



SECUTOR

CAPITAL MANAGEMENT CORPORATION

COMPANY SUMMARY

Location:	Desmaraisville, QC
Flagship:	Bachelor Lake
Ownership:	100 %, ~2% avg NSR, 20% gold stream
Commodity:	Gold
Status:	Production
Reserves:	200,177 oz Au
Total Resources:	1.60 Moz Au
Catalysts:	Commercial Production, exploration results

MARKET DATA

Price:	\$ 0.14
Market Cap:	\$ 37.4 MM
Common Shares:	267.3 MM
Fully Diluted:	290.9 MM
52 Wk Range:	\$ 0.07 - 0.26
30 Day Avg Vol:	474,900

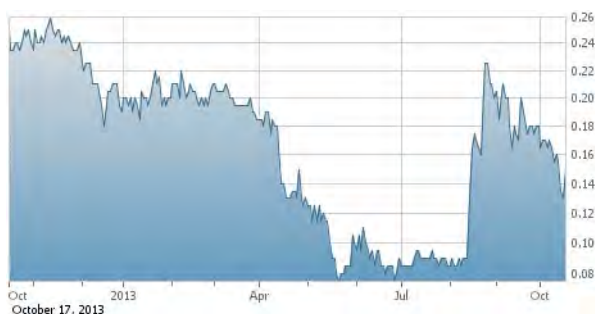


VALUATION

NAV	BASE	UPSIDE
Bachelor Project NPV	\$ 68.6 MM	\$ 132.9 MM
Barry Project	\$ 11.1 MM	\$ 11.1 MM
Debt	\$ 17 MM	\$ 17 MM
Cash	~\$ 5 MM	~\$ 5 MM
NAV	\$ 67.7 MM	\$ 132.0 MM
NAV/Share	\$ 0.24	\$ 0.47

TOP HOLDERS

Sprott Asset Management LP
 Marquest Asset Management Inc
 Sentry Investments Inc
 Caisse de Depot et Placement
 Precious Capital AG
 Fiera Capital Corporation
 Roy, Serge



Arie Papernick
 Equity Capital Markets
 apapernick@secutor.ca
 (416) 847-1220

Lilliana Paoletti
 Analyst
 lpaoletti@secutor.ca
 (416) 545-1015

Company Update

METANOR RESOURCES (V-MTO)

Bachelor Continues to Ramp Up Towards Commercial Production

Grade and Throughput Increases at Bachelor, 2014E Production of 53,000 Ounces Au

Metanor has announced progress on a number of fronts at the Bachelor Mine, despite some start-up troubles in the spring. **The grade and throughput improved markedly in August and came in at 6.46 g/t Au, and 688 tpd respectively to produce 4,312 ounces of gold.** The Company intends to declare commercial production after a few months of steady production. **For this calendar year, Management is anticipating total gold production of approximately 53,000 ounces at an initial cash cost of ~ \$800 per ounce.**

Planned 250 tpd Mill Upgrade at Bachelor

Metanor is planning to upgrade the mill in 2015 to increase capacity by **~ 250 tpd for a cost of ~\$4 MM.** Management expects that the upgrade will allow gold production of up to **approximately 82,000 ounces per year, compared to just 60,000 ounces.**

