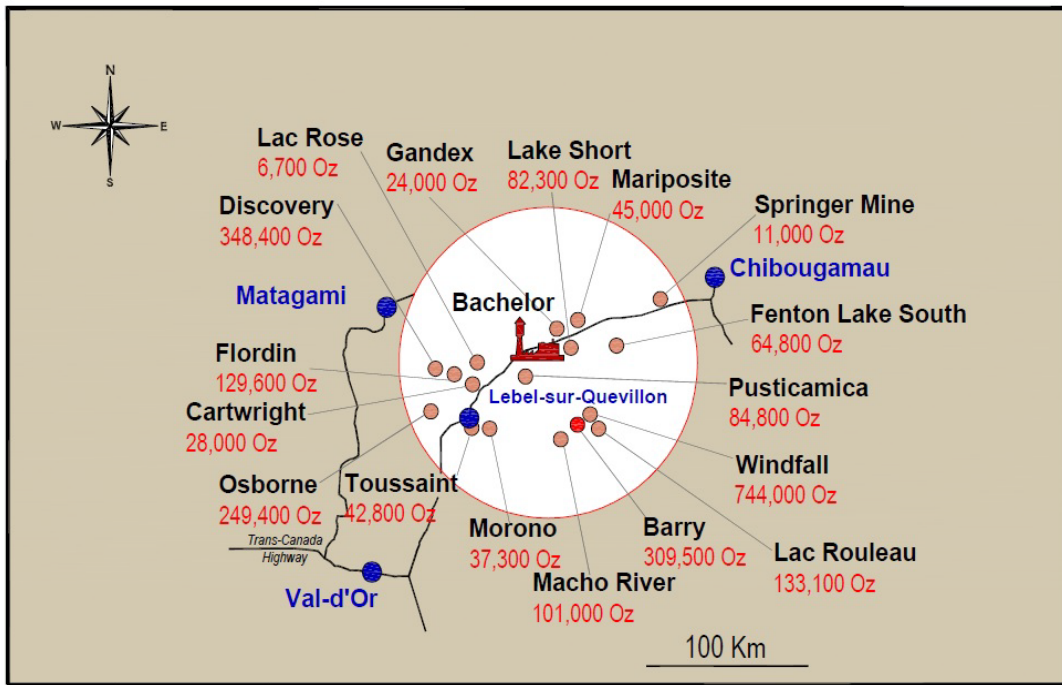
Mining at Bachelor Lake is via long-hole stoping with sub-levels developed every 16 metres. Ore feeds a rod mill followed by three ball mills in parallel. Gold is recovered by the carbon-in-pulp process.

The mill has a capacity of 700 to 1,200 tonnes per day (tpd) depending on ore hardness. For the hard ore from Bachelor mine, the mill's average capacity is 800 tpd, though this could be increased to 1,200 tpd at a cost of approximately \$3 million. However management could increase milling capacity to 1,200 tpd at no cost just by adding softer ore, notably from the Barry deposit (see below)

The mining rate, tonnes milled and metallurgical recoveries at Bachelor Lake have been relatively stable since 2013. However a decrease in grade as per the mine plan has resulted in a decrease in ounces recovered.