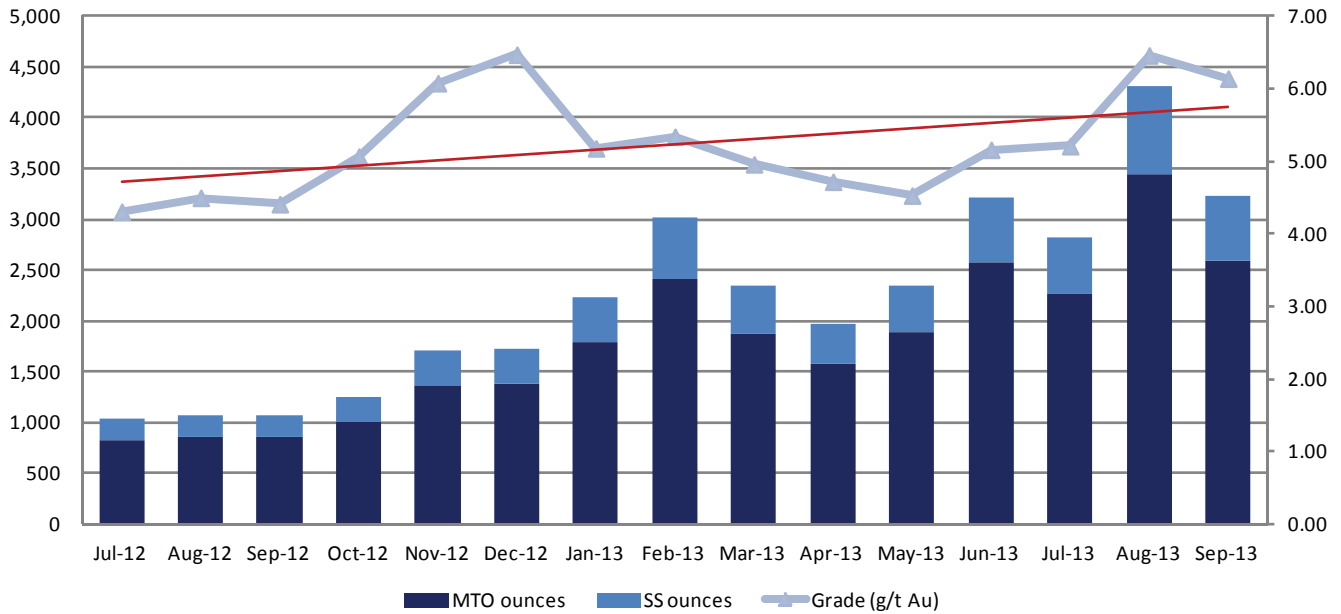
Significant 30,000 m Exploration Drill Program

The Company announced a 15,000 m drill program at both Bachelor and Barry to increase resources. **Recent drilling at Bachelor led to the discovery of the highly prospective Western Extension of the Main Vein.** The upcoming exploration program will focus on testing IP anomalies on the Bachelor Property as well as the depth extension at Hewfran, located 2.5 km west of the Bachelor Mine. As for Barry, drilling will test the IP anomalies identified between 2009 and 2011.

Valuation

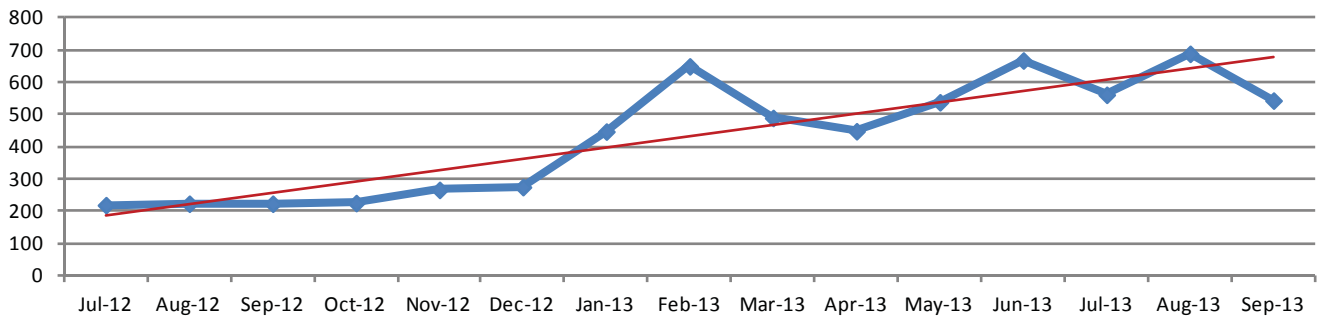
Based on recent discussions with Management, a **base case Net Asset Value per share of \$0.24** was calculated at **\$ 1300 gold**, as well as an **upside scenario including the mill upgrade which yielded \$0.47.** However, if a gold price of **\$1600 per ounce** is used, these numbers increase to **\$0.34 and \$0.67 respectively.**

Monthly Gold Production Summary (July 2012 to September 2013)



Source: Company Filings, Secutor Capital Management Corp

Monthly Mill Throughput (July 2012 to September 2013)



Source: Company Filings, Secutor Capital Management Corp

Grade and Throughput Improving at Bachelor

Metanor continues to ramp up to commercial production. **The Company produced 33,385 ounces during the period running from July 2012 to September 2013, and is targeting close to 53,000 ounces in gold production for the 2014 calendar year.** The above graph tracks Metanor’s progress in terms of the ramp-up. Grade has been erratic over the past year which is understandable, given that the Company is still processing development ore. However, a marked improvement in the grade can be seen in August and September. **The grade came in at 6.46 g/t Au and 6.14 g/t Au respectively due to the commencement of mining activities at Stope 13, which also resulted in an increase in the tonnage processed.** Gold production totalled 4,312 ounces in August and 3,231 ounces in September. **Metanor is expecting that the blended head grade will be approximately 7.04 g/t Au once the milling of development ore ceases.**



Development Increasing Active Stopes

Production decreased to around 2,000 ounces during the March to April period due to some start-up troubles at the mine. The dip in April was due to a blown circuit at the mill. **The dip in March was because of the lack of work stations in operation, which is currently the bottleneck at Bachelor, not the mill.** Presently, tonnage is mined steadily from 2 stopes however; long-hole production drilling is continuing at three different stopes to eventually have all of these in operation, which will increase the tonnage milled per month. In July, development was initiated on Level 10 and mining activities continued on Level 14, 13, 12, and 11. **Production for the past three months has ranged from 2,800 ounces to 4,300 ounces.**

Valuation: Bachelor Mine

Two scenarios were modelled for the Bachelor Lake Mine, resulting in two distinct NAV/share values. **The Base Case** assumes that the mill will process Bachelor ore at a rate of **713 tpd** during its prime and that no additional resources will be discovered at Bachelor. The model includes 100% of the reserves as well as 100% of the Inferred Resource. **This scenario yields an NPV of \$67 MM and a NAV per share of \$0.24. At \$1600 gold, the NAV/share increases to \$0.34.**

The Upside scenario assumes that the mill will process ore at an average rate of **879 tpd** during its prime, with a maximum processing rate of 960 tpd based on the processing of ore exclusively from Bachelor. **Management is planning to upgrade the mill in 2015 to expand processing capacity by 250 tpd.** Based on the latest quotes from contractors, the Company is **expecting that the upgrade can be completed for approximately \$4 million.**

Additionally, the model assumes that the resources at Bachelor will increase. **Therefore, the model includes 100% of the reserves, 100% of the Inferred Resource, and an additional 290,000 ounces that were added to account for the newly discovered Western Extension of the Main Vein.** According to Management, this vein appears to be much larger than originally expected by the Company and has shown widths of 40 ft on Level 13, compared to the more common 24 ft widths seen in the developed mine areas on Level 14. The vein remains open towards surface. Metanor disclosed a potential exploration target of 1.455 Mt at a grade of 4.25 g/t Au for this area, however, **the model assumes that the grade will be similar to that of the current resources.** Metanor believes the area to be highly prospective, and with intercepts, including **22 m at a diluted grade 8.17 g/t**, it is possible that the grade of this area may increase with additional definition drilling. **This scenario yields an NPV of \$133 MM and a NAV per share of \$0.47/share. At \$1600 gold, the NAV/share increases to \$0.67.**



Assumptions

Both models assumed a gold price of **\$1300** and a **discount of 8%**. The discount rate was arrived at based on the Company's Weighted Average Cost of Capital, taking into account the equity, debt, and Sandstorm Metal Stream, and rounding to the nearest percentage.