Gold Deposits Surrounding the Bachelor Mine



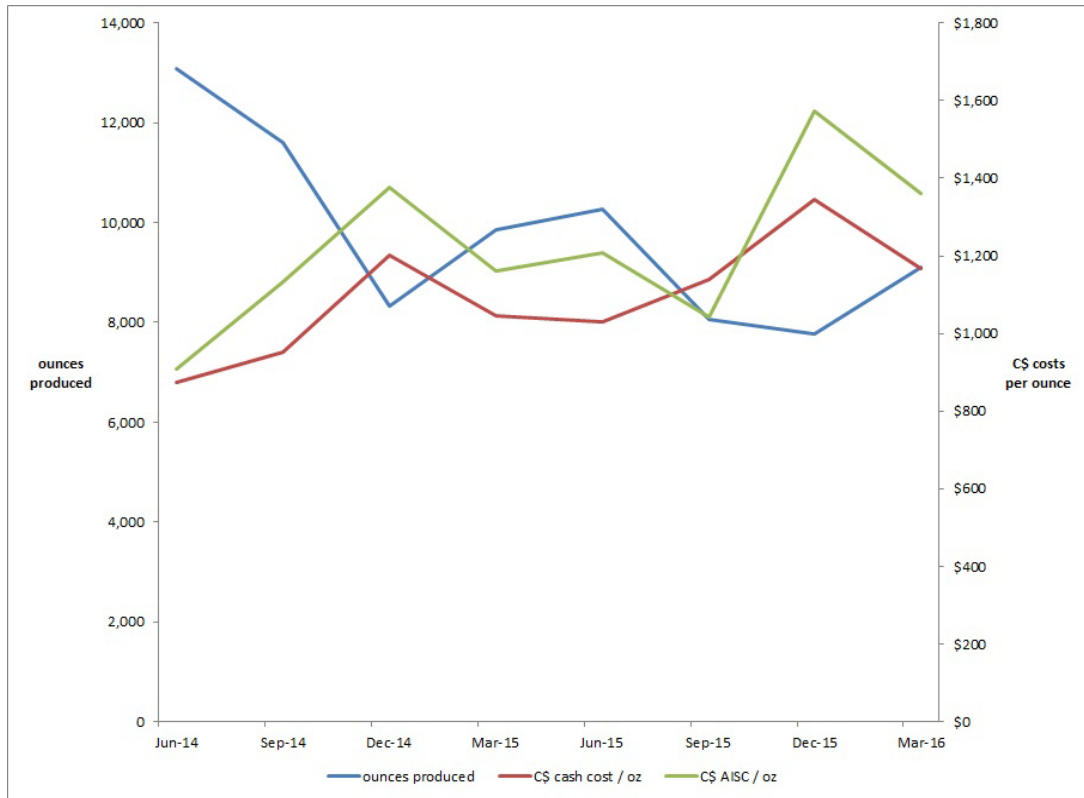
Source: Company reports

Bachelor Lake – Quarterly Tonnes Milled and Gold Grade



As a result, costs per ounce have increased.

Bachelor Lake – Quarterly Ounces Produced, Cash Cost per Ounce and All-In Sustaining Cost per Ounce



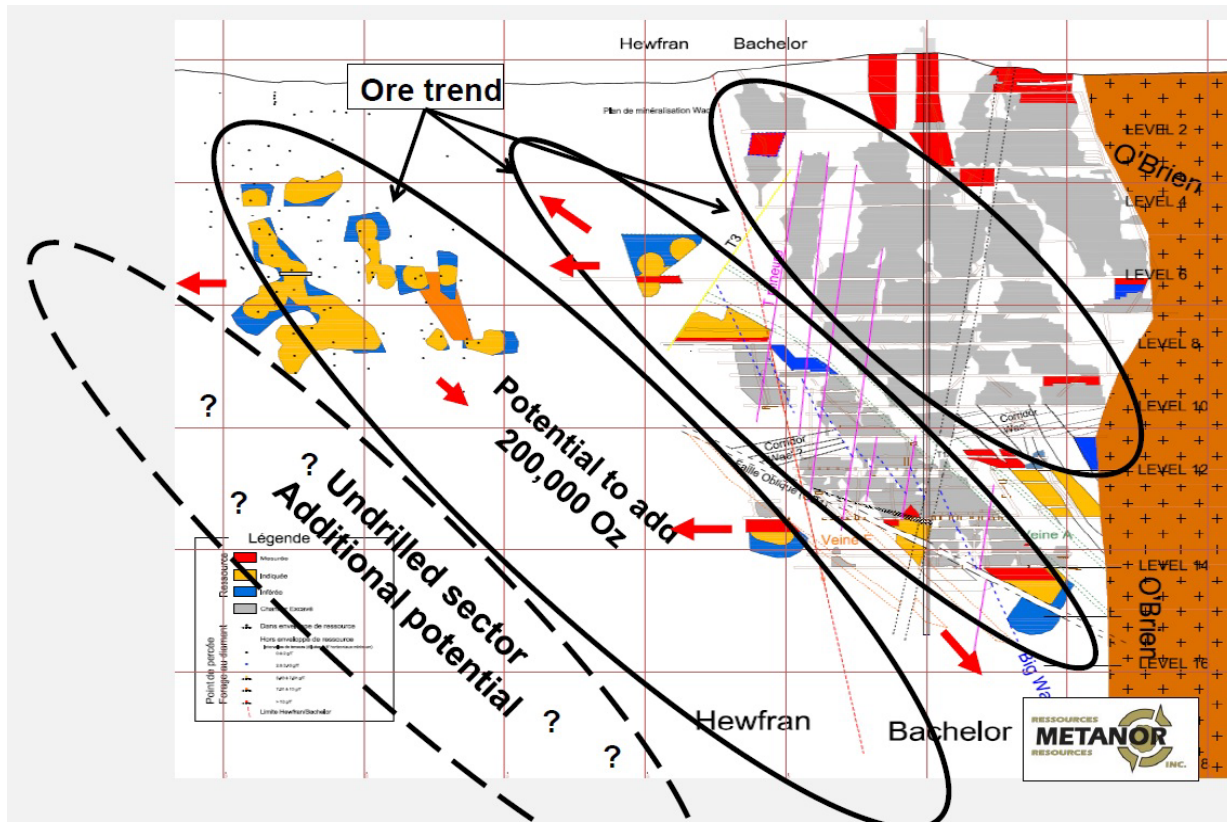
However, in the latest quarter, all-in sustaining costs (AISC) were C\$1,360 per ounce, well below the current Canadian dollar gold price C\$1,717 per ounce.

We also note the mill feed rate increased 12%, and the grade increased 7%, during the last quarter as ore from the Hewfran zone began feeding the mill. The grade and thickness of the Hewfran sector is generally higher. Therefore, the tonnes mined and head grade should gradually increase in the following months as more production is mined from this zone, resulting in lower costs per ounce. Management expects Bachelor Lake to produce over 34,000 ounces of gold in 2016.

Reserves indicate only two years remaining in the mine life. However management is confident this can be greatly expanded due to the exploration potential and relative paucity of drilling on the project.



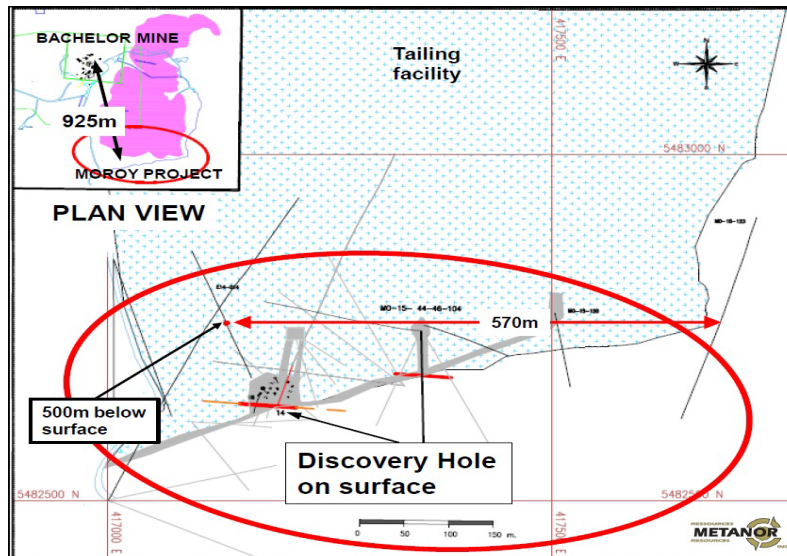
Underground Exploration Potential at Bachelor and Hewfron



Source: Company reports

One area that is actively being drilled is the Moroy zone, located less than one kilometer from the mill.