Metanor has said that it is targeting a direct cash cost of \$800/oz. However, according to Management, it appears that the mine has been operating at a lower cost. **The average monthly operating costs were used to arrive at the average total cash cost of \$681/oz in the base case model, and \$609/oz in the upside case.**

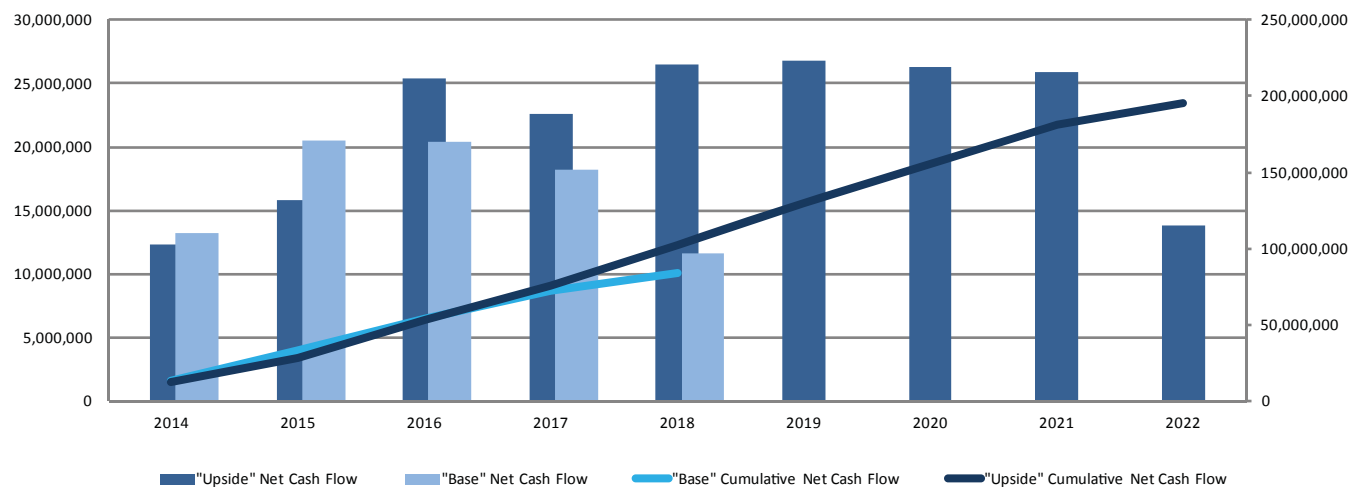
Bachelor Mine Assumptions

PARAMETER	BASE CASE	UPSIDE
Ounces Gold Produced (oz)	277,026	626,476
Ounces Gold Sold to Sandstorm @ \$500/oz	55,405	125,295
Avg Annual Production during Prime Years (oz)	60,844	75,022
Avg Mining Rate during Prime (tpd)	713	879
Approximate Mine Life (yrs)	5	9
Grade (Avg g/t)	6.65	6.80
Mill Recovery (%)	96.8%	96.8%
Direct Cash Cost (\$/oz)	583	524
Cash Cost incl. Capex (\$/oz)	658	593
Total Cash Cost incl Capex, Royalties (\$/oz)	681	609
LOM Capital Expenditures (\$)	18,800,000	37,200,000
Contingency (%)	10%	10%
Salvage Value (\$)	0	0
Inflation	0	0
Currency Exchange (CDN:US)	1	1
QC Mining Tax Rate (%)	23%	23%
Provincial Tax Rate (%)	12%	12%
Federal Tax Rate (%)	15%	15%
Non-Capital Losses (\$)	45,165,976	45,165,976
Gold Price (US\$/oz)	1300	1300
Net Revenue after Royalties (\$)	354,053,128	805,058,067
Operating Cash Flow (\$)	148,092,788	379,480,934
Cash Flow Before Tax, after Interest (\$)	143,892,788	375,280,934
Cash Flow After Tax (\$)	104,242,312	236,336,438
Discount (%)	8.0%	8.0%
NPV (\$)	67,280,829	132,890,795