Moroy Zone



Source: Company reports

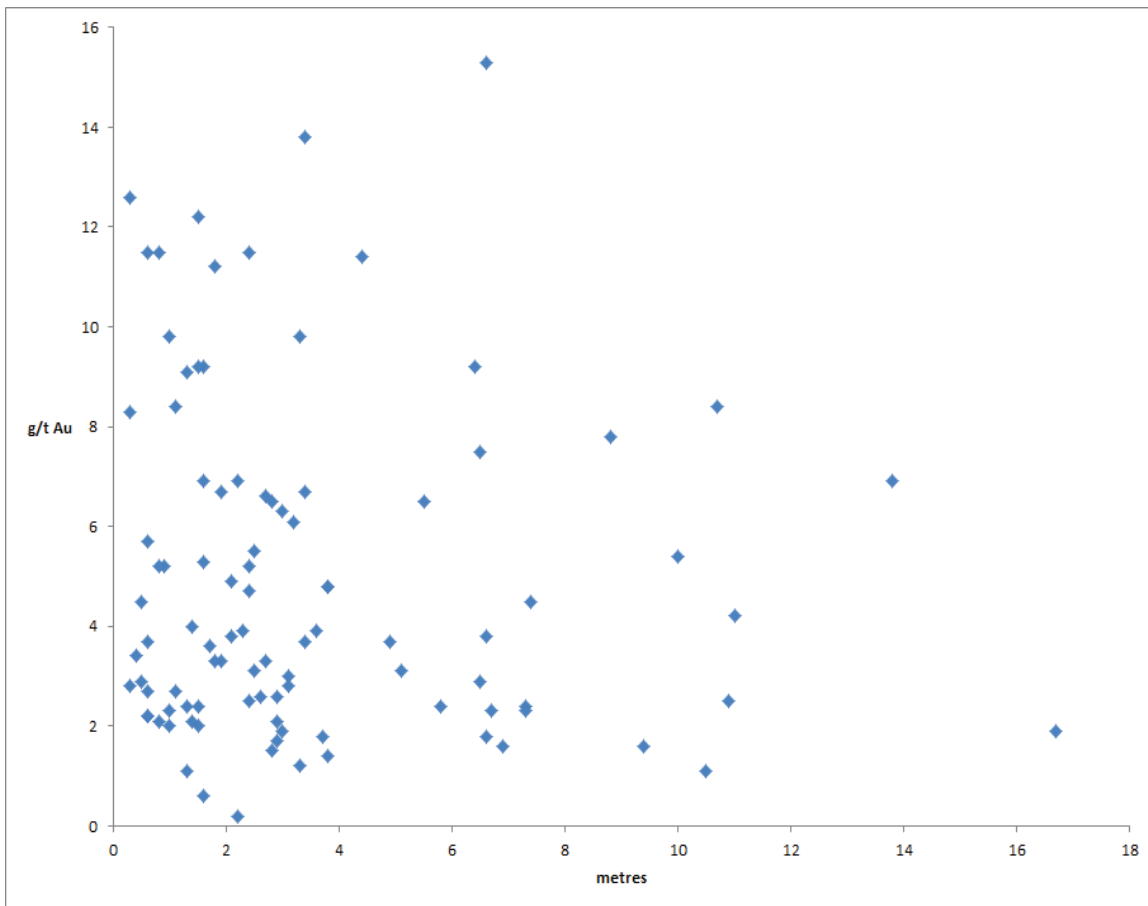


To date, approximately 14,600 meters of drilling have been completed at Moroy as part of an ongoing 60,000 meter drilling campaign.

Drilling Highlights from Moroy

Hole #	From (m)	To (m)	Length (m)	g/t Au
MO-15-68	40.6	47.3	6.6	15.3
MO-16-159	13.3	27.2	13.8	6.9
MO-15-62	20	30,8	10.7	8.4
MO-15-57	22.87	31.68	8.8	7.8
MO 16-105	12.2	18.6	6.4	9.2
MO-15-104	78.4	88.5	10	5.4
MO-15-58	38.1	42.5	4.4	11.4

Moroy Assays Reported Since December 2015



Management believes Moroy could be put into production in less than two years, though given this zone is encumbered by the Sandstorm gold stream, feed from the Barry deposit is much more likely.

BARRY DEPOSIT

The fully-permitted Barry deposit is located 110 kilometres east of Lebel-sur-Quevillon and 180 kilometres southwest of Chibougamau. The property is easily accessible by Highway 113 and a 120 kilometre all-weather gravel road linking the property to Lebel-sur-Quevillon.

The 7,335 hectare property package is subject to a 1% NSR royalty but is not part of the Sandstorm gold stream.

Metanor acquired the Barry deposit in order to feed the Bachelor Lake mill while refurbishing the underground mine. An open pit at Barry supplied approximately 45,000 ounces of gold before Bachelor Lake commenced mining. However cash costs were high due to elevated fuel and transportation costs; Barry is located 65 kilometres southeast as the crow flies, and 116 kilometres by road, from the Bachelor Lake mill.

In June 2016, an updated resource estimate for Barry was announced based on 1,100 diamond drill holes and rock saw channel samples for 79,055 meters with 51,524 assays.

June 2016 Resource			
Category	Tonnes (000)	g/t Au	Ounces (000)
Measured & Indicated	3,443	1.74	193
Inferred	10,325	1.69	560

1 g/t Au cut-off, capped at 35 g/t Au

The total in-pit resource was calculated at 5.24 million tonnes at 2.07 g/t Au for 347,350 ounces at a strip ratio of 2.29 to 1, with 45% of the ounces in the measured and indicated categories and 55% in the inferred category.

The deposit remains open in all directions and drill assays from the 2013 campaign outside the Barry pit perimeters were not factored into current inferred mineral resources.

A preliminary economic assessment on Barry may be published later this year that could outline material being trucked to Bachelor Lake mill at a rate of 30,000 to 35,000 ounces of gold per year.

Not only is gold priced in Canadian dollars much higher compared to when Barry was previously mined, but lower fuel costs should translate into lower transportation costs (previously \$22 per tonne, currently estimated at \$17 per tonne). As well, the mill has been fine-tuned after years of operations and gold recoveries are approximately 97% compared in the 80-90% range when Barry was first processed.

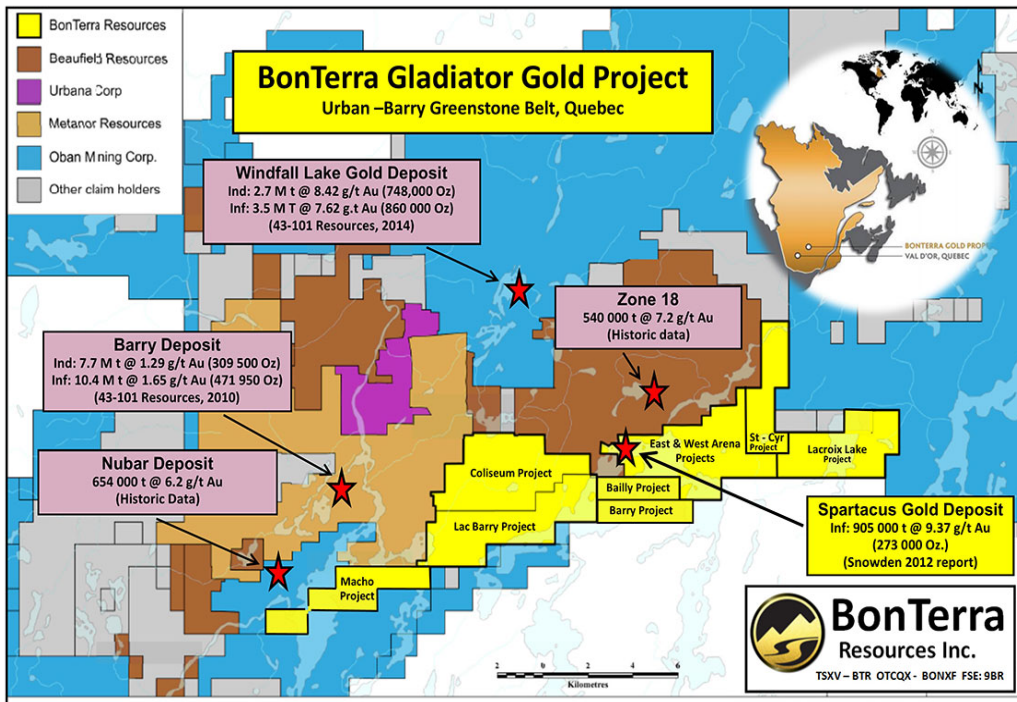
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Barry is located in the central portion of the Urban-Barry greenstone belt, part of the Abitibi Subprovince. Gold mineralization occurs in sheeted quartz + carbonate (ankerite) + albite veins within alteration halos of biotite + carbonate + disseminated pyrite.

Exploration in the region very active as seen by recent announcements from Osisko Mining's (T-OSK) Windfall Lake project (feasibility study expected by 2017) and Bonterra Resources' (V-BTR) Gladiator project.



Companies Active in the Urban-Barry Greenstone Belt



Source: Bonterra Resources

DUBUISSON

Metanor also owns the Dubuisson property, covering 432 hectares within the city limits of Val-d’Or, Québec.

The property is located seven kilometers west and along strike of the Sigma mine that has produced over four million ounces of gold. Just to the south of Sigma, Integra Gold (V-ICG) has four rigs turning on its Lamaque South gold project.

From 1933 to 1937, 64,850 tonnes were mined at Dubuisson at an average recovered grade 7.2 g/t Au for a total of 15,000 ounces.

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Ticker	Company	1	2	3	4	5	6
V-MTO	Metanor Resources Inc.			X		X	

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