Source: Company Filings, Secutor Capital Management Corp



Comparison of “Base” and “Upside” Production Scenarios



Source: Secutor Capital Management Corp

Financial Forecasts for the Bachelor Lake Project:

	2014	2015	2016	2017	2018
Operating Overview					
Gold Production (oz)	53,105	60,844	60,844	60,844	41,388
Total Cash Cost (\$/oz)	774.06	654.40	652.20	652.20	670.45
Financial Overview					
Cash Flow from Operations (\$)	24,273,010	33,506,003	33,639,969	33,639,969	23,033,836
Net Cash Flow (\$)	13,211,850	20,496,556	20,366,882	18,254,030	11,592,993
Commercial Gold Sold	42,484	48,676	48,676	48,676	33,110
Average Realized Gold Price	1300	1300	1300	1300	1300

Source: Secutor Capital Management Corp

Upside Scenario, Including Mill Upgrade

	2014	2015	2016	2017	2018
Operating Overview					
Gold Production (oz)	53,105	60,844	69,378	69,378	79,789
Total Cash Cost (\$/oz)	774.06	726.72	601.78	601.78	554.88
Financial Overview					
Cash Flow from Operations (\$)	24,273,010	33,506,003	41,300,554	41,300,554	50,646,468
Net Cash Flow (\$)	12,370,817	15,776,045	25,347,380	22,597,555	26,529,304
Commercial Gold Sold	42,484	48,676	55,502	55,502	63,831
Average Realized Gold Price	1300	1300	1300	1300	1300

Source: Secutor Capital Management Corp



Bachelor Lake Project Sensitivity Table, Effect on NAV/Share for Upside Scenario

		Discount Rate			
		6%	8%	10%	12%
Gold Price	\$1,200	0.44	0.40	0.37	0.34
	\$1,300	0.52	0.47	0.43	0.40
	\$1,400	0.58	0.53	0.49	0.45
	\$1,600	0.73	0.67	0.61	0.56
	\$1,800	0.87	0.80	0.73	0.67
	\$2,000	1.01	0.93	0.85	0.78

Source: Secutor Capital Management Corp

Valuation: Barry

Barry was valued at \$11.1 MM based on a comparison with Eagle Hill's Windfall Lake Property. The two projects are both hosted within the Urban-Barry Greenstone Belt in the Abitibi. However, Eagle Hill's project does have a significantly higher grade and a larger compliant resource. To account for these differences, **Barry was valued on a per ounce basis by using Eagle Hill's adjusted market cap and discounting the result because of the lower grade.** The discount was determined based on the difference in adjusted market value per ounce of comparable Canadian companies with high-grade and low-grade projects.

However, it is worth noting that **Barry exhibits significant exploration potential and has already been substantially de-risked which is not accounted for in the valuation.** The Property has over 150 IP anomalies and a potential strike length of 13 km with the mineralization remaining open at depth. The current resources have been outlined over a strike of 1 km and a depth of 400 m. **Barry is fully permitted and 43,000 ounces of gold from the deposit has been processed at the Bachelor mill,** therefore the metallurgy is well understood.



Metanor and Eagle Hill Corporate Comparison

	MTO	EAG
Price (\$)	0.17	0.105
Shares	267,300,000	374,000,000
Market Cap (\$)	45,441,000	39,270,000
Properties	Multiple	One
Cash (\$):	5,000,000	7,000,000

Source: Company Filings

Barry and Windfall Comparison

	Barry Project	Windfall Lake Property
Ownership:	100%	100%
M&I Resource (oz):	309,500 @ 1.25 g/t	538,000 @ 10.05 g/t
Inferred Resource (oz):	471,950 @ 1.41 g/t	822,000 @ 8.76 g/t
Total Resource (oz):	781,450	1,360,000
Grade Discount:	40.00%	-
Value per oz using MC:	14.24	23.73
Value per oz using Trans:	12.35	20.59
Value using Market Cap:	11,125,320	-

Source: Company Filings



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